

# Reduced Risk Review

## March 2005

Keith Lenghaus

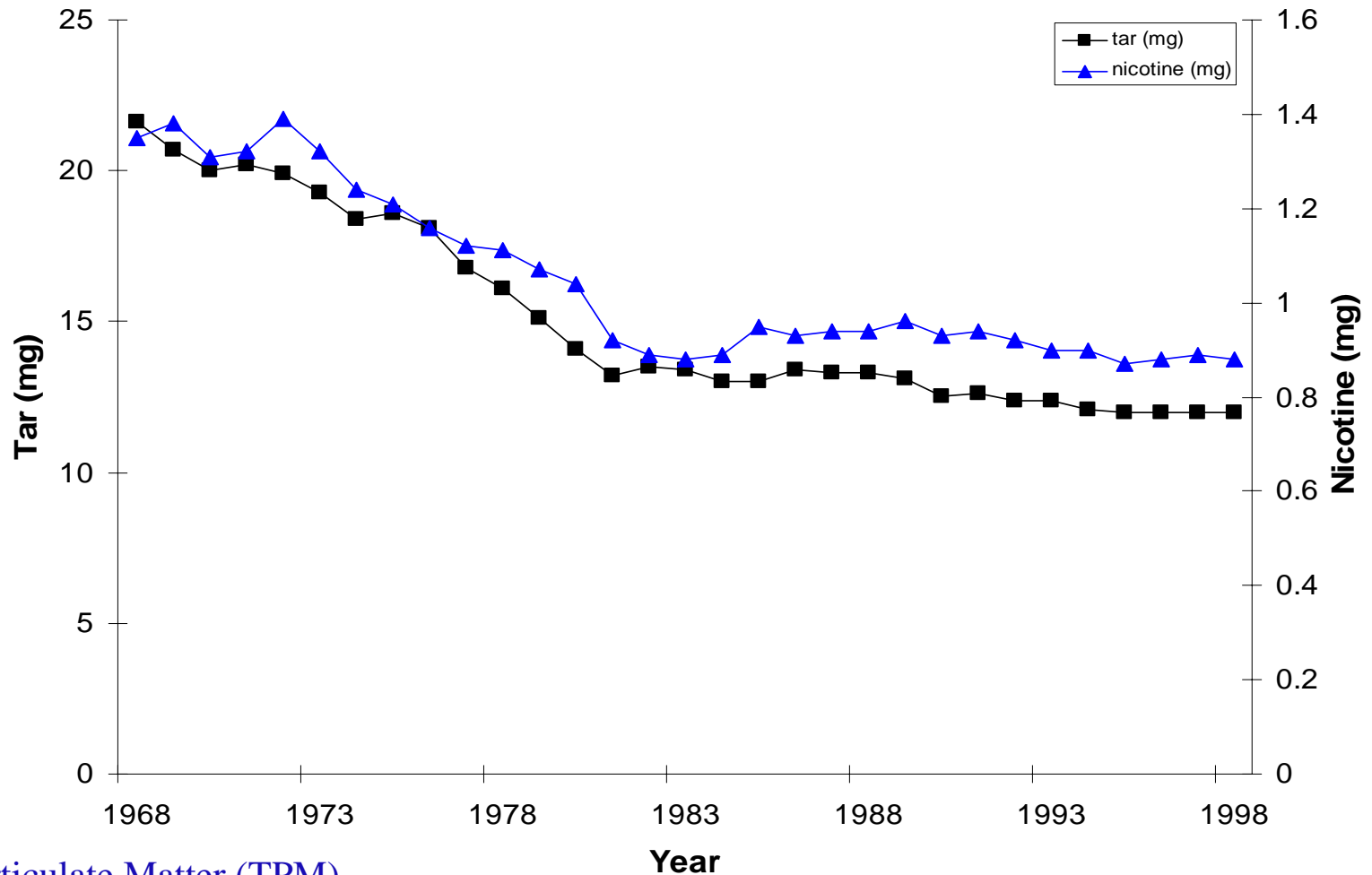


# Reducing Exposure

- Add filters (1950s)
  - Rapid gain in market share
- Reduce tar, nicotine (1960s on)
  - FTC method
  - Competitive advantage
- Advertising

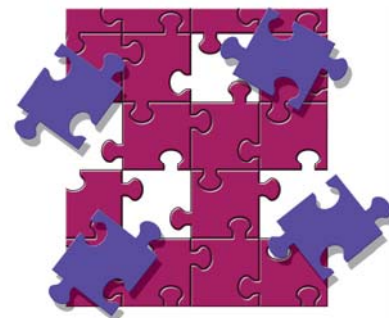
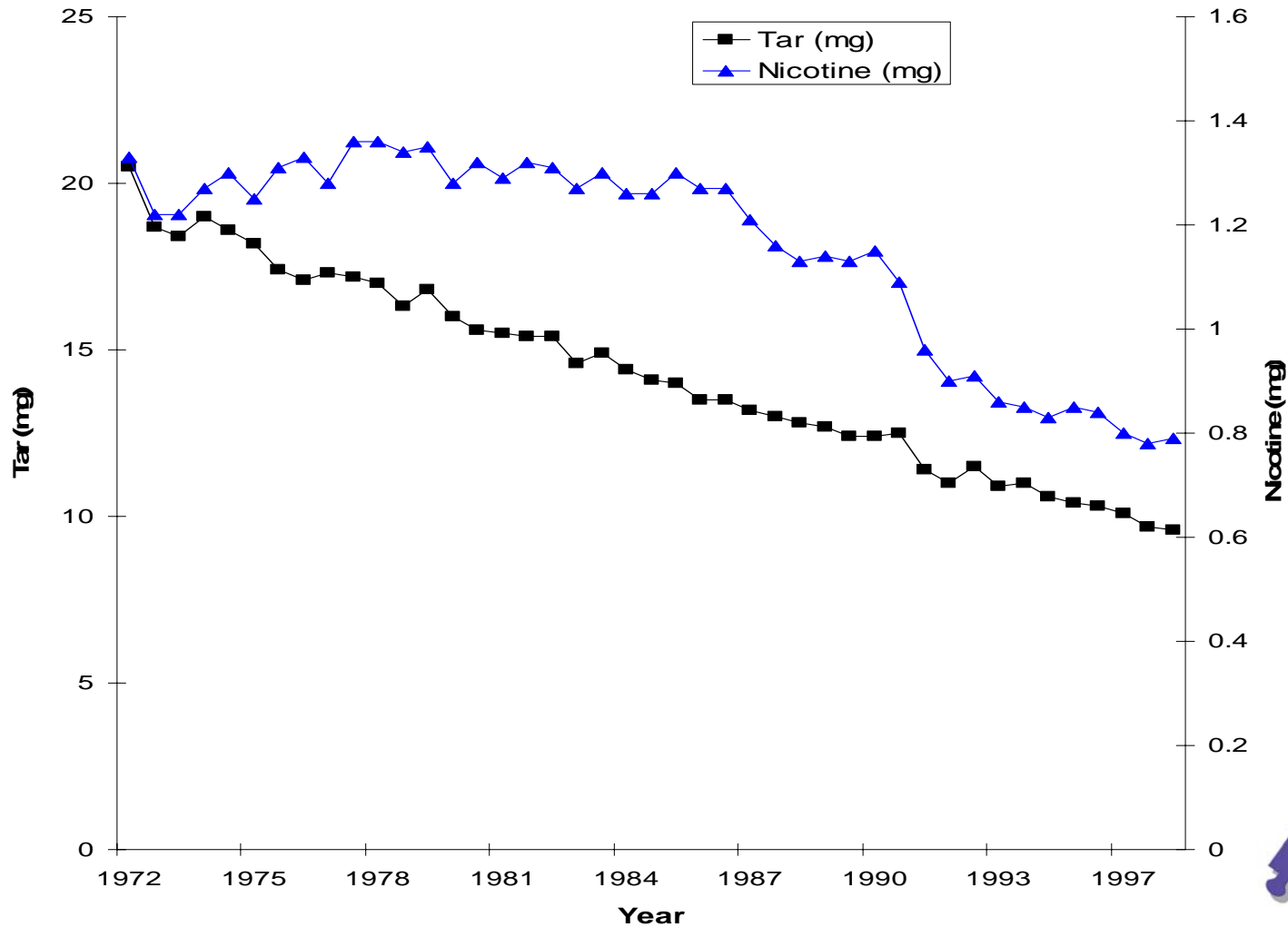


# US Sales Weighted



- Total Particulate Matter (TPM)
  - that portion of smoke which is collected on a Cambridge Filter.
- FTC tar
  - Total Particulate Matter minus the nicotine and water content.

# UK Sales Weighted

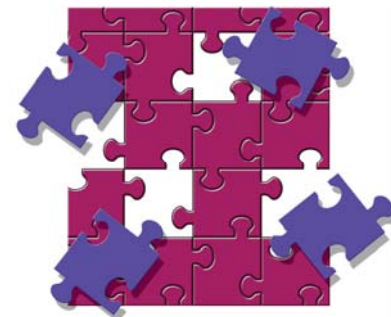


# Market Share

Brand Name	Frequency <sup>a</sup>	Valid percent <sup>b</sup>	95% CI		Cumulative percent <sup>b</sup>
			Lower bound	Upper bound	
Marlboro light	197	18.7%	16.3%	21.1%	18.7%
Marlboro regular	154	16.2%	14.0%	18.4%	39.4%
Newport regular	87	8.4%	6.7%	10.1%	43.3%
Camel light	37	3.7%	2.6%	4.8%	47.0%
Camel regular	35	3.4%	2.3%	4.5%	50.4%
Marlboro ultralight	31	3.1%	2.0%	4.2%	53.5%
Basic light	24	1.8%	1.0%	2.6%	55.3%
Kool regular	24	2.5%	1.6%	3.4%	57.8%
Newport light	23	2.5%	1.6%	3.4%	60.3%
Winston regular	23	2.2%	1.3%	3.1%	62.5%
Basic regular	22	2.4%	1.5%	3.3%	64.9%
Doral light	18	1.6%	0.8%	2.4%	66.5%
Virginia Slims ultralight	16	1.2%	0.5%	1.9%	67.7%
All other brands combined	339	30.7%	27.9%	33.5%	98.4%
No current brand report	16	1.6%	0.8%	2.4%	100.0%

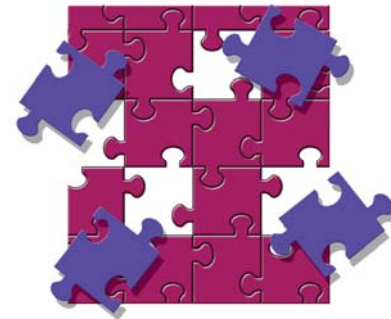
<sup>a</sup>Unweighted frequencies shown.

<sup>b</sup>Percentage estimated are weighted to the national current smoker age, race, and gender distribution in the United States.



# Terminology

- Hecht (2005)
  - Regular
    - $> 14.5$  mg tar,  $> 1.0$  mg nicotine
  - Light
    - $6.5 - 14.5$  mg tar,  $0.5 - 1.0$  mg nicotine
  - Ultralight
    - $< 6.5$  mg tar,  $< 0.5$  mg nicotine
- Approximately as used
  - *Italics*: estimated from FTC report



# Perceptions

- Terms ‘light’, ‘ultra’, ‘mild’ are unregulated in US
- ~ 2 in 3 smokers believe that they are regulated
- Smokers think these terms refer to tar and nicotine content
  - 40% regular smokers
  - 56% regular, thought of switching to lights
  - 60% lights smokers
- Terms are ...“used as descriptors of...taste and flavor”
  - Philip Morris insert, included with their light and ultra-light cigarettes



# Worldwide

- Lights have health benefits
  - Canada 43%
    - (after an ad campaign “light and mild = deceptive and deadly”)
  - U.S 51%
  - U.K. 70%
  - Australia 55%
- Puff affects tar and nicotine
  - Canada 72%
  - U.S. 76 %
  - U.K. 80%
  - Australia 69 %
  - Associated with increased belief that light cigarettes are healthier
    - Do smokers believe they can affect/control their exposure?





# WHO – Framework Convention on Tobacco Control

- **Article 11** - Packaging and labelling of tobacco products

....ensure that:

- (a) tobacco product packaging and labelling **do not** promote a tobacco product **by any means that are false, misleading, deceptive** .....

These may include terms such as “**low tar**”, “**light**”, “**ultra-light**”, or “**mild**”; (emphasis added)



# Around the World

- “The Canadian government has concluded the terms low tar, light and ultralight are deceptive to the consumer. The European Union and Brazil have banned the terms.”
  - from Altria 2004 notice of Annual Meeting of Stockholders (Proposal 4)



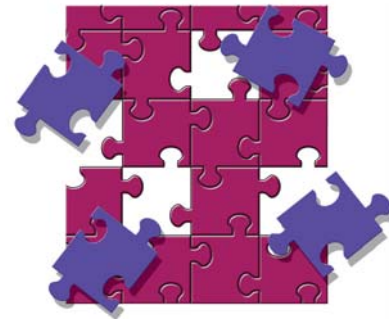
# Some responses

- “Philip Morris' new cigarette brand carries the labels "full", "smooth" or "fine" flavour.”
  - in The Age March 9 2005

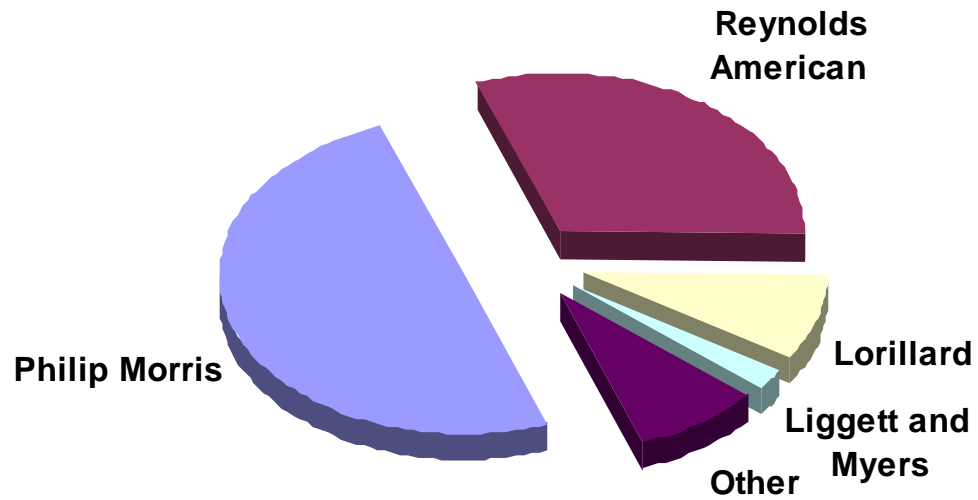


# Current US Tobacco Market

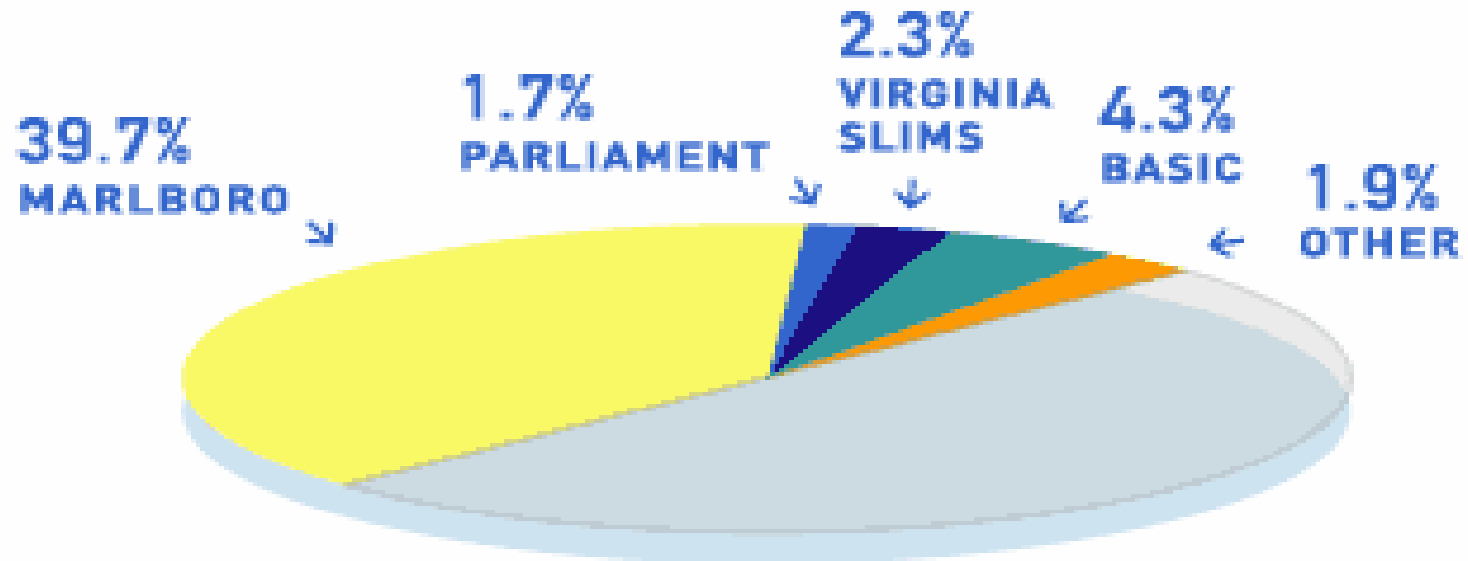
- Emerging PREPs
- Context



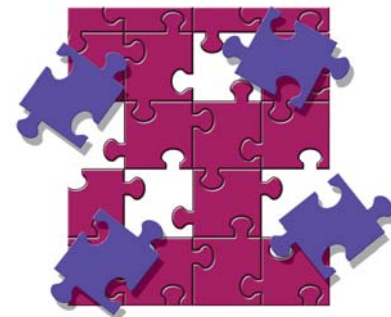
# US Cigarette Market



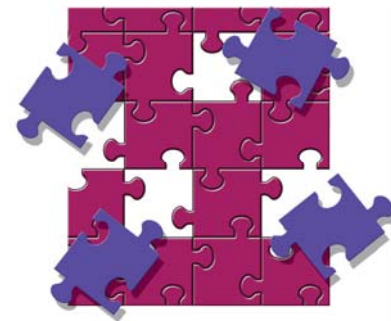
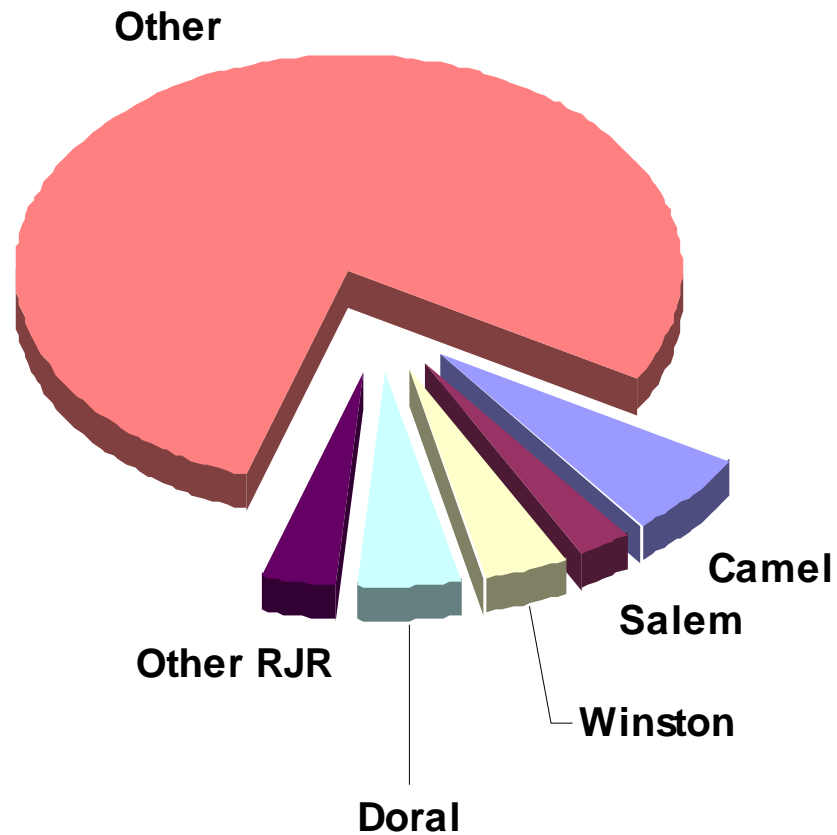
# Philip Morris



Total share: 49.9%



# RJ Reynolds



# Smokeless

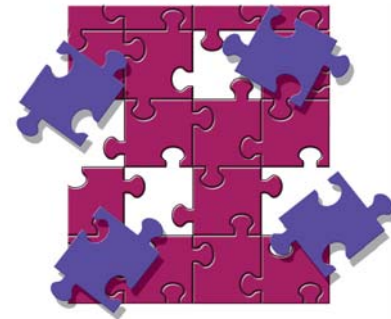
- Smokeless Tobacco Market Share
  - USSTC 43%
  - Conwood 23.0%
  - Swedish Match 20.8%
  - National 5.9%
  - Swisher 6.3%





# Current PREPs

- Star
  - Low nitrosamine curing process
  - Advance cigarettes, now discontinued
  - Smokeless; Ariva (cigarette: mint flavoured soluble tobacco) and hard snuff
- Omni
  - Reduced carcinogens
  - Currently not actively marketed
- Eclipse
  - modified combustion, lower temperature
- >60% smokers polled agreed that the advertising for each implied a health benefit
- Marlboro Ultra Smooth
  - Carbon filter
  - Test marketing in Salt Lake City, Tampa and Atlanta
  - SCoR – Specific Component Reduction



# Pouch Smokeless

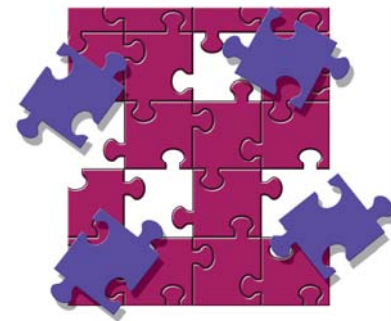


UST Inc

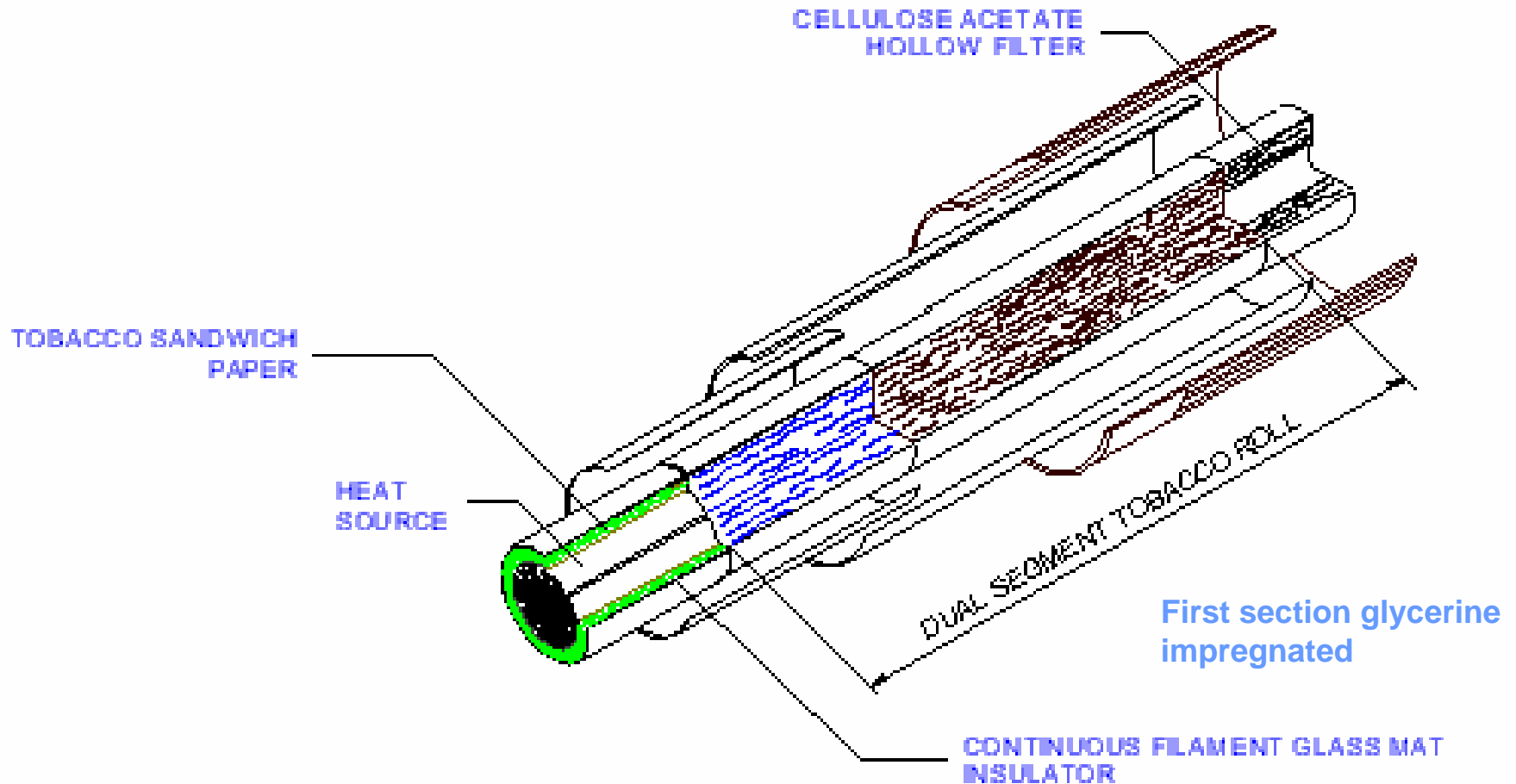
- NOT marketed as reduced risk
- Smoke free, odor free, no need to spit
  - Under upper lip
- United Smokeless approached FTC 2/2002
  - Advertise smokeless as “significantly reduced risk alternative”
  - Withdrawn 8/2002, pending further research



Swedish Match

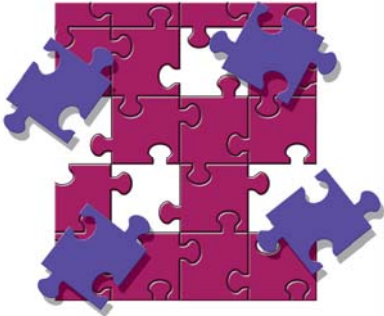


# How Eclipse Works

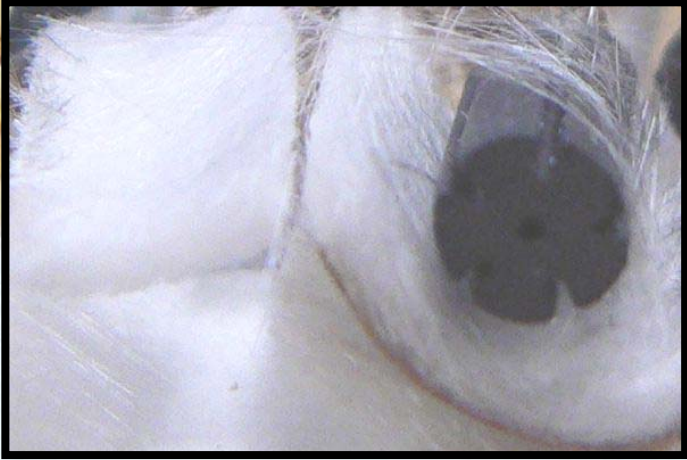
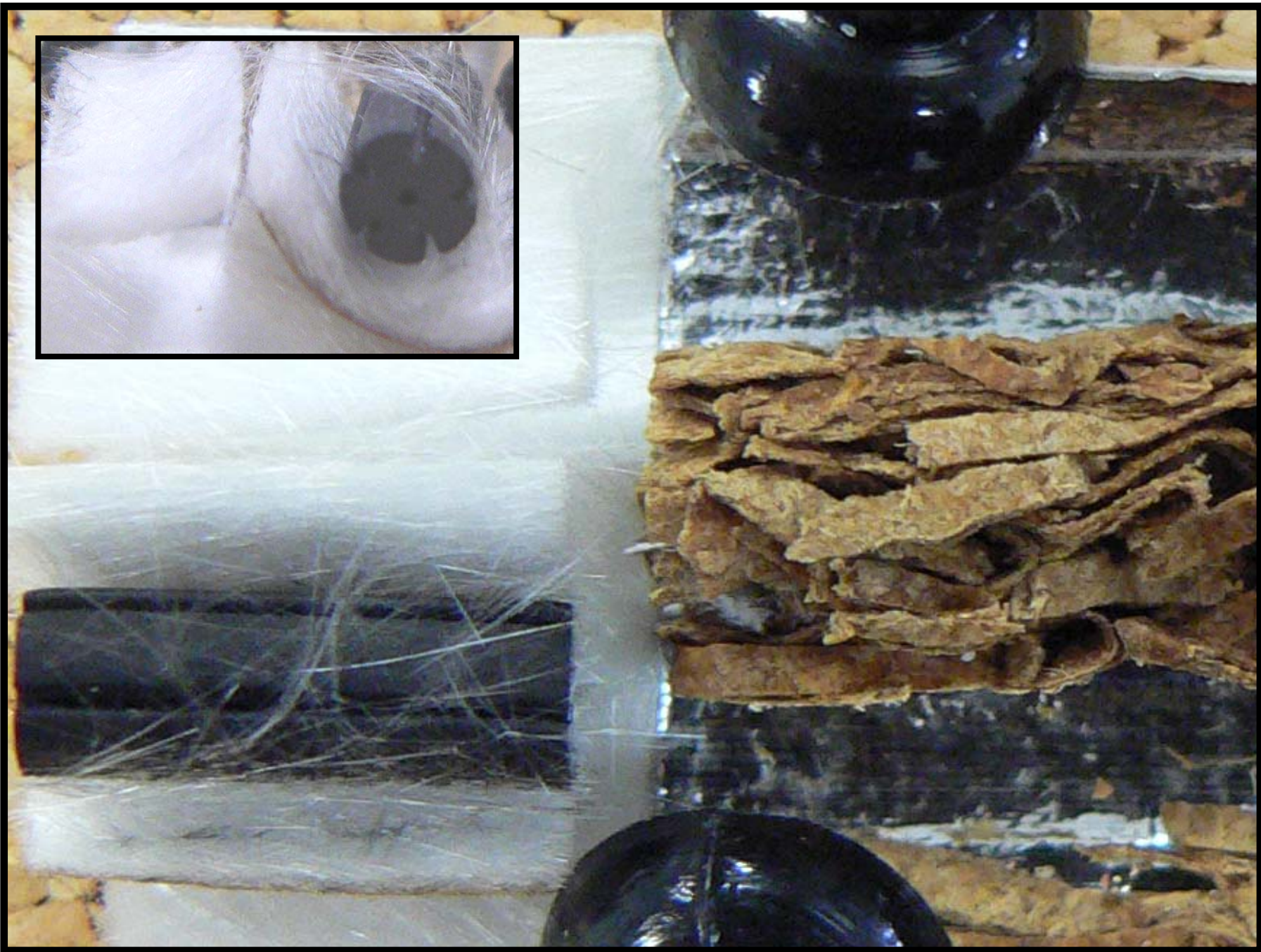




Heat Source: Carbon tip







# Eclipse

- Carbon tip burns 6 – 7 minutes
- Reduced sidestream smoke ( $\sim 80\%$ )
- Heated air vaporises glycerine
  - Nicotine
  - Flavor, aroma agents



# Summary

- Reduced exposure 50 year history
- Rapid shifts in market share, marketing
- Consumers better informed?

