



ILLICIT MONITOR

Period Ending October 15, 2016

Date: November 11th, 2016

METHODOLOGY

What?



Continuous Online Tracking study

Who?



Adult smokers

(At least 19 years and 7 months old)

When?



**Current reporting period = November 2015 – October 2016
(period ending October 15, 2016)**

Where?



Ontario (sample size = ~ 500 per month)

Note: Generally, people tend to under-report socially undesirable beliefs, but may also over-report behaviours that are socially desirable. When thinking about the validity of the online methodology in capturing illicit tobacco usage, the online methodology actually provides a certain anonymity to the respondents that favours more truthful reporting relative to an interviewer administered phone survey.

ILLICIT SUMMARY:

Ontario (P7D Share: 36%, TVU: 25%)

Illicit saw a 4 weekly spike in August after dipping in July. This spike continues to affect the most recent 12 week period. The most recent 8 weeks appear to be returning to levels comparable to the last 2 years.

Recent illicit carton price increases appear to be having little impact on the purchasing of illicit.

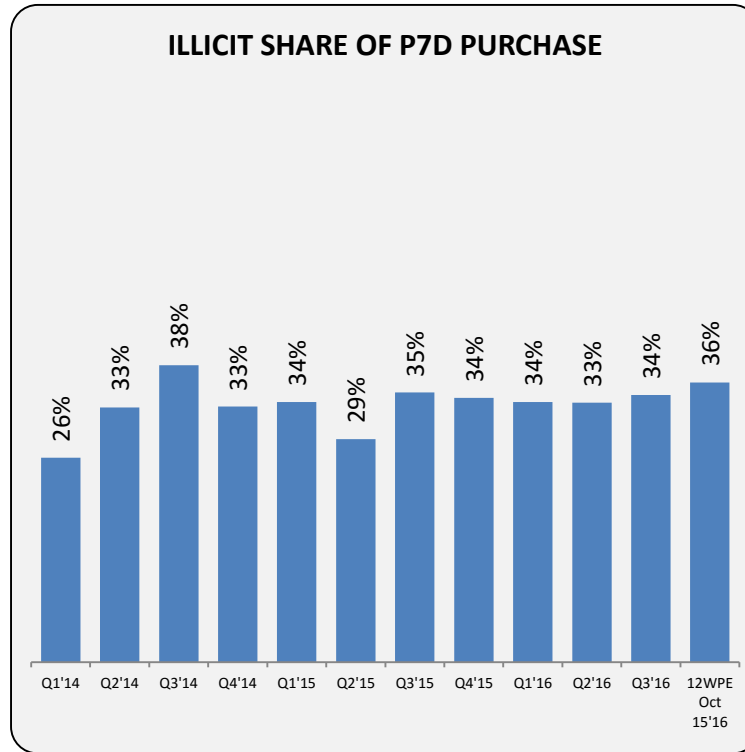
P7D purchasing of illicit in GTA continues to be strong, 30% of all cigarettes purchased. Reservation buying is a key driver of the growth we have seen for illicit in GTA, where it accounts for 73% of the illicit purchase volume.

Definitions:

TVU = Total Variant Usage (regular, occasional , or brand bought in the past 7 days)

P7D SHARE = Share of past seven days purchase (based on total volume of sticks purchased)

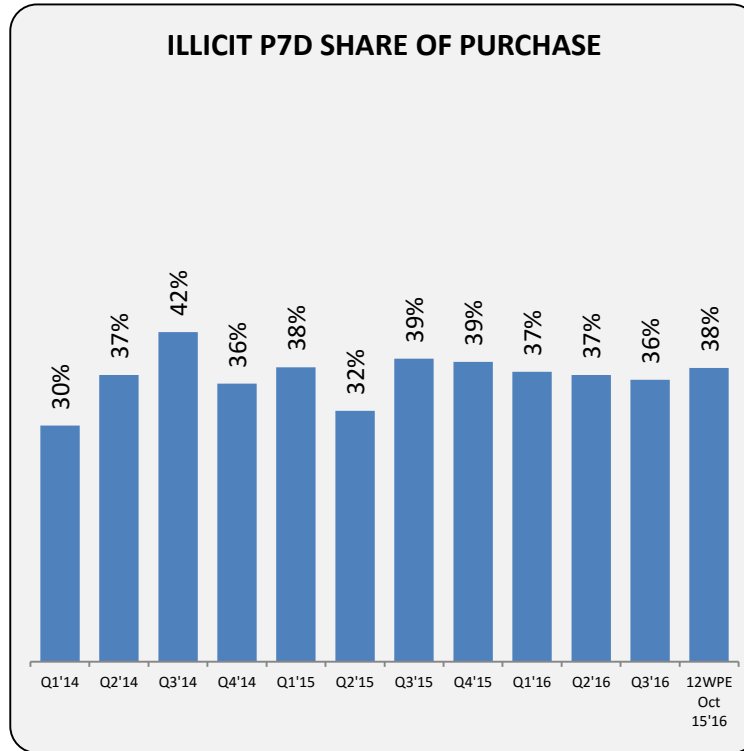
ILLCIT – ONTARIO – QUARTERLY



P7D share in the most recent 12 week period has inched up largely a result of a low July 4 wk number falling out of the calculation.

ROO

ILLCIT – ROO – QUARTERLY

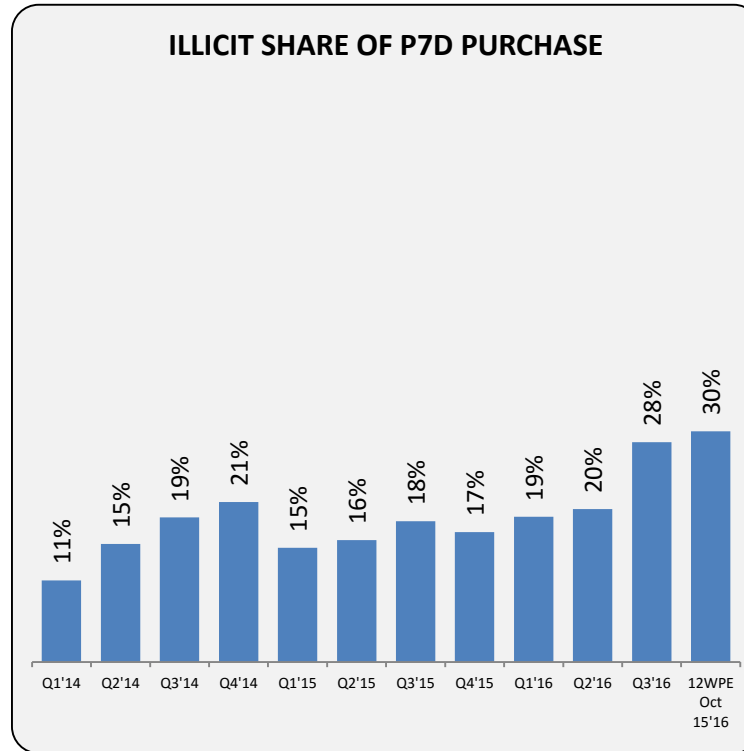


ROO= Rest of Ontario (Ontario excluding GTA)

P7D share in ROO is stabilizing.

GTA

GTA – QUARTERLY

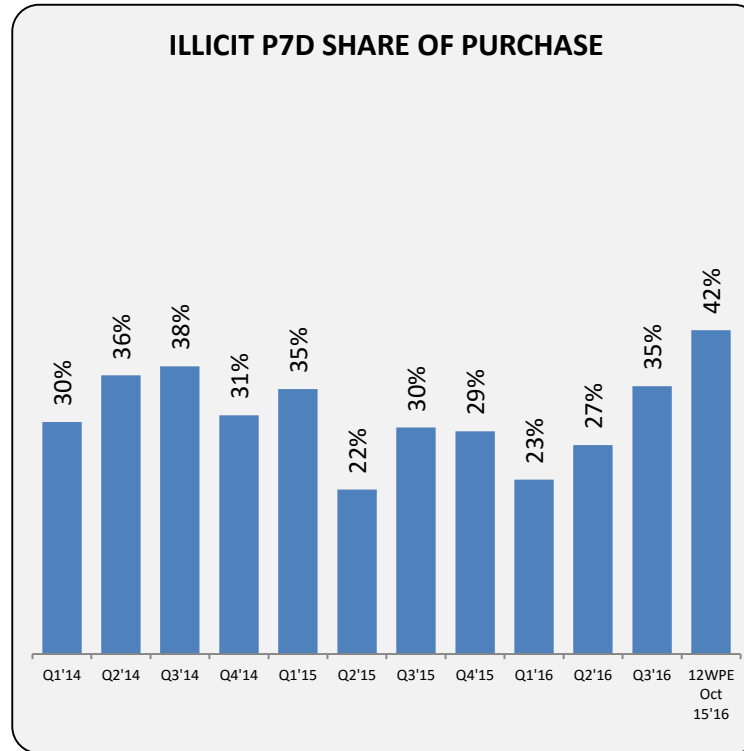


GTA – Large P7D illicit share increase in Q3'16 is being maintained.



OTTAWA / EASTERN ONTARIO

OTTAWA / EASTERN ONTARIO – QUARTERLY

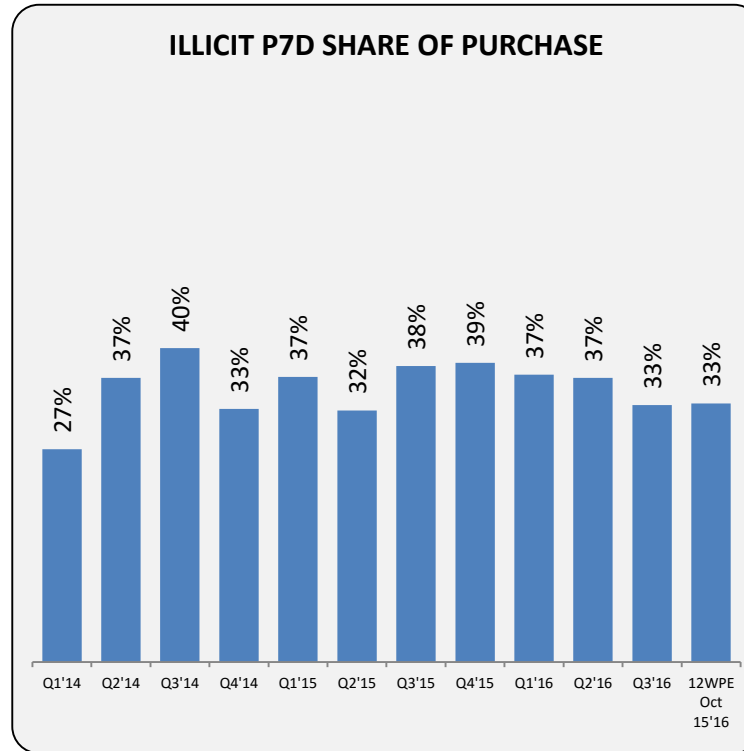


Ottawa – P7D share at 42%.



SOUTHERN ONTARIO

SOUTHERN ONTARIO – QUARTERLY

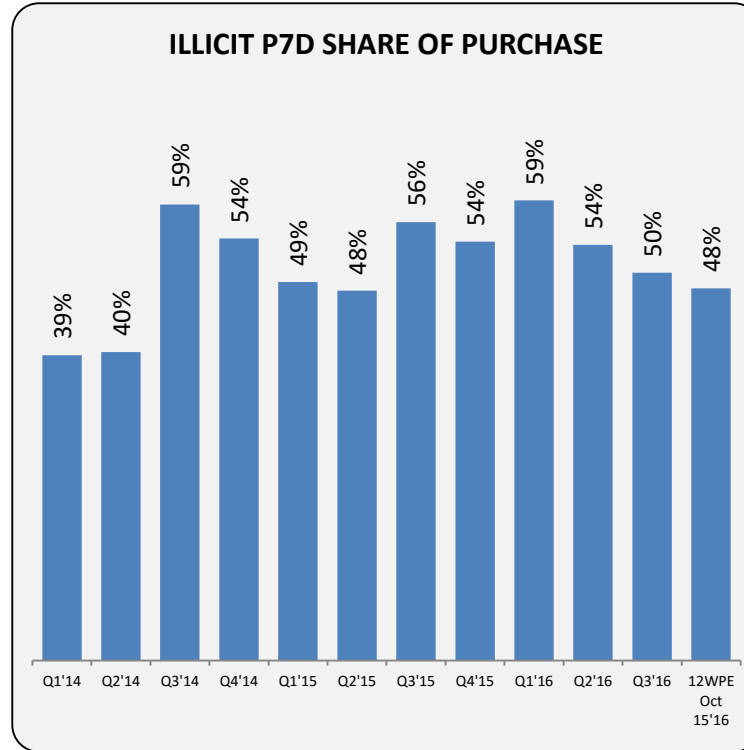


Southern Ontario P7D share is even at 33%



NORTHERN ONTARIO

NORTHERN ONTARIO – QUARTERLY



Northern Ontario –P7D share remains high at 48%.