

7.3.3. Executive Summary: Whole Offer Test (WOT) studies

PMI has conducted “Whole Offer Test” consumer studies in five countries for the THS. The WOTs studies have been conducted in Japan, Italy, Germany, Switzerland, and South Korea between June 2013 and June 2015.

The WOTs have been undertaken to evaluate the adult smoker response to different elements of THS offer and their likelihood of switching from CC to THS.

WOT consists of a single group, descriptive actual use study of THS involving an assessment of participants’ self-reported, stick-by-stick consumption of *HeatSticks* and of CC.

The study population included a quota sample of adult smokers aged between one year above the national legal smoking age and 64 years. The sample was frequency matching the adult smoker population on age, gender, social status, and main CC brand. Participants were recruited using market research databases.

During the observational period, participants were free to consume both *HeatSticks* and CC *ad libitum*. They had access to *HeatSticks* at no expense, while they had to purchase CC at their own expense. THS devices and *HeatSticks* provided to participants were unbranded. The duration of the observational period was four weeks. The analysis was based on participants’ self-reported, stick-by-stick consumption of *HeatSticks* and of CC on a weekly basis.

By the end of the observational period, the proportion of participants who started using *HeatSticks* (i.e. consumed at least 100 *HeatSticks*) ranged from between 36.1% (Italy) to 76.3% (South Korea).

Among those who consumed at least 100 *HeatSticks*, between 18.0% (Switzerland) and 47.4% (South Korea) had switched to *HeatSticks* (consumption constituted 70% or more of total tobacco consumption), suggesting that a rather substantial portion of adult smokers are able to substitute CC, completely or almost completely, with *HeatSticks*.

The proportion of participants, amongst those who switched to *HeatSticks*, who had switched back to CC was very low in all countries, ranging between 0.0% (Japan) and 3.3% (South Korea), suggesting that the likelihood of relapsing to CC is limited.

By the end of the observational period, between 3.9% (Switzerland) and 15.3% (South Korea), of those who consumed at least 100 *HeatSticks*, have used *HeatSticks* exclusively

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(consumption constituted 95% or more of total tobacco consumption) indicating that, for a portion of adult smokers, *HeatSticks* are able to represent an alternative to CC.

Study data also shows that there is no evidence that would suggest that the availability of *HeatSticks* would lead to an increase in daily average total tobacco product consumption and that *HeatSticks* may be more attractive to adult smokers aged above 25 years old than young adult smokers.

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