



Brief Report

Examining Market Trends in Smokeless Tobacco Sales in the United States: 2011–2019

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Abstract

Introduction: The smokeless tobacco (SLT) industry in the U.S. continues to transform with novel products amid an evolving regulatory environment. We report SLT sales trends in the U.S. by analyzing retail market scanner data from 2011 through 2019.

Methods: National SLT sales data were obtained from Nielsen's Convenience Track System for January 2011 to December 2019. UPC codes were used to classify products by attributes including type, parent company, brand, form, and flavor. Market share was calculated as percentage of total unit sales. Detailed product analysis was presented for moist snuff, snus, and tobacco-free nicotine products.

Results: SLT sales increased by 5.8% between 2011 and 2016 but declined by 3.9% from 2016 to 2019. Moist snuff sales increased by 8.1% between 2011 and 2016 and then declined 7.4% from 2016 to 2019 but still accounted for roughly 90% of the overall market annually. Between 2011 and 2019, snus sales consistently increased while sales of chew, dry snuff, and dissolvables decreased. Tobacco-free nicotine products emerged in 2016 and captured 4.0% of the market by 2019. Portion pouch packaging and flavors showed consistent growth although their popularity varied by the type of smokeless product.

Conclusion: This study extends our previous work on U.S. SLT market trends through 2019. Overall sales increased between 2011 and 2016 but there were signs of leveling off including declining sales of moist snuff. Newer products continue to gain market share. Continued monitoring of SLT sales is needed, particularly given the new modified risk status of several products.

Implications: This study analyzed the last 9 years of smokeless tobacco market data (2011–2019) to describe recent trends in sales. Overall, the smokeless product category is quite resilient although signs suggest downward trends among some product categories and features. New types of smokeless tobacco products (eg, snus and tobacco-free nicotine pouches) account for a growing share of the market.

Introduction

Moist snuff consumption in the United States, the most popular form of smokeless tobacco (SLT), has steadily increased since the 1990s.^{1,2} Moreover, sales increased dramatically between 2005 and 2011, due in large part to flavors and portion pouch packaging, maintaining profits for U.S. tobacco companies despite declining cigarette sales.³ Also, the introduction of competitive

value brands⁴ and snus products as brand extensions of popular cigarettes (eg, Camel Snus) also altered the market.³ However, the smokeless tobacco industry faces an increasingly diverse marketplace that now includes electronic cigarettes – which like smokeless tobacco products provide non-combustible nicotine delivery. Electronic cigarette sales, most notably the e-cigarette brand, JUUL, increased significantly in 2017^{5,6}; concomitantly,

smokeless tobacco consumption plateaued in 2017 and appears to be declining.⁷

The tobacco policy and regulatory environment in the U.S. also continue to evolve. The 2009 Tobacco Control Act, which gave the Food and Drug Administration (FDA), authority over tobacco products, resulted in smokeless tobacco products and advertisements now carrying larger warning statements, while larger warning statements have not yet been implemented for cigarettes. Although the Tobacco Control Act did not restrict flavors in smokeless tobacco products, a growing number of localities^{8,9} banned flavors in non-cigarette tobacco products, including smokeless tobacco. In addition, many states shifted from an ad valorem moist snuff excise tax to a weight-based system which in some cases reduced the tax burden for moist snuff products.⁴ In the beginning of 2005, only six states taxed moist snuff by weight but by 2019, 23 states taxed moist snuff by weight.¹⁰ Such policies may alter the availability and price of certain smokeless tobacco products.

The diversity of products within the smokeless tobacco market also expanded. By 2019, at least five large tobacco manufacturers were selling tobacco-free nicotine pouches similar to snus.¹¹ While technically not tobacco, the nicotine is derived from tobacco and these products are primarily manufactured by the same companies that make snus and are functionally similar. Given the changing tobacco product marketplace and evolving policy and regulatory environment, we extend our previous work on the US smokeless tobacco market³ and update our market analysis through 2019.

Methods

This study updates prior research on smokeless tobacco market trends in the United States using market scanner data; our detailed methods have been described elsewhere.³ National smokeless tobacco sales data from 2011 through 2019 were obtained from Nielsen's Convenience Track system; estimates are representative of convenience stores, gas stations, independent neighborhood shops, and corner stores. Nielsen reports total unit and dollar sales by product UPC which includes detailed product attributes, such as brand, type (eg, moist snuff and snus), form (eg, portion pouch), and flavor. For the years of data (2011–2019) examined, there were over 2200 unique UPCs listed. To calculate market share estimates for attributes of interest, we coded each UPC for the presence or absence of these attributes. Flavors were categorized as: unflavored, wintergreen, spearmint/mint, and fruit. In our prior paper, we collapsed snus with moist snuff since snus is technically a moist snuff product and had very small market share in 2011 but given the rise in sales, this warrants more detailed analyses. For this analysis, we also included tobacco-free nicotine pouches, which entered the market in 2016. In all analyses, market share was calculated as a percentage of total *unit* sales, rather than dollar sales given variations in pricing between premium and value brands. Detailed product analysis (eg, brand and flavors) are reported for three products: moist snuff, snus, and tobacco-free nicotine products.

Results

Table 1 presents the number of units sold and the respective market share for each type of product between 2011 and 2019. Overall, smokeless sales increased by 5.8% between 2011 and 2016 but declined by 3.9% from 2016 to 2019 to 1075.3 billion units sold.

Traditional moist snuff was by far the most popular product, representing approximately 90% of the overall market annually. However, shifts in the overall market were more pronounced for moist snuff over the entire time period, such that moist snuff sales increased by 8.1% between 2011 and 2016, but declined 7.4% from 2016 to 2019. Snus products gained sales and market share over the time period and made up approximately 5% of the market since 2016. Sales of chew, dry snuff, and dissolvable tobacco products declined considerably (58.4%) over the time period and these three products made up less than 2% of the overall smokeless tobacco (SLT) marketplace by 2019. Lastly, tobacco-free nicotine products emerged in 2016 and steadily gained market share—capturing 4.0% of the market by 2019. The smokeless market continues to be dominated by two companies—Altria and Reynolds American/British American Tobacco, which consistently held 85–90% of the market.

Moist Snuff

Across all years, long cut was the most popular form of moist snuff; sales were stable – with no notable increases or decreases. Fine cut moist snuff sales decreased by 42% between 2011 and 2019 while sales for portion pouches increased by 78% and market share nearly doubled over the time period. The moist snuff market became more flavored over the time period such that by 2019 two out of three moist snuff products sold were flavored. Wintergreen was the most popular flavor in all years. Between 2011 and 2019, wintergreen sales grew by 17%, spearmint/mint sales increased by 44.5%, and fruit sales declined by 33%. Portion pouch products were more likely to be flavored than any other cut style; in 2019, 84.5% of portion pouch products, 69.8% of long cut styles, and 20% of fine cut styles were flavored (data not in table). The top three moist snuff brands, Grizzly, Copenhagen, and Skoal, together made up 86.5% of moist snuff unit sales in 2019. Since 2011 Copenhagen and Grizzly continued to capture ever larger proportions of the market, and in 2019 the two brands alone owned 71% of the moist snuff, with Skoal in third place, but with a continually shrinking proportion of the market. Between 2011 and 2019, Copenhagen sales grew by 37.7%, Grizzly grew by 17.3%, and Skoal sales declined by 34.3%. Sales for all other brands declined over time.

Snus

All snus products sold during the time period were sold as portion pouches (ie, no loose snus). The vast majority of snus sold in the US was flavored (including 87.7% of snus sold in 2019). In contrast to moist snuff, spearmint/mint was the most popular flavor and represented 77.3% of the snus market in 2019. The snus market in the US was dominated by Camel Snus; between 2011 and 2019, Camel Snus sales grew 74.6%. Sales and market share for Skoal snus fluctuated – first declining, then increasing; between 2011 and 2019 Skoal Snus sales increased 53.7%. General Snus sales grew steadily over the time period, and Marlboro Snus sales were non-existent by 2016.

Tobacco-free Nicotine Products

Nearly all tobacco-free nicotine products sold were in portion pouches with very limited sales of lozenges (<1%). All sales were for flavored product styles, led by spearmint/mint or wintergreen (roughly two-thirds of the market), followed by cinnamon, coffee, and fruit. Brands in this category include On!, Dryft, Velo, and the market leader Zyn, which alone sold 36.6 million units in 2019, capturing 86% of this emerging market.

Table 1. Characteristics of Smokeless Tobacco Sold in Convenience Stores in the USA, 2011–2019

	Market share								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
All smokeless tobacco (units in millions)	1058.7	1041.9	1077.0	1087.1	1111.5	1119.6	1108.2	1090.4	1075.3
Moist snuff	91.9%	92.4%	92.5%	92.6%	92.4%	92.4%	92.2%	91.6%	88.9%
Snus	3.7%	4.6%	4.6%	4.6%	4.8%	5.0%	5.2%	5.3%	5.1%
Tobacco-free nicotine products ^a			n/a			0.0%	0.3%	0.9%	4.0%
Chew/dry snuff/dissolvables	4.5%	2.9%	2.8%	2.7%	2.7%	2.4%	2.1%	2.0%	1.8%
Parent company									
Altria group	53.6%	54.6%	53.7%	53.4%	53.3%	54.2%	53.3%	53.5%	52.2%
Reynolds Am/British American tobacco	32.5%	36.1%	37.1%	37.8%	38.2%	37.6%	38.4%	36.5%	36.3%
Swedish match	12.1%	8.3%	8.1%	7.6%	7.2%	6.8%	6.9%	7.5%	9.3%
Swisher international	1.4%	0.8%	0.8%	0.9%	0.9%	0.8%	0.8%	1.7%	0.9%
All others	0.5%	0.2%	0.3%	0.4%	0.4%	0.5%	0.6%	0.7%	1.3%
Moist snuff (units in millions)	973.1	963.7	997.2	1007.7	1028.2	1036.5	1023.9	1001.1	958.1
Form									
Long cut	64.7%	67.4%	67.2%	66.1%	66.1%	66.1%	65.7%	64.2%	65.3%
Fine cut	24.2%	20.0%	18.6%	17.5%	17.5%	15.7%	15.4%	14.5%	14.3%
Portion pouches	11.0%	12.5%	13.9%	15.3%	16.0%	17.9%	18.7%	20.2%	20.0%
Flavor									
Wintergreen	40.3%	43.2%	45.1%	47.0%	47.6%	47.2%	47.2%	46.3%	47.9%
Spearmint/mint	9.9%	10.7%	10.4%	10.7%	10.5%	13.1%	13.7%	14.2%	14.5%
Fruit	4.8%	3.7%	3.2%	3.1%	3.2%	3.1%	3.0%	3.4%	3.3%
Brands									
Copenhagen	27.4%	30.3%	31.7%	32.2%	32.5%	34.8%	36.0%	37.3%	38.3%
Grizzly	27.5%	30.1%	31.4%	32.3%	32.8%	32.4%	33.3%	31.9%	32.7%
Skoal	23.3%	23.4%	21.6%	20.8%	20.7%	19.2%	17.5%	16.7%	15.5%
Longhorn	5.3%	4.1%	4.1%	3.9%	3.9%	3.9%	4.0%	4.2%	3.7%
Red seal	4.9%	3.9%	3.7%	3.7%	3.5%	3.8%	3.5%	3.4%	3.7%
Timber Wolf	4.1%	2.5%	2.1%	1.9%	1.6%	1.3%	1.1%	1.0%	1.0%
Kodiak	3.7%	3.9%	3.6%	3.4%	3.2%	3.0%	2.9%	2.8%	2.8%
All others	3.9%	1.8%	1.8%	1.8%	1.8%	1.7%	1.8%	2.7%	2.3%
Snus (units in Millions)	38.7	48.0	49.6	49.7	53.4	56.6	58.0	57.5	54.8
Flavor									
Wintergreen	9.4%	13.6%	14.7%	14.3%	13.4%	13.3%	12.7%	11.8%	10.4%
Spearmint/mint	69.1%	68.0%	69.0%	70.8%	72.5%	73.5%	74.6%	75.8%	77.3%
Brands									
Camel snus	63.4%	81.3%	83.4%	84.5%	85.4%	83.6%	83.6%	80.5%	78.1%
Marlboro snus	24.2%	8.5%	4.8%	2.8%	1.4%	0.4%	0.0%	0.0%	0.0%
Skoal snus	12.3%	8.9%	7.3%	6.7%	5.8%	7.8%	7.7%	10.6%	13.3%
General snus	0.1%	1.3%	4.5%	6.1%	7.3%	8.2%	8.7%	8.8%	8.5%
Tobacco-free nicotine products^a			not available			0.1	2.8	10.1	42.6
Flavor									
Wintergreen						28.4%	28.3%	24.9%	23.3%
Spearmint/mint						45.9%	50.3%	53.8%	54.6%
Fruit						0.0%	1.0%	1.1%	4.3%
Cinnamon						19.8%	15.2%	13.7%	11.0%
Coffee						6.0%	5.2%	6.5%	6.8%
Crema						0.0%	0.0%	0.0%	0.0%
Brands									
Zyn						100.0%	88.6%	91.3%	86.0%
On!							11.4%	7.3%	5.5%
Dryft								1.4%	2.5%
Velo/revel									6.1%

^aIncludes tobacco-free nicotine lozenges.

Price

Figure 1 presents the change in average unit price for six major brands from 2011 to 2019, adjusted for inflation. While the price for Grizzly, historically marketed as a value brand, remained lower

than that of Copenhagen and Skoal each year, the price gap between brands narrowed over time following consistent increases in the price of Grizzly products. Price changes for Camel Snus mirror that of Grizzly, which is made by the same company. The average unit

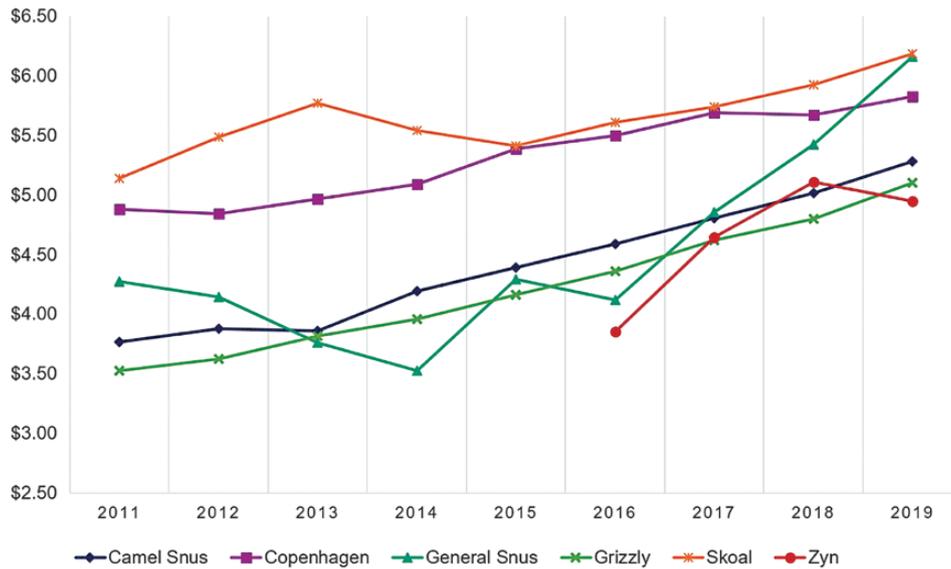


Figure 1. Per unit cost by smokeless tobacco/nicotine brand: 2011–2019.

price for General Snus first decreased and then increased, becoming the most expensive product in 2019. Finally, the average unit cost for Zyn increased and then decreased slightly in 2019.

Discussion

This study extends our previous work³ on the US smokeless tobacco market through 2019 in the context of a changing marketplace and regulatory environment. Although overall category sales increased between 2011 and 2016, more recent years have shown signs of leveling off and decreasing category sales, including for moist snuff. These trends may be due in part to decreased smokeless advertising spending in the first part of the decade,¹² as well as the rapid increase in popularity of e-cigarettes (a potentially competing non-combustible nicotine delivery product) during this same period. In addition, in January 2017, US Smokeless Tobacco Company recalled dozens of its products because of consumers reporting foreign metal objects in product cans.¹³

Shifts in the market share of the top three moist snuff brands between 2011 and 2019 were pronounced with Skoal losing significant market share, Copenhagen gaining, and Grizzly holding fairly steady after growing to roughly a third of the market share. In the early 2000s, the rising popularity of Grizzly, a value brand, negatively impacted premium brands (eg, Skoal).³ To counter this, Altria lowered the price of its Copenhagen and Skoal brands, and lobbied to change state SLT excise tax from ad valorem to weight-based because in a weight-based system, its premium brands would be taxed the same as value brands.^{14,15} In this study, we see the defining lines of the price tiers for SLT begin to narrow. Brands historically marketed as “value” increased in price over time, which may be partially attributed to the shift from an ad valorem excise tax to a weight-based system for SLT. However, despite the change to weight-based taxation which favored premium brands, Grizzly’s market share has not suffered, even though the product became more expensive over time. Marketing expenditures by brand may also partially explain these shifts. Our own analysis of Kantar Media advertising data from 2013 to 2019 finds that Altria

spent nearly equally on magazine advertising for Copenhagen and Skoal but Grizzly spent 22% more than Skoal and 29% more than Copenhagen on magazine advertising. Some of Skoal’s declining market share may also be associated with a move away from fruit flavored moist snuff, beginning in 2009, coinciding with the signing of the Tobacco Control Act.³

Although traditional moist snuff remained the most popular form of smokeless tobacco sold, 2019 represented the first year since at least 2005³ that its market share dipped below 90%. This may be due in part to the slow but steady increase in snus sales over this period and, in particular, a rapid increase in the sales of tobacco-free nicotine products, which grew exponentially since its introduction and appear to hold high appeal for existing smokeless tobacco users.¹⁶ Tobacco-free nicotine pouches may be perceived as offering several of the benefits of other smokeless tobacco, but in a more socially acceptable form with fewer health risks. Advertising describes leading brand Zyn as a “cleaner” “more discreet,” and “fresh” new way to experience nicotine that is “smoke-free,” “spit-free” and “tobacco-free.”^{17,18} Notably, the ads are also free of warnings about oral cancer and gum disease required for other smokeless tobacco products.

Finally, General Snus began using newly FDA authorized modified risk claims in its advertising in 2020;¹⁹ future research should examine whether this is followed by a boost in sales for General Snus, and perhaps other brands, per a potential “similar product halo effect” of these claims.²⁰ FDA decisions on similar modified risk applications for Copenhagen and Camel Snus are also pending. Future research should continue to monitor smokeless tobacco sales given emerging marketplace changes.

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Rutgers University Center for Tobacco Studies’ own analyses and calculations based in part on data reported by Nielsen through its Convenience Track Service for the smokeless tobacco category for the 468-week period from January 2011 to December 2019. United States Convenience Store Channel. Copyright © 2020, The Nielsen Company. The conclusions drawn from the

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Declaration of Interests

None declared.

Author Contributions

CDD conceptualised the study, oversaw all analyses, took primary responsibility for writing and is responsible for the overall content. MH and OAW participated in data interpretation and writing. EJML participated in data coding and analysis, and writing.

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