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## Annex 14:

# Summary of Consumer Evaluation Studies

FDA STN No.	Tobacco Product Name
PM0000424 - MR0000059	<i>Marlboro Amber HeatSticks</i>
PM0000425 - MR0000060	<i>Marlboro Green Menthol HeatSticks</i>
PM0000426 - MR0000061	<i>Marlboro Blue Menthol HeatSticks</i>
PM0000479 - MR0000133	<i>IQOS System Holder and Charger</i>
PM0000634 - MR0000192 <sup>1</sup>	<i>IQOS 3 System Holder and Charger</i>
PM0004691.PD1	<i>Marlboro Amber HeatSticks</i>
PM0004337.PD1	<i>Marlboro Sienna HeatSticks</i>
PM0004337.PD2 <sup>2</sup>	<i>Marlboro Bronze HeatSticks</i>
EX0002940.PD1 <sup>3</sup>	<i>Marlboro Amber HeatSticks</i>
EX0002940.PD3	<i>Marlboro Green Menthol HeatSticks</i>
EX0002940.PD5	<i>Marlboro Blue Menthol HeatSticks</i>
EX0003036.PD1	<i>Marlboro Bronze HeatSticks</i>
EX0003036.PD3	<i>Marlboro Sienna HeatSticks</i>
Reporting Period	March 1, 2023 to February 29, 2024

<sup>1</sup> a14 is responsive to the April 30, 2019 Marketing Order for PM0000424-PM0000426 and PM0000479, the December 7, 2020 Marketing Granted Order for PM0000634 and the January 26, 2023 Marketing Granted Order for PM0004691.PD1 and PM0004337.PD1-PD2. We refer to all orders collectively here as the “Marketing Orders”.

<sup>2</sup> a14 corresponds to Appendix C Section 9a and 9b of the January 26, 2023 Marketing Granted Order for PM0004691.PD1 and PM0004337.PD1-PD2.

<sup>3</sup> a04 corresponds to Appendix A of the January 19, 2024 Exemption Request Granted Order. Products under this Exemption Request Granted Order for EX0002940.PD3, EX0002940.PD5, EX0003036.PD1, EX0003036.PD3 and EX0002940.PD1 were not commercialized during the reportable data period, therefore there is no data to report for these products.

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## ***IQOS* CONSUMER RESEARCH OVERVIEW**

The Marketing Orders require submission of an Annual Report with a summary of how the marketing of the tobacco products continues to be appropriate for the protection of public health, as follows:

“A summary of all consumer evaluation research studies conducted – whether by you, on your behalf, or at your direction – among any audiences, to determine the effectiveness of labeling, advertising, marketing and/or promotional materials and any shifts in consumer knowledge, attitudes, beliefs, intentions, and behaviors toward using the products, and including the findings of these studies and copies of the stimuli used in testing.”

PM USA conducts consumer research studies that are not classified as formative or evaluative when conducted; yet, many study elements could be reasonably viewed as formative and evaluative based on the definitions provided in the Marketing Order. Therefore, rather than attempt to categorize the research studies during prior reporting periods, we have provided a list of all consumer research studies responsive to the Marketing Orders and a summary of completed studies in this Annex.

In line with the lack of commercial activity for *IQOS* during this reporting period, there was a corresponding decline of consumer research. The studies conducted during the reporting period that are responsive are summarized below.

- 1) IQOS Brand Communication Testing Project
- 2) Brand Evaluation Advisor

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## **1. Study Name: IQOS Brand Communication Testing Project**

### **Research Objective and Design**

The objective of this research project was to build IQOS's brand communication and ensuring consumer centricity and feedback implementation at the core.

This project involved a series of studies including:

- a) Qualitative Online In-depth Interviews (IDI's) that were conducted during July 2023
- b) Qualitative Online Focus Groups conducted during August 2023
- c) Quantitative Online interviews conducted during October 2023 and
- d) Quantitative Online Interviews conducted during December 2023

These studies were conducted among U.S. adult nicotine users 21 years of age or older who smoke cigarettes or use nicotine containing electronic cigarettes.

The qualitative studies were conducted in an iterative process where in-depth interviews a set of IQOS branded stimulus were shown to adult nicotine users and their feedback was taken on their perception towards the communication. The learnings from these IDIs were then applied to the communication concepts and the same respondents were then invited to be part of a series of focus group sessions where the further feedback on perceptions of the stimulus was obtained.

Based on the focus group feedback, 6 communication concepts were then tested through online Quantitative research to understand the overall likeability, impact, and brand building ability of the stimuli.

These learnings from the quantitative research were then applied to further improve the stimulus and campaign which was then tested through another online quantitative research based on which the design directions, key communication messages and overall theme of the campaign are now being worked upon.

All participants that took part in the Qualitative Research were made aware that they were free to leave / opt out of the research at any time.

### **Summary of Findings**

Overall, the campaign and communication material were perceived in a positive light. Adult nicotine users showed interest in IQOS as a product and wanted to know more about how the product works and how is it different from other nicotine containing products.

Main findings of the studies were:

- All communication materials should be using simple common language.

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- Comprehension of the material is higher when using visuals by contrary to extensive text.
- Materials readability is increased when using reading from left to right as opposed to expecting adult nicotine users to read from right to left.
- Product visuals are useful in building awareness and understanding at the first contact and in a second contact with the brand, more thematic visuals could be introduced.
- Benefits of IQOS (no ash and less lingering smell) should be clearly communicated.
- Ensuring that IQOS brand was prominent on most of materials to easily distinguish and understand which brand was being communicated.

## **2. Study name: Brand Evaluation Advisor**

### **Research Objective and Design**

The objective of this research was to establish Brand Equity of major brands of nicotine containing products that are available in the US marketplace and to establish a benchmark for IQOS as a brand.

This project involved a series of studies including:

- Quantitative Online Interviews conducted during November 2023, December 2023, and January 2024.

This study was conducted online through quantitative methodology among U.S. adults 21 years of age or older who have in the past 7 days either smoked cigarettes or cigars or used any nicotine containing alternatives to cigarettes (such as electronic cigarettes, nicotine pouches, moist snuff, snus, chewing tobacco). Additionally, the respondents were required to be aware of at least one nicotine containing product (such as cigarettes, roll your own tobacco, cigars, electronic cigarettes, nicotine pouches, moist snuff, snus, chewing tobacco).

A sample of 956 such adult nicotine users 21 years of age or older who smoke or use nicotine containing alternatives to cigarettes was identified to ensure representativeness of USA. An additional sample of 400 was surveyed in the potential *IQOS* launch areas and a sample of 200 of nicotine pouch users was surveyed as well. The study participants evaluated 19 brands (cigarettes, electronic cigarettes, nicotine pouches, moist snuff, snus and heated tobacco products).

- Quantitative Online Interviews conducted during November - December 2023

This study was conducted online through quantitative methodology among U.S. adults 21 years of age or older who have in the past 7 days either smoked cigarettes or cigars or used any nicotine containing alternatives to cigarettes (such as electronic cigarettes, nicotine pouches, moist snuff, snus, chewing tobacco). Additionally, the respondents were required to be aware

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of at least one alternative to cigarettes and open to trying such alternatives. The study was executed in Nov-Dec 2023.

A sample of 852 such adult nicotine users 21 years of age or older who smoke or use nicotine containing alternatives to cigarettes was identified to ensure representativeness of USA. An additional sample of 400 was surveyed in the potential IQOS launch areas and a sample of 200 was surveyed with nicotine pouch users. The study participants evaluated 16 brands (electronic cigarettes, nicotine pouches, moist snuff, snus and heated tobacco products).

c) Qualitative Online Interviews conducted during February 2024

This study was conducted with 36 Legal Age respondents who smoke cigarettes or use nicotine containing alternatives to cigarettes (such as electronic cigarettes, nicotine pouches, moist snuff, snus, chewing tobacco) at least on a weekly basis for the past 2 months and who are open to using nicotine containing alternatives to cigarettes (such as electronic cigarettes, heated tobacco products or nicotine pouches) and are aware of IQOS.

Summary of Findings

Brand Equity is gauged using three key metrics: Meaning, which encompasses brand affinity and understanding consumer needs; Difference, which reflects uniqueness and setting trends; and Salience, indicating how quickly and easily brand comes to mind.

Overall, IQOS has lower awareness compared to other nicotine containing products. Among study participants who are aware, IQOS shows high Meaning, but lacks in Difference and Salience.

Main findings of the studies were:

- IQOS awareness is low compared to other nicotine containing products.
- Study participants who are aware of IQOS became aware mostly through online channels or from abroad.
- Product understanding is limited as most of them only know the brand name or know very little about the product.
- Among participants who are aware, IQOS has high Meaning, yet needs to improve Difference and Salience by building product understanding and differentiation from e-cigarettes.

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