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***2003 Evaluation of Impact
of Health Message,
Price Variation and Descriptors***

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Ipsos

Ipsos Reid

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INTRODUCTION

In 2002, Health Canada contracted Ipsos-Reid to conduct a study on the behaviour of smokers and the impact of the descriptors "Light" and "Mild," etc., on the behaviour of smokers. Using an Internet-based survey, 1302 smokers from Ipsos-Reid's Internet Panel were surveyed. The on-line survey was divided into three main sections: first, questions profiling the smoking behaviour/preferences of smokers; second, ranking and choice exercises; and third, attitudinal questions.

In 2003, Health Canada wished to conduct a second phase of research that used a similar methodology to that employed in the 2002 study, exploring the impact of specific and general health warning messages, package price variation and "Light" and "Mild" descriptors.

Note: This report summarizes data that was delivered in March immediately following the field dates. The findings of this study were also provided in detailed tables and a choice set simulator (an electronic Excel file).

METHODOLOGY

In 2003, 1201 smokers participated in the on-line survey between March 5 and 17. A sample of 1201 has an associated margin of error of ± 2.83 percentage points, nineteen times out of twenty. Please note that the margin of error for subsets of this population will be larger.

Respondents were invited via e-mail to participate in an on-line survey. Each potential survey respondent was given a survey URL and a personal identification number (PIN). Upon entering the URL, the respondents were required to enter their unique PIN. Once this was done, respondents were permitted to record their answers and complete the survey.

Ipsos-Reid's on-line capabilities permit respondents who are interrupted before they have had an opportunity to complete the questionnaire to access the site again by using their PIN, so that they can finish the survey at their convenience. To ensure the integrity of the data and to avoid a situation in which an individual could fill out the survey multiple times in an attempt to skew the data, the PIN provides password-protected entry to Ipsos-Reid's site, and expires after completion of a single survey (one survey for one PIN).

Description of Exercises

The on-line study involved the use of images of cigarette packages for four main brands of cigarettes, using three main brand extensions (a.k.a. descriptors): Regular, Light, and Extra Light. Respondents were asked to select one of the four brands and identify which brand extension they would smoke. The exercise involved 72 choice sets that were divided across six blocks of exercises. Within each block, there were 12 choice sets involving 6 sets that had descriptors and 6 that did not have descriptors. Three price variations were used within the exercises (\$8.00, \$10.00 and \$12.00). The electronic simulator (excel file) is able to calculate increments between these price increments e.g.: \$9.00 or \$11.00, using linear interpolation.¹

Exercise	Number of Choice Sets	Descriptor/No Descriptor
Health risks associated with smoking	12 choice sets	Without descriptors
	12 choice sets	With descriptors
Risk of developing lung cancer as a result of smoking	12 choice sets	Without descriptors
	12 choice sets	With descriptors
Next, please tell me what you would do if you had the option of buying package A.....	12 choice sets	Without descriptors
	12 choice sets	With descriptors

Within 24 choice sets, respondents were asked which cigarette package they would buy, using price variation and a *general health risk message*. Within the two sets, 6 had descriptors and 6 did not have descriptors. Within another 24 choice sets, respondents were asked which cigarette package they would buy, using price variation and a *more specific health message (risk of lung cancer)*, and again, two sets of 6 with descriptors and 6 without descriptors. In the final block of 24 choices sets, respondents were asked which cigarette package they would buy,

¹ For example, if \$8.00 is tested and \$10.00, \$9.00 has the value of \$8.00 + 50% of the difference between \$8.00 and \$10.00 (or simply the average of the values for \$8.00 and \$10.00).

using price variation based on purchase intent only, and again there were two sets of 6 (with descriptors and 6 without descriptors). Using the brand indicated by the respondents, smokers were randomly assigned to a set of 12 choices within one of the three choice set themes: *general health risk, risk of lung cancer or purchase intent only.*

Brand	Brand Evaluated	Usual Main Brand
Du Maurier	42% (n=501)	23%
Players	34% (n=410)	23%
Export A	15% (n=183)	9%
Craven A	9% (n=107)	4%

2

² The remaining 41% of usual main brand smoked, smoke brands other than those used within the choice exercises.

Questions Used in the Exercises

As previously mentioned, three choice sets were used within the exercises. The three questions used within each choice set are can be found below.

Type of Choice Set	Question Used
General Health Risk	Next, thinking about the health risks associated with smoking, please indicate what you would do if you had the option of buying package A, buying package B, buying package C, cutting back smoking for health reasons, or quitting smoking altogether. Labels in charts: Gen ND = General Health Risk No Descriptor and Gen Des = General Health Risk with Descriptor
Specific Health Risk	Next, thinking about the risk of developing lung cancer as a result of smoking, please indicate what you would do if you had the option of buying package A, buying package B, buying package C, cutting back smoking for health reasons, or quitting smoking altogether. Labels in charts: Cancer ND = Risk of Cancer (Lung) No Descriptor and Cancer = Risk of Cancer (Lung) with Descriptor
Purchase Intent Only	Next, please tell me what you would do if you had the option of buying package A, buying package B, buying package C, cutting back on smoking to save money, or quitting smoking altogether. Labels in charts: Purchase ND = Purchase Intent Only No Descriptor and Purchase Des = Purchase Intent Only with Descriptor

FINAL ON-LINE STATISTICS

The table below sets out the final statistics of the on-line survey for both English and French respondents.

	English	French
Invited	3832	1273
Refusals	7	2
Undelivered	212	58
Disqualified	227	88
Reminders	0	0
Completes	848	353

DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic	%
Language	
English	71
French	29
Region	
British Columbia	12
Prairies	15
Ontario	34
Quebec	32
Atlantic	7
Gender	
Male	46
Female	54
Age	
18 – 24 yrs	5
25 – 34 yrs	23
35 – 44 yrs	28
45 – 54 yrs	27
55 – 64 yrs	13
65+ yr	4
Income	
Under \$20,000	8
\$20,000 - \$39,999	23
\$40,000 - \$59,999	19
\$60,000 - \$79,999	16
\$80,000 - \$99,999	10
\$100,00 +	11
Education	
< High school	13
High school	21
Some college/CEGEP	19
College/CEGEP	21
Some university	10
University	6

Community (Population)	
< 10,000	5
10,000 – 29,999	16
30,000 – 99,999	22
100,000 – 499,999	14
500,000 – 999,999	14
1,000,000 plus	29
Employment Status	
Employed full-time	53
Employed part-time	6
Self-employed	10
Homemaker	7
Student	4
Retired	10
Unemployed	6
Marital Status	
Single	20
Married	46
Domestic Partnership	
Widow(er)	1
Separated/Divorced	13

KEY FINDINGS

Overview

In the 2002 "Study of Light and Mild Cigarette Descriptors" it was determined that within choice sets where the descriptors had been removed, smokers defaulted to the toxic constituency information to choose their preferred brand extension. Within those scenarios, there is an increased incidence of smokers who will "switch down" to lower tar delivery brand extensions or quit smoking altogether.

In 2003, where brand extension price has been introduced into the choice sets, price and price variation has the greatest impact on the choices made by respondents. Price supersedes the impact of the descriptors as respondents use brand extension price, and to a lesser extent, a specific health message (lung cancer) to make their choices within the choice sets. The overall trend within the study is towards quitting smoking altogether, or cutting back on the amount smoked for reasons that are related to a general health concern about smoking, or to a more specific health concern that is related to the risk of cancer or cutting back on smoking to save money. More specifically:

- There is no significant difference in the choices smokers make based on descriptors. When price variation is introduced into the choice sets price it supersedes the impact on smokers as a key determinant in the choices respondents make;
- When brand extension price is held constant within choice sets, but increased between choice sets, the incidence of respondents who say that they will either cutback or quit smoking altogether increases;
- When brand extension variation is introduced within choice sets, between 32% and 40% choose the lowest priced brand extension (\$8.00 while the majority are split between the cutting back and quitting options. However, when the lowest priced brand extension is increased by \$2.00, some respondents shift away, toward the cutting back and quitting options;
- The more specific the health message, the greater the likelihood that smokers will shift toward the lowest tar delivery cigarette. However, this does not change the overall trend toward cutting back or quitting smoking altogether; and,
- When respondents are asked to base their decisions on purchase intent only (purchasing package A, B or C, cutting back to save money or quitting smoking altogether) there are higher incidences of cutting back and quitting behaviour among the respondents;

Impact of Consistent Price Set

When brand extension prices are held constant across the choice sets, cutting back on the amount smoked or quitting altogether is influenced primarily by the price assigned to the brand extension; the higher the price (\$12.00 all) of the brand extension across Regular, Light and Extra Light, the greater the incidence of cutting back or quitting behaviour. Conversely, when brand extension price is held constant at \$8.00, the incidence of cutting back on the amount smoked or of quitting decreases, as more people choose one of the three brand extensions.

Within the \$8.00, \$10.00 and \$12.00 choice sets, the cancer-specific message moves some respondents to Extra Light, while the purchase-only option moves more toward quitting (\$8.00) or cutting back (\$10.00 and \$12.00).

Overall, price has a greater impact than either a general or more specific health message (without or without descriptors).

Impact of Price Variation

Once brand extension price is varied within choice sets, a pattern emerges among the respondents, in which some choose to follow the lowest-priced brand extension. Within the choice sets, when the Regular brand extension is the lowest-priced brand extension, while on average, 58% say that they would either cut back or quit smoking, approximately one-third (32%) indicate that they would choose the lowest-priced Regular brand extension (\$8.00).

Within the choice sets, when the Light brand extension is the lowest-priced brand extension (\$8.00), on average, 55% indicate that they would cut back or quit smoking, while 37% indicate that they would choose the lower-priced Light brand extension. However, when the Light brand extension price is increased to \$10.00, the percentage of respondents who choose the Light brand extension at \$10.00 decreases from 37% to 18%. However, the combined percentage of those who say that they would either cut back or quit increases from 55% to 73%. When the Light brand extension is highest-priced brand extension in the choice set and the specific health risk of cancer message is used, there is an increase in the number of respondents who choose Extra Light, compared to either the generalized health risk or purchase intent only options.

Within the choice sets, when Extra Light is the lowest-priced brand extension at \$8.00, on average, 53% say that they would either cut back or quit smoking altogether. However, on average, 37% choose the lower-priced Extra Light brand extension. Here, the number of smokers opting for the lowest-priced and lowest-tar delivery brand extension increases, while the incident of those who say they would either cut back of quit smoking decreases. Again,

within the specific health risk of cancer, more respondents move toward the Extra Light brand extension, compared to the generalized health risk or purchase intent only.

Highest Impact on Quitting/Cutting Back Smoking Behaviour

The highest incidences of cutting back and quitting behaviour occur within the purchase intent only choice sets, where the brand extension price is held at \$12.00 across the three brand extensions, at 82% for the choice set with descriptors and 81% for the choice sets without descriptors.

Least Impact on Quitting/Cutting Back Smoking Behaviour

Within the choice sets, when the extension price is held constant at \$8.00, there are the lowest incidences of cutting back and quitting behaviour. Additionally, the other low incidence of cutting back or quitting smoking occurs in choice sets wherein the Extra Light extension is set at the lowest price of \$8.00. Overall, within these choice sets, while roughly one-half or less choose to cut back on the amount they smoke or quit smoking altogether, an equal proportion choose to smoke. The risk of cancer, generalized health risk, along with a constant price of \$8.00 have the least combined impact on cutting back or quitting smoking.

Impact of General Health Risk

When a generalized health message is used, the overall trend is towards cutting back or quitting smoking altogether and the higher-priced cigarettes, at \$12.00 each, (with or without descriptors) demonstrate the highest incidence of cutting back or quitting smoking behaviour (at 77% for \$12.00 (all brand extensions) with descriptors, and 75% for \$12.00 (all brand extensions), without descriptors. Within the scenarios where the package price varies, respondents demonstrate a higher incidence of cutting back and quitting behaviour when at least two of the brand extensions are priced at \$12.00 each. However, in these scenarios, approximately one-fifth of the respondents gravitate towards the lower-priced extension (Light, at \$10.00).

Impact of Specific Health Risk

When respondents consider a more specific health risk of lung cancer, the overall trend towards cutting back on the amount smoked and quitting smoking altogether continues. Within these scenarios, the highest incidences of cutting back or quitting behaviour occur when \$12.00 is used as the brand extension price across the three brand extensions (74% for \$12.00 all with descriptor and 73% for \$12.00 all without descriptor).

Within the choice sets where a lower-priced brand extension is offered at \$10.00, on average, 18% gravitate towards the Light brand extension, which is priced at \$10.00. Within these

choice sets, between 70 and 71% of respondents say that they would either cut back or quit smoking altogether (with or without descriptor).

Impact of Purchase Intent Only

When respondents were asked which cigarette package they would buy (without any health message), the overall trend towards cutting back or quitting smoking continues. Within the purchase-only scenario, the highest incidence of cutting back *to save money* or quitting behaviour occurs when the highest brand extension at \$12.00 is used (between 81 and 82%) with or without descriptor. Once a lower brand extension price is introduced (\$10.00 for the Light brand extension), between 13 and 14% of respondents choose Light, while 9% of respondents choose either the Regular or Extra Light brand extensions.

Perceptions of Light Cigarettes

When asked to identify the differences between Regular and Light cigarettes, the three differences mentioned most frequently by respondents include Light is milder or not as strong (23%), different flavour/taste/aftertaste (22%), and the amount of nicotine or tar is different (22%). Overall, when asked whether Light cigarettes are more or less damaging than Regular cigarettes, more than three in four (78%) say that Light cigarettes are as damaging as Regular cigarettes.

Respondents are split on whether or not they have ever believed that Light cigarettes are less damaging (47%) than Regular cigarettes (49%).

Among those who at one time believed that Light cigarettes are less harmful than Regular cigarettes, 23% believed that to be the case between 1 and 2 years ago, 29% between 3 and 5 years ago, and 35% more than 5 years ago.

DETAILED FINDINGS

CHOICE EXERCISES

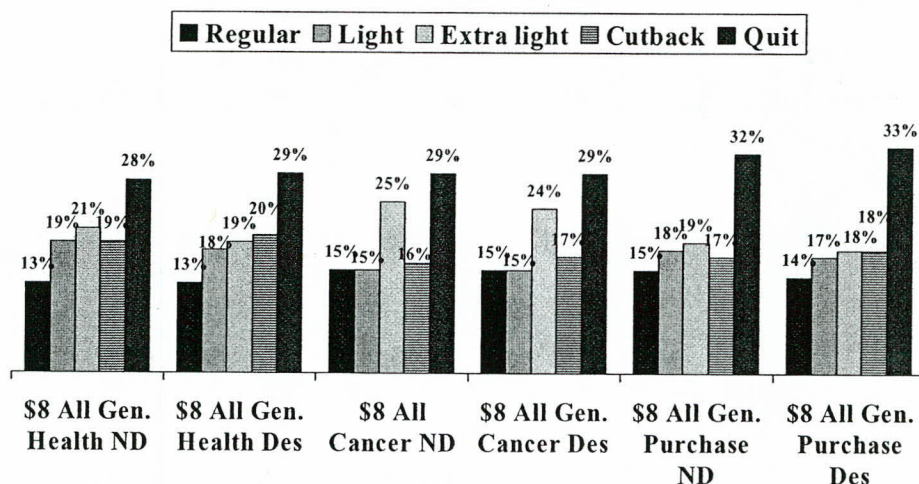
PRICE HELD CONSTANT ACROSS CHOICE SET

The following section covers the results for the choice sets where the cigarette package price is held constant within each choice set and increased between choice sets, using three message scenarios (general health, risk of cancer, and purchase intent only), with and without descriptor. The cigarette package price variation is \$8.00, \$10.00 and \$12.00.

Eight-dollar Package Price

The chart below illustrates the choice sets where the price is held constant at \$8.00 and the descriptor is included or excluded while the message changes (health, cancer and purchase intent only).

Price Held Constant At \$8.00, Messages and Descriptor/No Descriptor



N=1,201

Across the choice sets wherein the package price is held constant at \$8.00, the choices made by the respondents follow roughly the same pattern of distribution. On average, fourteen percent of respondents choose the Regular brand extension; seventeen percent choose the Light brand extension; and twenty-one percent select the Extra Light brand extension. Within

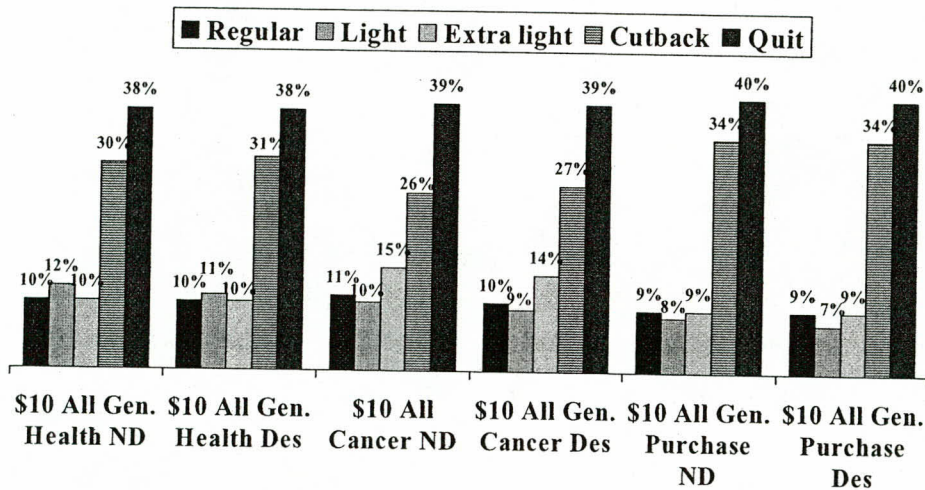
the options of cutting back smoking for reasons related to general health concerns, risk of cancer or cutting back on smoking to save money, on average, eighteen percent said that they would cut back, and thirty percent said that they would quit smoking altogether.

Overall, the distribution of respondents across the brand extension is towards the lighter tar delivery brand extensions, cutting back on the amount smoked or quitting smoking altogether. Between the descriptor and no descriptor choice sets there is not any significant difference across the choice sets. Within the choice set involving the specific risk of cancer, there is a slight increase in the percentage of respondents choosing the Extra Light brand extension (from on average 20% in general health risk to 25%). Within the choice sets involving purchase intent only and the cutting back option to save money, there is an increase in the percentage of respondents who report that they would quit smoking altogether (up from on average 29% in two other message choice sets to 33%).

Ten-dollar Package Price

The chart below illustrates the choice sets where the price is held constant at \$10.00 and the descriptor is included or excluded while the message changes (health, cancer and purchase intent only).

Price Held Constant At \$10.00, Messages and Descriptor/No Descriptor



N=1,201

Across the choice sets wherein the package price is held constant at \$10.00, the choices made by the respondent follow roughly the same pattern of distribution. On average, ten percent of the respondents choose the Regular brand extension, ten percent choose the Light brand extension, and eleven percent select the Extra Light brand extension. Within the options of cutting back smoking for reasons related to general health concerns, risk of cancer or cutting back on smoking to save money, on average, thirty percent said that they would cut back and thirty-nine percent said that they would quit smoking altogether.

Overall, the distribution of respondents across the brand extension is towards the cutting back or quit smoking altogether options. Between the descriptor and no descriptor choice sets there is not any significant difference across the choice sets. Within the choice set involving the specific risk of cancer, there is a slight increase in the percentage of respondents choosing the Extra Light brand extension (from on average 10% in generalized health risk to 15%). Within the choice sets involving purchase intent only and the cutting back option to save money, there is an increase in the percentage of respondents who report that they would cut back smoking (up from on average 30% in the general health message choice set and 27% in the risk of cancer message choice set) to 34%.

Compared to the choice sets where the price is held constant at \$8.00, there is an overall increase in the percentage of smokers who say that they would cut back on the amount they smoke (up from 18% in the \$8.00 choice sets to 30% in the \$10.00 choice sets). Also, the percentage of respondents who say they would quit smoking altogether increases from 30% in the \$8.00 choice set to 39%. On average, sixty-nine percent in the \$10.00 choice set, say that they would either cut back or quit smoking altogether, up from forty-eight percent within the \$8.00 choice sets.

percentage of respondents who report that they would cutback smoking (up from on average 35% in the general health message choice set and 31% in the risk of cancer message choice set) to 40%.

Compared to the earlier increase (between \$8.00 and \$10.00) in the percentage of respondents who say that they would either cut back on the amount they smoke or quit smoking altogether, the increase between these two options is smaller. At \$12.00, thirty-six percent say that they would cut back on the amount they smoke (up from 30% in the \$10.00 choice set, and up from 18% in the \$8.00 choice set). On average, seventy-seven percent say that they would either cut back or quit smoking altogether up from forty-eight percent within the \$8.00 choice sets and sixty-nine percent in the \$10.00 choice sets. This suggests that a small increase in the price of cigarettes could net a large percentage of smokers who choose to cut back on the amount they smoke or quit smoking altogether.

Overview of Shifts Between Price Variation Choice Sets

The table below presents the data wherein price was held constant across the choice set and varied between choice sets. For the price increments of \$9.00 and \$11.00, these have been calculated using linear interpolation (See Methodology Section).

	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
\$8.00 All	14%	17%	21%	18%	30%	48%
\$9.00 All	12%	13%	16%	24%	35%	59%
\$10.00 All	10%	10%	11%	30%	39%	69%
\$11.00 All	9%	8%	9%	33%	40%	73%
\$12.00 All	8%	7%	8%	36%	41%	77%

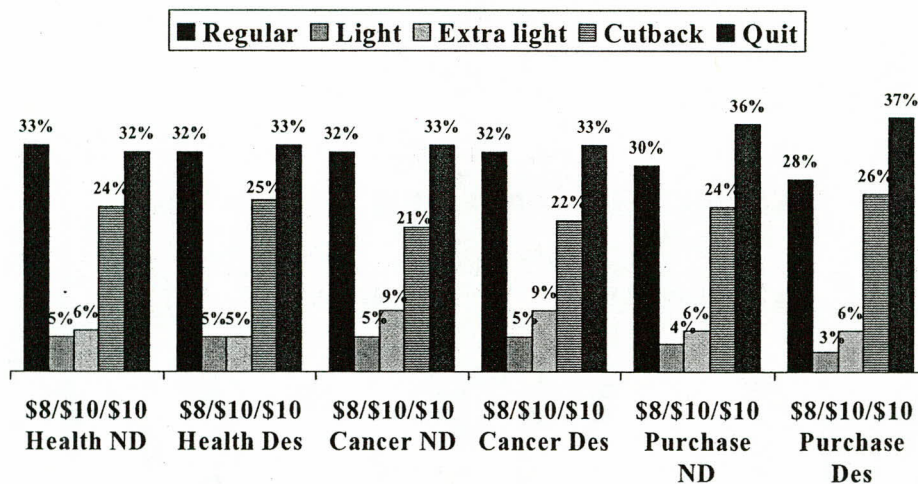
Overall, when brand extension price is held constant across the three brand extensions within each choice set, the incidence of those who choose to cut back on the amount smoked or quit smoking altogether increases with the price of the brand extensions. More specifically, as the price of cigarettes increases, the number of smokers saying they will either quit smoking altogether or cut back on the amount smoked also increases, with the largest increase occurring between the \$8.00 (48% - cut back/quit smoking), \$9.00 (59% - cutback/quit smoking), \$10.00 (69% - cut back/quit smoking) choice sets, \$11.00 (73% - cutback/quit smoking) and \$12.00 (77% - cutback/quit smoking). This overall trend exists regardless of whether descriptors are included or excluded in the choice sets.

PRICE VARIATION WITHIN CHOICE SETS

Regular as Lowest-priced Brand Extension Price

Within this section, the results from the choice sets wherein the Regular brand extension is the lowest-priced cigarette and the light and extra light brand extensions are held constant at \$10.00 within the choice sets are presented.

Regular As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



N=1,201

Across the choice sets wherein the Regular brand is the lowest-priced brand extension at \$8.00, on average, thirty-one percent choose the Regular brand extension (compared to 14% for those who choose Regular when all three brand extensions are held constant at \$8.00), five percent choose the Light brand extension and seven percent choose the Extra Light brand extension. Close to one-quarter (24%) say that they would cut back on the amount they smoke, and more than one-third (34%) say that they would quit smoking altogether. On average, close to three in five (58%) indicate that they would either cut back or quit smoking altogether.

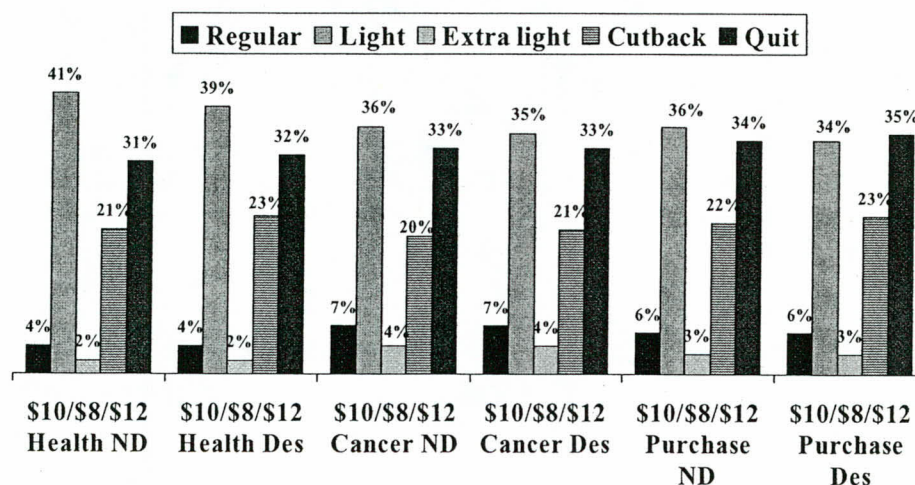
Light as Lowest-priced Brand Extension

Within this section, the Light brand extension is presented as the lowest-priced brand extension within three scenarios (two at \$8.00 for the Light, with variation on the price of the Regular brand extension varying between \$10.00 and \$12.00 and one at \$10.00). In each case, the impact of Light and the lower brand extension are examined across the three messages (general health risk, the specific health risk of lung cancer, and purchase intent only), along with the impact of each with and without descriptors.

Light as Lowest-priced Brand Extension (\$8.00)

Within this section, the results from the choice sets wherein the Light brand extension is the lowest-priced cigarette at \$8.00, the Regular brand extension is priced at \$10.00 and the Extra Light brand extension at \$12.00 within the choice sets are presented.

Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



N=1,201

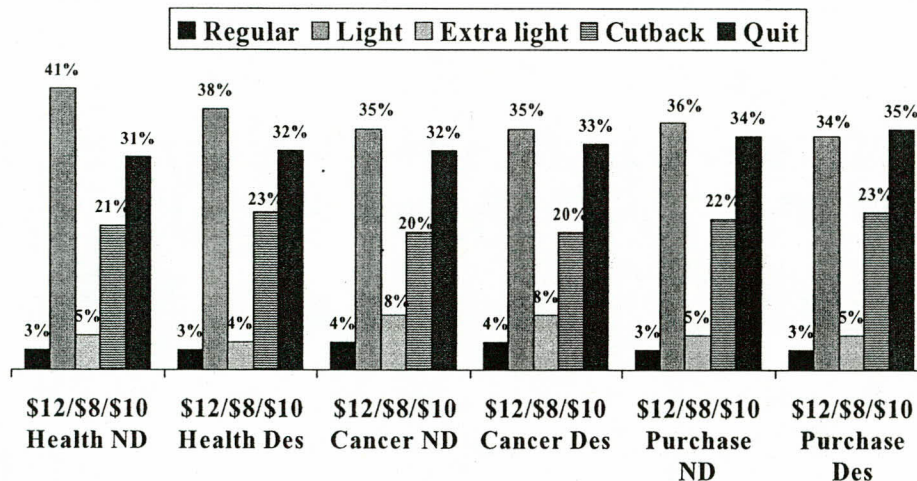
Across the choice sets wherein the Light brand is the lowest-priced brand extension at \$8.00, on average, six percent choose the Regular brand extension and thirty-seven percent choose the Light brand extension and three percent choose the Extra Light brand extension. More than one in five (22%) say that they would cut back on the amount they smoke and more than one-third (33%) say that they would quit smoking altogether. On average, more than one-half (55%) indicate that they would either cut back or quit smoking altogether. Compared to the choice sets where Regular is the lowest-priced brand extension at \$8.00, there is a slight

decrease in the percentage of respondents who say that they would either cut back or quit smoking (down from 58% in the Regular brand extension at \$8.00 to 55% for Light brand extension at \$8.00).

Light as Lowest-priced Brand Extension (\$8.00)

Within this section, the results from the choice sets wherein the Light brand extension is the lowest-priced cigarette at \$8.00, the Regular brand extension is priced at \$12.00 and the Extra Light brand extension at \$10.00 within the choice sets are presented.

Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



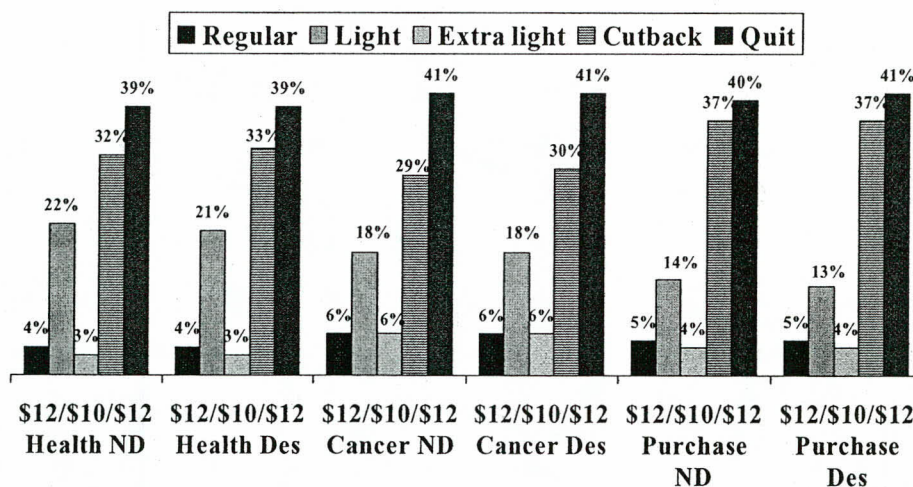
N=1,201

Across the choice sets, wherein the Light brand is the lowest-priced brand extension at \$8.00, on average, three percent choose the Regular brand extension, thirty-seven percent choose the Light brand extension and six percent choose the Extra Light brand extension. More than one in five (22%) say that they would cut back on the amount they smoke and more than one-third (33%) say that they would quit smoking altogether. On average, more than one-half (55%) indicate that they would either cut back or quit smoking altogether. Compared to the choice sets where Regular is the lowest-priced brand extension at \$8.00, there is a slight decrease in the percentage of respondents who say that they would either cut back or quit smoking (down from 58% in the Regular brand extension at \$8.00 to 55% for Light brand extension at \$8.00).

Light Lowest-priced Brand Extension at \$10.00

Within this section, the Light brand extension at \$10.00 is lowest-priced brand extension, while both the Regular and Extra Light brand extensions are \$12.00 each.

Light As Lowest Price Brand Extension \$10.00, Messages and Descriptor/No Descriptor



N=1,201

On average, with the Light brand as the lowest-priced brand extension at \$10.00, five percent choose the Regular brand, eighteen percent choose the Light brand, and four percent choose the Extra Light brand extension. One-third (33%) of respondents say that they would cut back on the amount they smoke, while two in five (40%) say that they would quit smoking altogether.

Compared to the choice sets wherein Light is the lowest-priced brand extension at \$8.00, fewer (18%, compared to 37% at \$8.00) say they would choose the Light brand, when the Light brand extension price is raised to \$10.00. Instead, a greater number of respondents shift to the cut back (33% compared to 22% at \$8.00) or the quit smoking option (40%, compared to 33% at \$8.00). On average, close to three-quarters (73%) say that they would either cut back or quit smoking, compared to those within the \$8.00 scenario (55%).

Overview of Regular and Light as Lowest Brand Extension

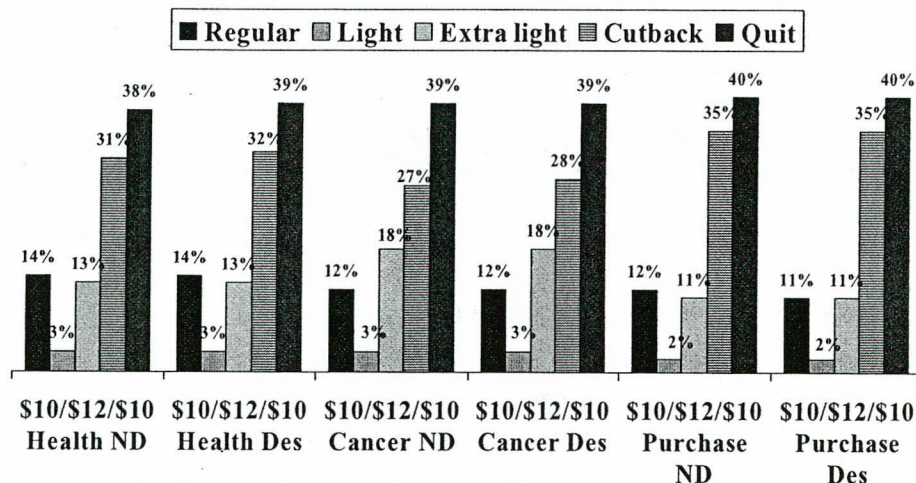
	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Regular as lowest R\$8/L\$10/EL\$10	32%	5%	7%	24%	34%	58%
Light as lowest R\$10/L\$8.00/EL\$12	6%	37%	3%	22%	33%	55%
Light as lowest R\$12/L\$8/\$EL\$10	3%	37%	6%	22%	33%	55%
Light as lowest R\$12/L\$10/EL\$12	5%	18%	4%	33%	40%	73%

Once the brand extension price begins to vary within the choice sets presented to the respondents, the impact of lowest brand extension price emerges. More specifically, while the overall trend toward cutting back on the amount smoked or quitting smoking altogether continues, a certain percentage of respondents follow the lowest-priced brand extension. Between 32 and 37% follow the lowest-priced brand extension (\$8.00) within the three choice sets presented above. However, once the brand extension price for Light increases to \$10.00, there is a shift away from Light (from 37% down to 18%). As a result, there is an increase in the number of respondents who say that they will either quit or cut back on the amount they smoke.

Light as Highest Priced Brand Extension

Within this section, the Light brand extension at \$12.00 is the highest-priced, while both the Regular and Extra Light brand extensions are \$10.00 each.

Light As Highest Price Brand Extension \$12.00, Messages and Descriptor/No Descriptor



N=1,201

Within the choice set, wherein Light is the highest-priced brand extension at \$12.00, on average, thirteen percent choose Regular, three percent choose Light, and fourteen percent choose the Extra Light brand extension. Three in ten (31%) say that they would cut back, and close to two in five (39%) say that they would quit smoking altogether. On average, within this scenario, seven in ten (70%) say that they would either cut back or quit smoking altogether.

Overall, compared to the choice set wherein the Light brand extension is \$10.00, respondents shift away from the more expensive Light brand towards the Regular brand extension (up from 5% at \$12.00 to 13%), and the Extra Light brand extension (up from 4% at \$12.00 to 14%).

Within the choice sets, wherein the specific health risk of cancer is used, there is an increase in the percentage of respondents who say that they would choose the Extra Light brand extension at \$10.00 (up from on average 12% within the general health risk or the purchase intent choice sets, to 18%).

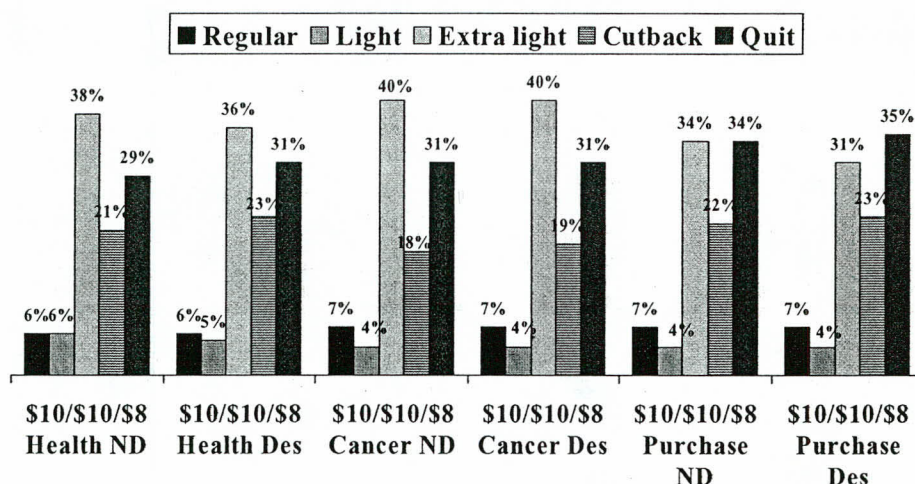
	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Light as lowest R\$12/L\$10/EL\$12	5%	18%	5%	33%	40%	73%
Light as highest R\$10/L\$12/EL\$10	13%	3%	14%	31%	39%	70%

Extra Light as Lowest-priced Brand Extension

Within this section, the brand extension Extra Light is the lowest-priced brand extension at \$8.00. Two choice sets are presented, the first with the Regular and Light extensions at \$10.00 each, and the second with these two extensions at \$12.00 each.

Extra Light at \$8.00, and Regular and Light at \$10.00

Extra Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



N=1,201

Within the choice sets, wherein the Extra Light brand extension is the lowest-priced extension at \$8.00, on average, 7% choose the Regular, 5% choose Light and 37% choose Extra Light brand extension. On average, 53% choose to either cut back on the amount they smoke (21%) or to quit smoking altogether (32%).

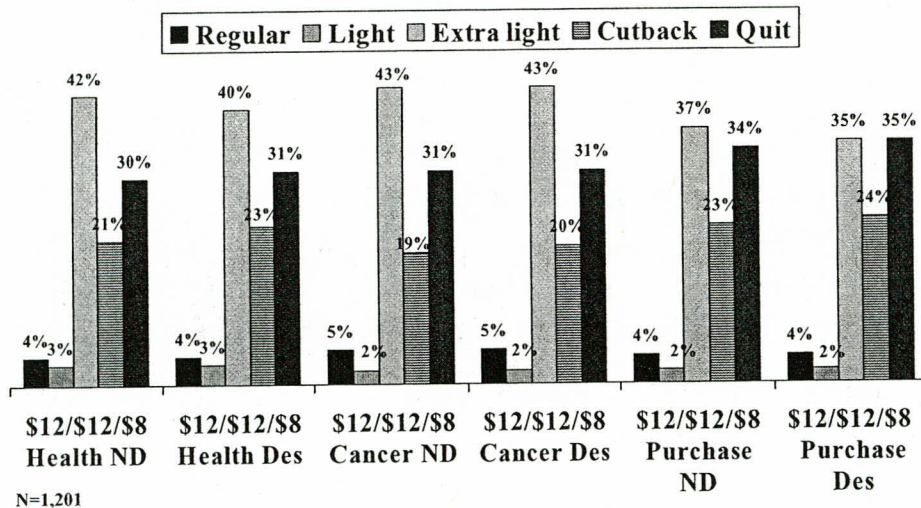
Across the choice sets involving the general health and more specific health message (risk of cancer) and purchase intent only, there is not a significant difference in the findings between the choice sets with or without a package descriptor.

Within the choice sets involving the more specific health risk of cancer, on average, there is a slight shift towards the Extra Light brand at 40%, compared to the general health risk choice set at 37% on average, or 35% for the choice sets involving purchase intent only.

Extra Light \$8.00 and Regular and Light at \$12.00

Within this section, the Extra Light brand extension is \$8.00, and the remaining brand extensions (Regular and Light) are priced at \$12.00 each.

Extra Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



Within the choice sets, wherein the Extra Light brand extension is the lowest-priced brand extension at \$8.00, on average, 4% choose the Regular, 2% choose the Light and 40% choose the Extra Light brand extension. On average, 54% choose to either cut back on the amount they smoke (22%) or quit smoking altogether (32%).

Here the overall trend is, on average, toward the cheaper Extra Light brand extension at 37%, the Extra Light (21%), and quitting (32%). Across these choice sets, there is little variation between descriptor and non-descriptor choice sets. Between choice sets, the greatest variation in the proportion of smokers choosing the Extra Light brand extension exists within the purchase intent only choice set, where the number of smokers choosing the cheaper Extra Light brand extension decreases from on average 42% to 36% when smokers are not given any type of health message. Within the purchase-only scenario, there is a slight increase in the number of smokers opting to either cutback or quit smoking altogether (up to 35%, compared to 31% in the other two choice scenarios).

Overview of Extra Light as Lowest-priced Brand Extension

	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Extra Light lowest R\$10/L\$10/EL\$8	7%	5%	37%	21%	32%	53%
Extra Light lowest R\$12/L\$12/EL\$8	4%	2%	40%	22%	32%	54%

Once the Light becomes the lowest-priced extension, respondents continue the overall trend toward cutting back on the amount smoked and quitting smoking altogether. Between 37 and 40% choose Extra Light (\$8.00). The impact of price on the choices smokers make is evident within the choice set wherein Regular and Light are increased to \$12.00, while Extra Light remains constant at \$8.00. Three percent shift to the lower-priced Extra Light brand extension.

Overview of Impact of Brand Extension Variation

The table below provides an overview of the impact of brand extensions as lowest and highest-priced brand extensions within the choice sets.

	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Regular as lowest R\$8/L\$10/EL\$10	32%	5%	7%	24%	34%	58%
Light as lowest R\$10/L\$8/EL\$12	6%	37%	3%	22%	33%	55%
Light as lowest R\$12/L\$8/EL\$10	3%	37%	6%	22%	33%	55%
Light as lowest R\$12/L\$10/EL\$12	5%	18%	4%	33%	40%	73%
Light as highest R\$10/L\$12/EL\$10	13%	3%	14%	31%	39%	70%
Extra Light lowest R\$10/L\$10/EL\$8	7%	5%	37%	21%	32%	53%
Extra Light lowest R\$12/L\$12/EL\$8	4%	2%	40%	22%	32%	54%

Overall, respondents continue the trend toward cutting back on the amount smoked or quitting smoking altogether. However, regardless of the level of health risk associated with smoking or whether descriptors are used or not, between 32% and 40% follow the lowest-priced brand extension, unless the brand extension is increased to \$10.00 in the case of Light, above. Then the price increase of \$2.00 moves some respondents away from the Extra Light brand extension toward either cutting back on the amount smoked or quitting smoking altogether.

GREATEST INCIDENCE OF CUTTING BACK/QUITTING SMOKING

The following chart shows the scenarios in which respondents demonstrated the greatest inclination towards cutting back or quitting smoking by message (general health risk, specific health risk, or purchase intent only).

General Health Risk

Within the table below, the highest incidences of cutting back and quitting behaviour are presented for the generalized health message.

Descr./ No Descr,	Brand Extension Price			Choice Set					
	Regular	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Y	\$12	\$12	\$12	8%	9%	7%	36%	41%	77%
N	\$12	\$12	\$12	8%	9%	7%	35%	40%	75%
Y	\$12	\$10	\$12	4%	21%	3%	33%	39%	72%
N	\$12	\$10	\$12	4%	22%	3%	32%	39%	71%
Y	\$10	\$12	\$10	14%	3%	13%	32%	39%	71%
Y	\$10	\$10	\$10	10%	11%	10%	31%	38%	69%
N	\$10	\$12	\$10	14%	3%	13%	31%	38%	69%
N	\$10	\$10	\$10	10%	12%	10%	30%	38%	68%

Within these choice sets, the respondents were given the options for choosing Regular, Light and Extra Light, cutting back on the amount smoked because of health concerns or quitting smoking altogether, with or without descriptors. While the overall trend is towards cutting back or quitting smoking altogether, higher-priced cigarettes at \$12.00 each, with or without descriptors, demonstrate the highest incidence of cutting back or quitting smoking behaviour (at 77% for \$12.00 all, with descriptors, and 75% for \$12.00 all, without descriptors). Within

the scenarios where the package price varies, respondents demonstrate a higher incidence of cutting back and quitting behaviour when at least two of the brand extensions are priced at \$12.00 each. However, in these scenarios, approximately one-fifth of the respondents gravitate towards the lower-priced extension (light at \$10.00). When the extension price is consistent at \$10.00, the overall trend towards cutting back and quitting continues; however, respondents are somewhat more consistently distributed across the Regular, Light and Extra Light brand extensions (between 31 and 32 %), and on average, 10% to 11% across the three brand extensions.

Specific Health Risk

Within the table below, the highest incidences of cutting back and quitting behaviour are presented for the specific health message.

	Brand Extension Price			Choice Set					
Descr./No Descr,	Regular	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Y	\$12	\$12	\$12	8%	7%	11%	32%	42%	74%
N	\$12	\$12	\$12	8%	8%	11%	31%	42%	73%
Y	\$12	\$10	\$12	6%	18%	6%	30%	41%	71%
N	\$12	\$10	\$12	6%	18%	6%	29%	41%	70%
Y	\$10	\$12	\$10	12%	3%	18%	28%	39%	67%
N	\$10	\$12	\$10	12%	3%	18%	27%	39%	66%
Y	\$10	\$10	\$10	10%	9%	14%	27%	39%	66%
N	\$10	\$10	\$10	11%	10%	15%	26%	39%	65%

Again, the overall trend towards cutting back on the amount smoked and quitting smoking altogether continues. The highest incidence of cutting back or quitting behaviour occurs when

\$12.00 is used as the brand extension price across the three brand extensions (74% for \$12.00 all with descriptor, and 73% for \$12.00 all without descriptor).

For the choice sets where a lower-priced brand extension is offered at \$10.00, on average, 18% gravitate towards the Light brand extension, which is priced at \$10.00. Within these choice sets, between 70 and 71% of respondents say that they would either cut back or quit smoking altogether (with or without descriptor).

When the Light brand extension is the higher-priced brand extension at \$12.00, on average, 12% of the respondents move towards the Regular brand extension and 18% choose the Extra Light brand extension. Again, the overall trend towards cutting back or quitting smoking continues (between 66% and 67%, with or without descriptor).

Once the brand extension price is held constant at \$10.00, the incidence of cutting back or quitting behaviour decreases to on average 66%. Between 33 and 36% choose from among the three extensions.

Purchase Intent Only

Within the table below, the highest incidences of cutting back and quitting behaviour are presented for purchase intent only.

	Brand Extension Price			Choice Set					
Descr./No Descr.	Regular	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Y	\$12	\$12	\$12	7%	5%	7%	41%	41%	82%
N	\$12	\$12	\$12	7%	5%	7%	40%	41%	81%
Y	\$12	\$10	\$12	5%	13%	4%	37%	41%	78%
N	\$12	\$10	\$12	5%	14%	4%	37%	40%	77%
Y	\$10	\$12	\$10	11%	2%	11%	35%	40%	75%
N	\$10	\$12	\$10	12%	2%	11%	35%	40%	75%
Y	\$10	\$10	\$10	9%	7%	9%	34%	40%	74%
N	\$10	\$10	\$10	9%	8%	9%	34%	40%	74%
Y	\$8	\$10	\$10	28%	3%	6%	26%	37%	63%

Again, the overall trend towards cutting back or quitting smoking continues. Within the purchase-only scenario, the highest incidence of cutting back or quitting behaviour occurs when the highest brand extension at \$12.00 is used (between 81 and 82%) with or without descriptor. Once a lower brand extension price is introduced (\$10.00 for the Light brand extension), between 13 and 14% of the respondents choose Light, while 9% of the respondents are divided between the Regular or Extra Light brand extensions.

Within the choice sets, wherein \$10.00 is the price assigned to the Regular or Extra Light brand extensions, between 11 and 12% of the respondents are split between the Regular or Extra Light brand extensions (on average, 11% each). The percentage of respondents choosing to cut

back smoking to save money or quit smoking altogether drops to 75%, with or without descriptors.

Once the brand extension price is set at \$10.00 across the three extensions, between 25 and 26% of respondents are divided between the Regular, Light and Extra Light extensions (on average, between 8 and 9 % for each extension).

When \$8.00 is introduced as the lowest-priced extension for Regular, the incidence of smokers choosing the highest tar delivery extension increases to 28%. Here the incidence of respondents choosing to cut back smoking to save money or to quit smoking altogether drops to 63%.

REGARDLESS OF MESSAGE – HIGHEST INCIDENCE OF CUTTING BACK OR QUITTING

The chart below sets out the choice sets where the incidence of cutting back on the amount smoked or quitting smoking altogether is the greatest and the lowest.

Highest Incidence of Cutting Back/Quitting

		Brand Extension Price			Choice Set					
Message	Descr.	Reg.	Light	Extra Light	Reg.	Light	Extra Light	Cut back	Quit smoking	Combined CB/Quitting
P	Y	\$12	\$12	\$12	7%	5%	7%	41%	41%	82%
P	N	\$12	\$12	\$12	7%	5%	7%	40%	41%	81%
P	Y	\$12	\$10	\$12	5%	13%	4%	37%	41%	78%
H	Y	\$12	\$12	\$12	8%	9%	7%	36%	41%	77%
P	N	\$12	\$10	\$12	5%	14%	4%	37%	40%	77%
H	N	\$12	\$12	\$12	8%	9%	7%	35%	40%	75%
P	Y	\$10	\$12	\$10	11%	2%	11%	35%	40%	75%
P	N	\$10	\$12	\$10	12%	2%	11%	35%	40%	75%
C	Y	\$12	\$12	\$12	8%	7%	11%	32%	42%	74%
P	Y	\$10	\$10	\$10	9%	7%	9%	34%	40%	74%
P	N	\$10	\$10	\$10	9%	8%	9%	34%	40%	74%
C	N	\$12	\$12	\$12	8%	8%	11%	31%	42%	73%
H	Y	\$12	\$10	\$12	4%	21%	3%	33%	39%	72%
C	Y	\$12	\$10	\$12	6%	18%	6%	30%	41%	71%
H	N	\$12	\$10	\$12	4%	22%	3%	32%	39%	71%
H	Y	\$10	\$12	\$10	14%	3%	13%	32%	39%	71%
C	N	\$12	\$10	\$12	6%	18%	6%	29%	41%	70%

3

The highest incidences of cutting back and quitting behaviour occur within the purchase intent only choice sets, where the brand extension price is held at \$12.00 across the three brand extensions, at 82% for the choice set with descriptors, and 81% for the choice sets without descriptors.

³ Messages: P = Purchase Intent Only; H = General Health Risk; and C = Risk of Lung Cancer.

Generally, throughout the remaining choice sets, respondents gravitate towards the extensions priced at \$10.00, when the remaining brand extensions are set at \$12.00. However, the overall general trend towards cutting back or quitting remains more or less constant throughout the remaining choices sets, where the cutting back or quitting behaviour is 70% or more. Overall, the choice sets wherein the purchase intent only option is available, are most often found within the higher incidence of cutting back or quitting smoking choice sets.

Lowest Incidence of Cutting Back/Quitting Smoking Behaviour

The table below sets out the choice sets where the incidences of cutting back or quitting smoking are the lowest.

		Brand Extension Price			Choice Set					
Message	Descriptors	Reg.	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit smoking	Combined CB/Quitting
C	N	\$12	\$12	\$8	5%	2%	43%	19%	31%	50%
C	Y	\$10	\$10	\$8	7%	4%	40%	19%	31%	50%
H	N	\$10	\$10	\$8	6%	6%	38%	21%	29%	50%
C	N	\$12	\$12	\$8	5%	2%	43%	19%	31%	50%
P	N	\$8	\$8	\$8	15%	18%	19%	17%	32%	49%
C	N	\$10	\$10	\$8	7%	4%	40%	18%	31%	49%
H	Y	\$8	\$8	\$8	13%	18%	19%	20%	29%	49%
H	N	\$8	\$8	\$8	13%	19%	21%	19%	28%	47%
C	Y	\$8	\$8	\$8	15%	15%	24%	17%	29%	46%
C	N	\$8	\$8	\$8	15%	15%	25%	16%	29%	45%

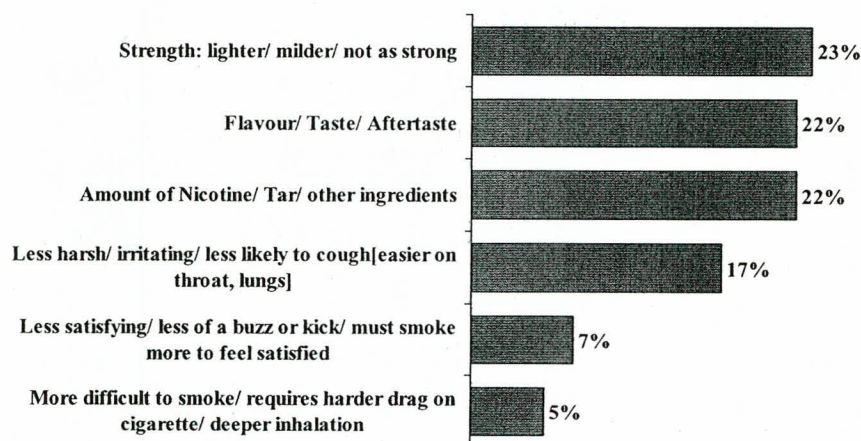
Within the table above, the choice sets wherein the extension price is constant at \$8.00, have the lowest incidence of cutting back and quitting behaviour. Additionally, the other low incidence of cutting back or quitting smoking occurs in choice sets wherein the Extra Light extension is set at the lowest price of \$8.00. Overall, within these choice sets, while roughly one-half or less choose to cut back on the amount they smoke or quit smoking altogether, an equal proportion choose to smoke. The risk of cancer, generalized health risk, along with a constant price of \$8.00 have the least combined impact on cutting back or quitting smoking.

PERCEIVED DIFFERENCES BETWEEN LIGHT AND MILD CIGARETTE

When asked to identify the differences between Regular and Light cigarettes, respondents mentioned strength: Light is milder or not as strong (23%), flavour/taste/aftertaste (22%), and the amount of nicotine or tar (22%) are the three most common differences.

Perceived Differences Between Light and Regular Cigarettes

In what ways are light cigarettes different than regular cigarettes?



N=1,201

Respondents who are more likely to mention "strength" as the major difference between Light and Regular cigarettes include:

- residents of Quebec (30%), compared to residents of Ontario (18%) and the Atlantic provinces (18%);
- those with a lower annual household income, i.e., those earning less than \$20,000 (32%), compared to those with an income of \$80,000 or more (17%);
- younger respondents, peaking at 28% for respondents between the ages of 18 and 34;
- those who smoke Light (28%) or Extra Light cigarettes (25%), compared to those who smoke Regular cigarettes (16%); and
- those in the study whose regular brand is Players cigarettes (28%).

Respondents who are more likely to mention "flavour/taste/aftertaste" as the major difference between Light and Regular cigarettes include:

- younger respondents, for both respondents between the ages of 35 and 44 and 18 and 34 (at 25%, each), compared to those between the ages of 45 and 54 (17%);
- those whose regular brand is Export A (26%), compared to Craven A (14%); and
- those who smoke Regular cigarettes (24%), compared to those who smoke Light cigarettes (19%).

Respondents who are more likely to mention "amount of nicotine or tar" as the major difference between Light and Regular cigarettes include:

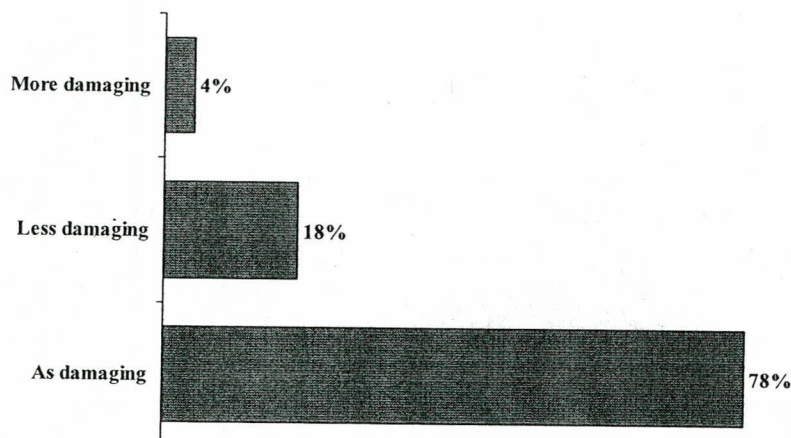
- residents of the Prairies (31%) and Ontario (29%), compared to residents of Quebec (11%);
- those earning a higher annual household income, peaking at 28% for those earning in excess of \$80,000;
- those who evaluated Craven A (26%) or Du Maurier (24%), compared to Export A (16%);
- those whose regular brand is Matinee (34%), compared to Export A (19%) or Players (17%); and
- those who smoke Extra Light cigarettes (29%), compared to those who smoke Regular cigarettes (16%).

Are Light Cigarettes Less Harmful than Regular Cigarettes

When asked whether or not Light cigarettes were more or less damaging than Regular cigarettes, more than three-quarters of respondents (78%) said that Light cigarettes were as damaging to health as Regular cigarettes. Almost one in five (18%) said that Light cigarettes were less damaging, while another 4% indicated that Light cigarettes are more damaging than Regular cigarettes.

Light Cigarettes: More or Less Damaging

Overall, would you say that a light type of cigarette is more damaging, less damaging or as damaging to health as a regular type of



N=1,201

Respondents who are more likely to mention that Light cigarettes are "as damaging" as Regular cigarettes include:

- residents of Quebec (85%) and British Columbia (82%), compared to residents of the Prairies (73%) and Ontario (72%);
- those earning a lower annual household income, peaking at 85% for those earning less than \$20,000;

- those who evaluated Export A (86%) or Players (80%), compared to Du Maurier (75%) or Craven A (69%);
- those whose regular brand of cigarettes are Export A (85%) or Players (83%), compared to those who smoke Matinee cigarettes (63%);
- those who smoke Regular (81%) or Light (80%) cigarettes, compared to those who smoke Extra Light cigarettes (71%); and
- younger respondents, i.e., those aged 35 to 44 (81%) and 18 and 34 (80%), compared to those aged 55 years of age or older (71%).

Respondents who were more likely to mention that Light cigarettes are "less damaging" than Regular cigarettes include:

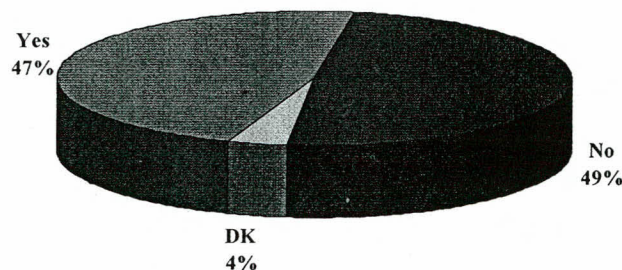
- residents of Ontario (24%) and the Prairie provinces (22%), compared to residents of Quebec (10%);
- those who regularly smoke Extra Light cigarettes (29%) or Light (19%), compared to Regular cigarette smokers (8%);
- those who evaluated Craven A (27%), Du Maurier (20%) or Players (16%), compared to Export A (9%);
- those whose regular brand extension is Matinee (34%), Craven A (27%) or Du Maurier (20%), compared to Players (13%);
- those with a higher annual household income, peaking at 25% for those earning in excess of \$80,000; and
- older respondents, peaking at 24% for those aged 55 or older.

Light Cigarettes Are Less Harmful

When asked if they had ever believed that Light cigarettes were less damaging than Regular cigarettes, respondents were split on the issue, with 47% saying "yes" and 49% saying "no."

At One Time: Thought Light Cigarettes Were Less Damaging Than Regular Cigarettes

Was there ever a time when you ever thought that a light type of cigarette was less damaging than a regular type of cigarette?



Base: More/as damaging N=989

Respondents who are more likely to mention that they believe Light cigarettes are less damaging than Regular cigarettes include:

- those who smoke Extra Light cigarettes (64%), compared to those who smoke Light (41%) or Regular (40%) cigarettes;
- residents of British Columbia (61%), the Prairies (58%) and Ontario (57%), compared to residents of Quebec (27%);
- those with a higher annual income, peaking at 55% for those who earn in excess of \$80,000;
- those who evaluated Du Maurier cigarettes in the study (54%), compared to Players (42%) or Export A (38%);

- those whose regular brand of cigarettes is Matinee (77%) or Du Maurier (53%), compared to Players (43%) or Export A (44%); and
- older respondents, peaking at 51% for those aged 55 or older.

Respondents who were more likely to mention that they have never believed Light cigarettes were less damaging than Regular cigarettes include:

- residents of Quebec (70%), compared to residents of British Columbia (31%);
- those who regularly smoke Regular (56%) or Light (53%) cigarettes, compared to those who smoke Extra Light cigarettes (31%);
- respondents earning a lower annual household income, peaking at 55% for those earning less than \$20,000; and
- those who evaluated the Export A (58%) or Players brand in the study (53%), compared to Du Maurier (42%).

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***2003 Evaluation of Impact
of Health Message,
Price Variation and Descriptors***

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Ipsos

Ipsos
Reid

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INTRODUCTION

In 2002, Health Canada contracted Ipsos-Reid to conduct a study on the behaviour of smokers and the impact of the descriptors "Light" and "Mild," etc., on the behaviour of smokers. Using an Internet-based survey, 1302 smokers from Ipsos-Reid's Internet Panel were surveyed. The on-line survey was divided into three main sections: first, questions profiling the smoking behaviour/preferences of smokers; second, ranking and choice exercises; and third, attitudinal questions.

In 2003, Health Canada wished to conduct a second phase of research that used a similar methodology to that employed in the 2002 study, exploring the impact of specific and general health warning messages, package price variation and "Light" and "Mild" descriptors.

Note: This report summarizes data that was delivered in March immediately following the field dates. The findings of this study were also provided in detailed tables and a choice set simulator (an electronic Excel file).

METHODOLOGY

In 2003, 1201 smokers participated in the on-line survey between March 5 and 17. A sample of 1201 has an associated margin of error of ± 2.83 percentage points, nineteen times out of twenty. Please note that the margin of error for subsets of this population will be larger.

Respondents were invited via e-mail to participate in an on-line survey. Each potential survey respondent was given a survey URL and a personal identification number (PIN). Upon entering the URL, the respondents were required to enter their unique PIN. Once this was done, respondents were permitted to record their answers and complete the survey.

Ipsos-Reid's on-line capabilities permit respondents who are interrupted before they have had an opportunity to complete the questionnaire to access the site again by using their PIN, so that they can finish the survey at their convenience. To ensure the integrity of the data and to avoid a situation in which an individual could fill out the survey multiple times in an attempt to skew the data, the PIN provides password-protected entry to Ipsos-Reid's site, and expires after completion of a single survey (one survey for one PIN).

Overview of Regular and Light as Lowest Brand Extension

	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Regular as lowest R\$8/L\$10/EL\$10	32%	5%	7%	24%	34%	58%
Light as lowest R\$10/L\$8.00/EL\$12	6%	37%	3%	22%	33%	55%
Light as lowest R\$12/L\$8/\$EL\$10	3%	37%	6%	22%	33%	55%
Light as lowest R\$12/L\$10/EL\$12	5%	18%	4%	33%	40%	73%

Once the brand extension price begins to vary within the choice sets presented to the respondents, the impact of lowest brand extension price emerges. More specifically, while the overall trend toward cutting back on the amount smoked or quitting smoking altogether continues, a certain percentage of respondents follow the lowest-priced brand extension. Between 32 and 37% follow the lowest-priced brand extension (\$8.00) within the three choice sets presented above. However, once the brand extension price for Light increases to \$10.00, there is a shift away from Light (from 37% down to 18%). As a result, there is an increase in the number of respondents who say that they will either quit or cut back on the amount they smoke.

using price variation based on purchase intent only, and again there were two sets of 6 (with descriptors and 6 without descriptors). Using the brand indicated by the respondents, smokers were randomly assigned to a set of 12 choices within one of the three choice set themes: *general health risk*, *risk of lung cancer* or *purchase intent only*.

Brand	Brand Evaluated	Usual Main Brand
Du Maurier	42% (n=501)	23%
Players	34% (n=410)	23%
Export A	15% (n=183)	9%
Craven A	9% (n=107)	4%

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² The remaining 41% of usual main brand smoked, smoke brands other than those used within the choice exercises.

Questions Used in the Exercises

As previously mentioned, three choice sets were used within the exercises. The three questions used within each choice set are can be found below.

Type of Choice Set	Question Used
General Health Risk	Next, thinking about the health risks associated with smoking, please indicate what you would do if you had the option of buying package A, buying package B, buying package C, cutting back smoking for health reasons, or quitting smoking altogether. Labels in charts: Gen ND = General Health Risk No Descriptor and Gen Des = General Health Risk with Descriptor
Specific Health Risk	Next, thinking about the risk of developing lung cancer as a result of smoking, please indicate what you would do if you had the option of buying package A, buying package B, buying package C, cutting back smoking for health reasons, or quitting smoking altogether. Labels in charts: Cancer ND = Risk of Cancer (Lung) No Descriptor and Cancer = Risk of Cancer (Lung) with Descriptor
Purchase Intent Only	Next, please tell me what you would do if you had the option of buying package A, buying package B, buying package C, cutting back on smoking to save money, or quitting smoking altogether. Labels in charts: Purchase ND = Purchase Intent Only No Descriptor and Purchase Des = Purchase Intent Only with Descriptor

FINAL ON-LINE STATISTICS

The table below sets out the final statistics of the on-line survey for both English and French respondents.

	English	French
Invited	3832	1273
Refusals	7	2
Undelivered	212	58
Disqualified	227	88
Reminders	0	0
Completes	848	353

DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic	%
Language	
English	71
French	29
Region	
British Columbia	12
Prairies	15
Ontario	34
Quebec	32
Atlantic	7
Gender	
Male	46
Female	54
Age	
18 – 24 yrs	5
25 – 34 yrs	23
35 – 44 yrs	28
45 – 54 yrs	27
55 – 64 yrs	13
65+ yr	4
Income	
Under \$20,000	8
\$20,000 - \$39,999	23
\$40,000 - \$59,999	19
\$60,000 - \$79,999	16
\$80,000 - \$99,999	10
\$100,00 +	11
Education	
< High school	13
High school	21
Some college/CEGEP	19
College/CEGEP	21
Some university	10
University	6

Community (Population)	
< 10,000	5
10,000 – 29,999	16
30,000 – 99,999	22
100,000 – 499,999	14
500,000 – 999,999	14
1,000,000 plus	29
Employment Status	
Employed full-time	53
Employed part-time	6
Self-employed	10
Homemaker	7
Student	4
Retired	10
Unemployed	6
Marital Status	
Single	20
Married	46
Domestic Partnership	20
Widow(er)	1
Separated/Divorced	13

KEY FINDINGS

Overview

In the 2002 "Study of Light and Mild Cigarette Descriptors" it was determined that within choice sets where the descriptors had been removed, smokers defaulted to the toxic constituency information to choose their preferred brand extension. Within those scenarios, there is an increased incidence of smokers who will "switch down" to lower tar delivery brand extensions or quit smoking altogether.

In 2003, where brand extension price has been introduced into the choice sets, price and price variation has the greatest impact on the choices made by respondents. Price supersedes the impact of the descriptors as respondents use brand extension price, and to a lesser extent, a specific health message (lung cancer) to make their choices within the choice sets. The overall trend within the study is towards quitting smoking altogether, or cutting back on the amount smoked for reasons that are related to a general health concern about smoking, or to a more specific health concern that is related to the risk of cancer or cutting back on smoking to save money. More specifically:

- There is no significant difference in the choices smokers make based on descriptors. When price variation is introduced into the choice sets price it supersedes the impact on smokers as a key determinant in the choices respondents make;
- When brand extension price is held constant within choice sets, but increased between choice sets, the incidence of respondents who say that they will either cutback or quit smoking altogether increases;
- When brand extension variation is introduced within choice sets, between 32% and 40% choose the lowest priced brand extension (\$8.00 while the majority are split between the cutting back and quitting options. However, when the lowest priced brand extension is increased by \$2.00, some respondents shift away, toward the cutting back and quitting options;
- The more specific the health message, the greater the likelihood that smokers will shift toward the lowest tar delivery cigarette. However, this does not change the overall trend toward cutting back or quitting smoking altogether; and,
- When respondents are asked to base their decisions on purchase intent only (purchasing package A, B or C, cutting back to save money or quitting smoking altogether) there are higher incidences of cutting back and quitting behaviour among the respondents;

Impact of Consistent Price Set

When brand extension prices are held constant across the choice sets, cutting back on the amount smoked or quitting altogether is influenced primarily by the price assigned to the brand extension; the higher the price (\$12.00 all) of the brand extension across Regular, Light and Extra Light, the greater the incidence of cutting back or quitting behaviour. Conversely, when brand extension price is held constant at \$8.00, the incidence of cutting back on the amount smoked or of quitting decreases, as more people choose one of the three brand extensions.

Within the \$8.00, \$10.00 and \$12.00 choice sets, the cancer-specific message moves some respondents to Extra Light, while the purchase-only option moves more toward quitting (\$8.00) or cutting back (\$10.00 and \$12.00).

Overall, price has a greater impact than either a general or more specific health message (without or without descriptors).

Impact of Price Variation

Once brand extension price is varied within choice sets, a pattern emerges among the respondents, in which some choose to follow the lowest-priced brand extension. Within the choice sets, when the Regular brand extension is the lowest-priced brand extension, while on average, 58% say that they would either cut back or quit smoking, approximately one-third (32%) indicate that they would choose the lowest-priced Regular brand extension (\$8.00).

Within the choice sets, when the Light brand extension is the lowest-priced brand extension (\$8.00), on average, 55% indicate that they would cut back or quit smoking, while 37% indicate that they would choose the lower-priced Light brand extension. However, when the Light brand extension price is increased to \$10.00, the percentage of respondents who choose the Light brand extension at \$10.00 decreases from 37% to 18%. However, the combined percentage of those who say that they would either cut back or quit increases from 55% to 73%. When the Light brand extension is highest-priced brand extension in the choice set and the specific health risk of cancer message is used, there is an increase in the number of respondents who choose Extra Light, compared to either the generalized health risk or purchase intent only options.

Within the choice sets, when Extra Light is the lowest-priced brand extension at \$8.00, on average, 53% say that they would either cut back or quit smoking altogether. However, on average, 37% choose the lower-priced Extra Light brand extension. Here, the number of smokers opting for the lowest-priced and lowest-tar delivery brand extension increases, while the incident of those who say they would either cut back of quit smoking decreases. Again,

Across the choice sets wherein the package price is held constant at \$10.00, the choices made by the respondent follow roughly the same pattern of distribution. On average, ten percent of the respondents choose the Regular brand extension, ten percent choose the Light brand extension, and eleven percent select the Extra Light brand extension. Within the options of cutting back smoking for reasons related to general health concerns, risk of cancer or cutting back on smoking to save money, on average, thirty percent said that they would cut back and thirty-nine percent said that they would quit smoking altogether.

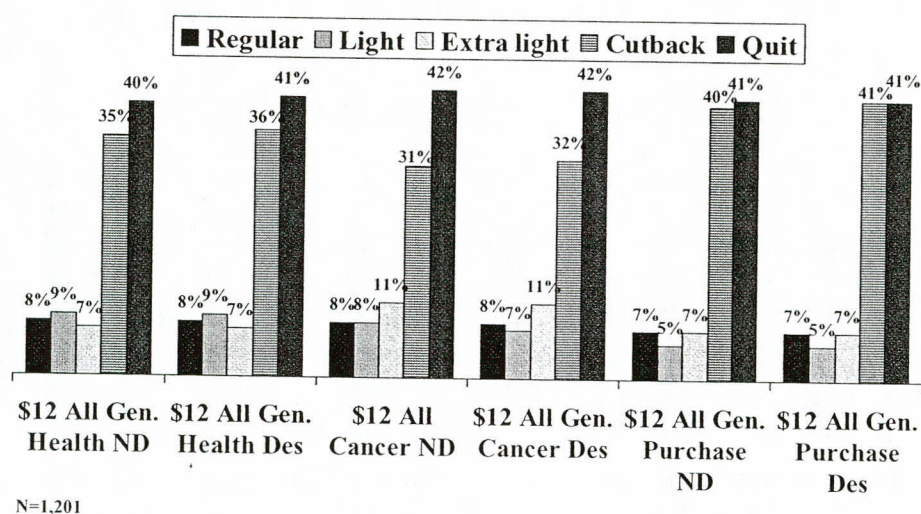
Overall, the distribution of respondents across the brand extension is towards the cutting back or quit smoking altogether options. Between the descriptor and no descriptor choice sets there is not any significant difference across the choice sets. Within the choice set involving the specific risk of cancer, there is a slight increase in the percentage of respondents choosing the Extra Light brand extension (from on average 10% in generalized health risk to 15%). Within the choice sets involving purchase intent only and the cutting back option to save money, there is an increase in the percentage of respondents who report that they would cut back smoking (up from on average 30% in the general health message choice set and 27% in the risk of cancer message choice set) to 34%.

Compared to the choice sets where the price is held constant at \$8.00, there is an overall increase in the percentage of smokers who say that they would cut back on the amount they smoke (up from 18% in the \$8.00 choice sets to 30% in the \$10.00 choice sets). Also, the percentage of respondents who say they would quit smoking altogether increases from 30% in the \$8.00 choice set to 39%. On average, sixty-nine percent in the \$10.00 choice set, say that they would either cut back or quit smoking altogether, up from forty-eight percent within the \$8.00 choice sets.

Twelve-dollar Package Price

The chart below illustrates the choice sets where the price is held constant at \$12.00 and the descriptor is included or excluded while the message changes (health, cancer and purchase intent only).

Price Held Constant At \$12.00, Messages and Descriptor/No Descriptor



Across the choice sets wherein the package price is held constant at \$12.00, the choices made by respondents follow roughly the same pattern of distribution. On average, eight percent of respondents choose the Regular brand extension, seven percent choose the Light brand extension, and eight percent select the Extra Light brand extension. Within the options of cutting back smoking for reasons related to general health concerns, risk of cancer or cutting back on smoking to save money, on average, thirty-six percent said that they would cut back, and forty-one percent said that they would quit smoking altogether.

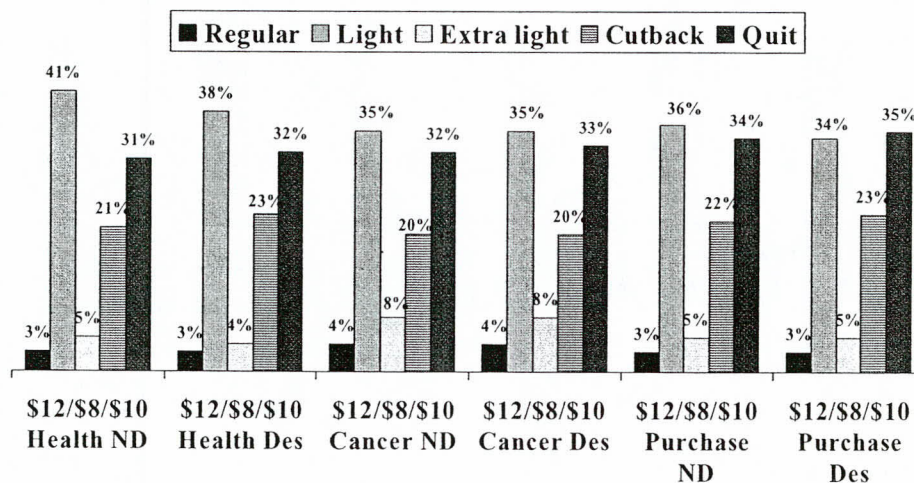
Overall, the distribution of respondents across the brand extension is towards the cutting back or quit smoking altogether options. Between the descriptor and no descriptor choice sets there is not any significant difference across the choice sets. Within the choice set involving the specific risk of cancer, there is a slight increase in the percentage of respondents choosing the Extra Light brand extension (from on average 7% to 11%). Within the choice sets involving purchase intent only and the cutting back option to save money, there is an increase in the

decrease in the percentage of respondents who say that they would either cut back or quit smoking (down from 58% in the Regular brand extension at \$8.00 to 55% for Light brand extension at \$8.00).

Light as Lowest-priced Brand Extension (\$8.00)

Within this section, the results from the choice sets wherein the Light brand extension is the lowest-priced cigarette at \$8.00, the Regular brand extension is priced at \$12.00 and the Extra Light brand extension at \$10.00 within the choice sets are presented.

Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



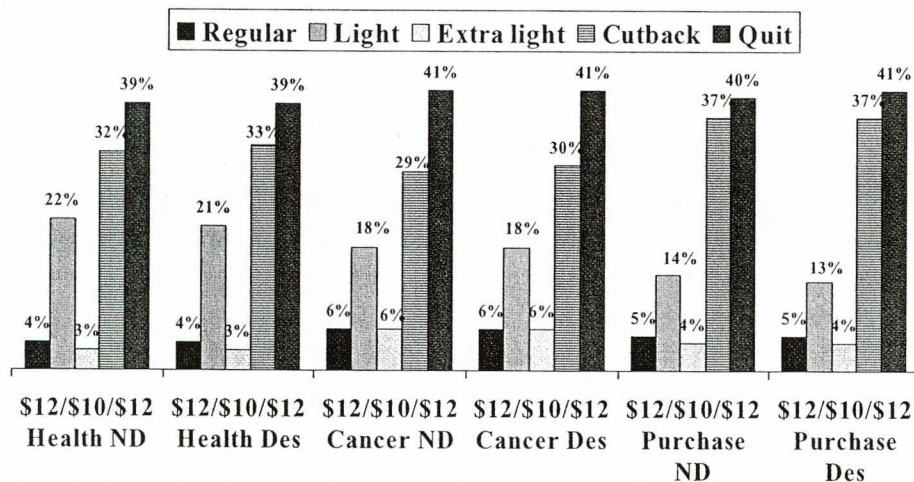
N=1,201

Across the choice sets, wherein the Light brand is the lowest-priced brand extension at \$8.00, on average, three percent choose the Regular brand extension, thirty-seven percent choose the Light brand extension and six percent choose the Extra Light brand extension. More than one in five (22%) say that they would cut back on the amount they smoke and more than one-third (33%) say that they would quit smoking altogether. On average, more than one-half (55%) indicate that they would either cut back or quit smoking altogether. Compared to the choice sets where Regular is the lowest-priced brand extension at \$8.00, there is a slight decrease in the percentage of respondents who say that they would either cut back or quit smoking (down from 58% in the Regular brand extension at \$8.00 to 55% for Light brand extension at \$8.00).

Light Lowest-priced Brand Extension at \$10.00

Within this section, the Light brand extension at \$10.00 is lowest-priced brand extension, while both the Regular and Extra Light brand extensions are \$12.00 each.

Light As Lowest Price Brand Extension \$10.00, Messages and Descriptor/No Descriptor



N=1,201

On average, with the Light brand as the lowest-priced brand extension at \$10.00, five percent choose the Regular brand, eighteen percent choose the Light brand, and four percent choose the Extra Light brand extension. One-third (33%) of respondents say that they would cut back on the amount they smoke, while two in five (40%) say that they would quit smoking altogether.

Compared to the choice sets wherein Light is the lowest-priced brand extension at \$8.00, fewer (18%, compared to 37% at \$8.00) say they would choose the Light brand, when the Light brand extension price is raised to \$10.00. Instead, a greater number of respondents shift to the cut back (33% compared to 22% at \$8.00) or the quit smoking option (40%, compared to 33% at \$8.00). On average, close to three-quarters (73%) say that they would either cut back or quit smoking, compared to those within the \$8.00 scenario (55%).

Overview of Regular and Light as Lowest Brand Extension

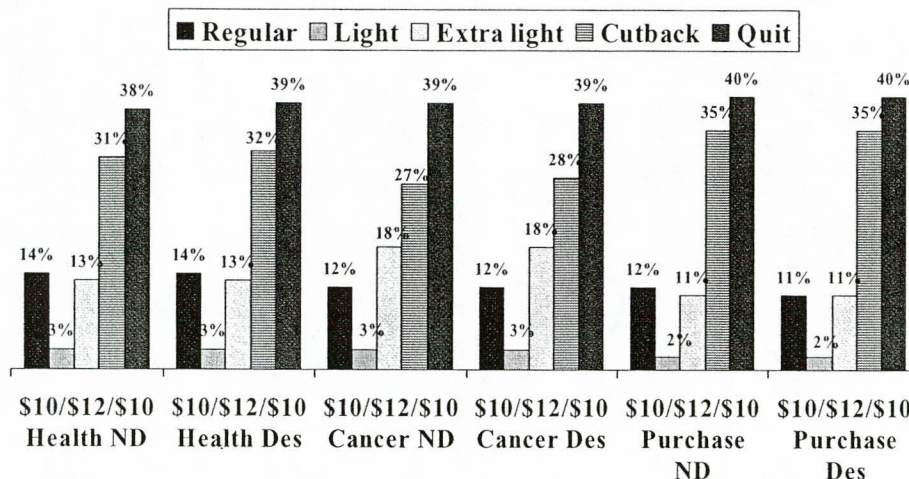
	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Regular as lowest R\$8/L\$10/EL\$10	32%	5%	7%	24%	34%	58%
Light as lowest R\$10/L\$8.00/EL\$12	6%	37%	3%	22%	33%	55%
Light as lowest R\$12/L\$8/\$EL\$10	3%	37%	6%	22%	33%	55%
Light as lowest R\$12/L\$10/EL\$12	5%	18%	4%	33%	40%	73%

Once the brand extension price begins to vary within the choice sets presented to the respondents, the impact of lowest brand extension price emerges. More specifically, while the overall trend toward cutting back on the amount smoked or quitting smoking altogether continues, a certain percentage of respondents follow the lowest-priced brand extension. Between 32 and 37% follow the lowest-priced brand extension (\$8.00) within the three choice sets presented above. However, once the brand extension price for Light increases to \$10.00, there is a shift away from Light (from 37% down to 18%). As a result, there is an increase in the number of respondents who say that they will either quit or cut back on the amount they smoke.

Light as Highest Priced Brand Extension

Within this section, the Light brand extension at \$12.00 is the highest-priced, while both the Regular and Extra Light brand extensions are \$10.00 each.

Light As Highest Price Brand Extension \$12.00, Messages and Descriptor/No Descriptor



N=1,201

Within the choice set, wherein Light is the highest-priced brand extension at \$12.00, on average, thirteen percent choose Regular, three percent choose Light, and fourteen percent choose the Extra Light brand extension. Three in ten (31%) say that they would cut back, and close to two in five (39%) say that they would quit smoking altogether. On average, within this scenario, seven in ten (70%) say that they would either cut back or quit smoking altogether.

Overall, compared to the choice set wherein the Light brand extension is \$10.00, respondents shift away from the more expensive Light brand towards the Regular brand extension (up from 5% at \$12.00 to 13%), and the Extra Light brand extension (up from 4% at \$12.00 to 14%).

Within the choice sets, wherein the specific health risk of cancer is used, there is an increase in the percentage of respondents who say that they would choose the Extra Light brand extension at \$10.00 (up from on average 12% within the general health risk or the purchase intent choice sets, to 18%).

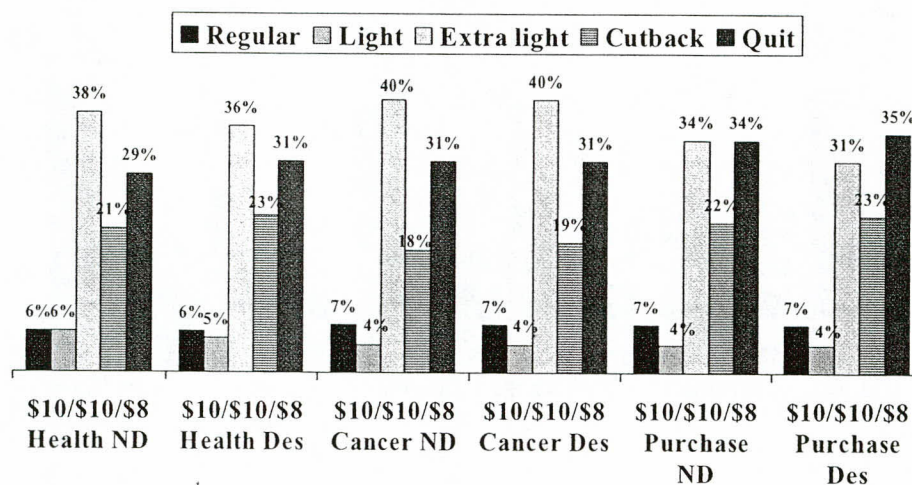
	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Light as lowest R\$12/L\$10/EL\$12	5%	18%	5%	33%	40%	73%
Light as highest R\$10/L\$12/EL\$10	13%	3%	14%	31%	39%	70%

Extra Light as Lowest-priced Brand Extension

Within this section, the brand extension Extra Light is the lowest-priced brand extension at \$8.00. Two choice sets are presented, the first with the Regular and Light extensions at \$10.00 each, and the second with these two extensions at \$12.00 each.

Extra Light at \$8.00, and Regular and Light at \$10.00

Extra Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



N=1,201

Within the choice sets, wherein the Extra Light brand extension is the lowest-priced extension at \$8.00, on average, 7% choose the Regular, 5% choose Light and 37% choose Extra Light brand extension. On average, 53% choose to either cut back on the amount they smoke (21%) or to quit smoking altogether (32%).

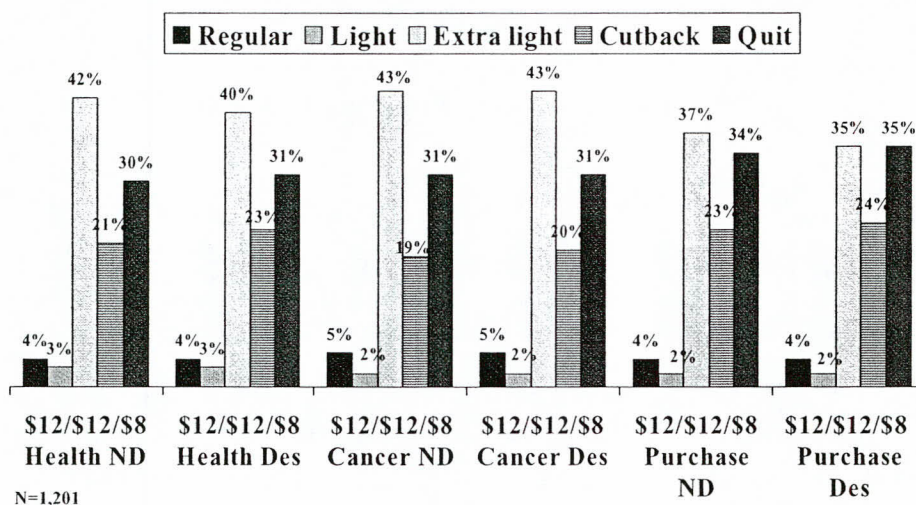
Across the choice sets involving the general health and more specific health message (risk of cancer) and purchase intent only, there is not a significant difference in the findings between the choice sets with or without a package descriptor.

Within the choice sets involving the more specific health risk of cancer, on average, there is a slight shift towards the Extra Light brand at 40%, compared to the general health risk choice set at 37% on average, or 35% for the choice sets involving purchase intent only.

Extra Light \$8.00 and Regular and Light at \$12.00

Within this section, the Extra Light brand extension is \$8.00, and the remaining brand extensions (Regular and Light) are priced at \$12.00 each.

Extra Light As Lowest Price Brand Extension \$8.00, Messages and Descriptor/No Descriptor



Within the choice sets, wherein the Extra Light brand extension is the lowest-priced brand extension at \$8.00, on average, 4% choose the Regular, 2% choose the Light and 40% choose the Extra Light brand extension. On average, 54% choose to either cut back on the amount they smoke (22%) or quit smoking altogether (32%).

Here the overall trend is, on average, toward the cheaper Extra Light brand extension at 37%, the Extra Light (21%), and quitting (32%). Across these choice sets, there is little variation between descriptor and non-descriptor choice sets. Between choice sets, the greatest variation in the proportion of smokers choosing the Extra Light brand extension exists within the purchase intent only choice set, where the number of smokers choosing the cheaper Extra Light brand extension decreases from on average 42% to 36% when smokers are not given any type of health message. Within the purchase-only scenario, there is a slight increase in the number of smokers opting to either cutback or quit smoking altogether (up to 35%, compared to 31% in the other two choice scenarios).

Overview of Extra Light as Lowest-priced Brand Extension

	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Extra Light lowest R\$10/L\$10/EL\$8	7%	5%	37%	21%	32%	53%
Extra Light lowest R\$12/L\$12/EL\$8	4%	2%	40%	22%	32%	54%

Once the Light becomes the lowest-priced extension, respondents continue the overall trend toward cutting back on the amount smoked and quitting smoking altogether. Between 37 and 40% choose Extra Light (\$8.00). The impact of price on the choices smokers make is evident within the choice set wherein Regular and Light are increased to \$12.00, while Extra Light remains constant at \$8.00. Three percent shift to the lower-priced Extra Light brand extension.

Overview of Impact of Brand Extension Variation

The table below provides an overview of the impact of brand extensions as lowest and highest-priced brand extensions within the choice sets.

	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Regular as lowest R\$8/L\$10/EL\$10	32%	5%	7%	24%	34%	58%
Light as lowest R\$10/L\$8/EL\$12	6%	37%	3%	22%	33%	55%
Light as lowest R\$12/L\$8/EL\$10	3%	37%	6%	22%	33%	55%
Light as lowest R\$12/L\$10/EL\$12	5%	18%	4%	33%	40%	73%
Light as highest R\$10/L\$12/EL\$10	13%	3%	14%	31%	39%	70%
Extra Light lowest R\$10/L\$10/EL\$8	7%	5%	37%	21%	32%	53%
Extra Light lowest R\$12/L\$12/EL\$8	4%	2%	40%	22%	32%	54%

Overall, respondents continue the trend toward cutting back on the amount smoked or quitting smoking altogether. However, regardless of the level of health risk associated with smoking or whether descriptors are used or not, between 32% and 40% follow the lowest-priced brand extension, unless the brand extension is increased to \$10.00 in the case of Light, above. Then the price increase of \$2.00 moves some respondents away from the Extra Light brand extension toward either cutting back on the amount smoked or quitting smoking altogether.

GREATEST INCIDENCE OF CUTTING BACK/QUITTING SMOKING

The following chart shows the scenarios in which respondents demonstrated the greatest inclination towards cutting back or quitting smoking by message (general health risk, specific health risk, or purchase intent only).

General Health Risk

Within the table below, the highest incidences of cutting back and quitting behaviour are presented for the generalized health message.

	Brand Extension Price			Choice Set					
Descr./ No Descr,	Regular	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Y	\$12	\$12	\$12	8%	9%	7%	36%	41%	77%
N	\$12	\$12	\$12	8%	9%	7%	35%	40%	75%
Y	\$12	\$10	\$12	4%	21%	3%	33%	39%	72%
N	\$12	\$10	\$12	4%	22%	3%	32%	39%	71%
Y	\$10	\$12	\$10	14%	3%	13%	32%	39%	71%
Y	\$10	\$10	\$10	10%	11%	10%	31%	38%	69%
N	\$10	\$12	\$10	14%	3%	13%	31%	38%	69%
N	\$10	\$10	\$10	10%	12%	10%	30%	38%	68%

Within these choice sets, the respondents were given the options for choosing Regular, Light and Extra Light, cutting back on the amount smoked because of health concerns or quitting smoking altogether, with or without descriptors. While the overall trend is towards cutting back or quitting smoking altogether, higher-priced cigarettes at \$12.00 each, with or without descriptors, demonstrate the highest incidence of cutting back or quitting smoking behaviour (at 77% for \$12.00 all, with descriptors, and 75% for \$12.00 all, without descriptors). Within

the scenarios where the package price varies, respondents demonstrate a higher incidence of cutting back and quitting behaviour when at least two of the brand extensions are priced at \$12.00 each. However, in these scenarios, approximately one-fifth of the respondents gravitate towards the lower-priced extension (light at \$10.00). When the extension price is consistent at \$10.00, the overall trend towards cutting back and quitting continues; however, respondents are somewhat more consistently distributed across the Regular, Light and Extra Light brand extensions (between 31 and 32 %), and on average, 10% to 11% across the three brand extensions.

Specific Health Risk

Within the table below, the highest incidences of cutting back and quitting behaviour are presented for the specific health message.

	Brand Extension Price			Choice Set					
Descr./No Descr,	Regular	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Y	\$12	\$12	\$12	8%	7%	11%	32%	42%	74%
N	\$12	\$12	\$12	8%	8%	11%	31%	42%	73%
Y	\$12	\$10	\$12	6%	18%	6%	30%	41%	71%
N	\$12	\$10	\$12	6%	18%	6%	29%	41%	70%
Y	\$10	\$12	\$10	12%	3%	18%	28%	39%	67%
N	\$10	\$12	\$10	12%	3%	18%	27%	39%	66%
Y	\$10	\$10	\$10	10%	9%	14%	27%	39%	66%
N	\$10	\$10	\$10	11%	10%	15%	26%	39%	65%

Again, the overall trend towards cutting back on the amount smoked and quitting smoking altogether continues. The highest incidence of cutting back or quitting behaviour occurs when

\$12.00 is used as the brand extension price across the three brand extensions (74% for \$12.00 all with descriptor, and 73% for \$12.00 all without descriptor).

For the choice sets where a lower-priced brand extension is offered at \$10.00, on average, 18% gravitate towards the Light brand extension, which is priced at \$10.00. Within these choice sets, between 70 and 71% of respondents say that they would either cut back or quit smoking altogether (with or without descriptor).

When the Light brand extension is the higher-priced brand extension at \$12.00, on average, 12% of the respondents move towards the Regular brand extension and 18% choose the Extra Light brand extension. Again, the overall trend towards cutting back or quitting smoking continues (between 66% and 67%, with or without descriptor).

Once the brand extension price is held constant at \$10.00, the incidence of cutting back or quitting behaviour decreases to on average 66%. Between 33 and 36% choose from among the three extensions.

Purchase Intent Only

Within the table below, the highest incidences of cutting back and quitting behaviour are presented for purchase intent only.

	Brand Extension Price			Choice Set					
Descr./No Descr.	Regular	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit	Average percent cutback and quit smoking
Y	\$12	\$12	\$12	7%	5%	7%	41%	41%	82%
N	\$12	\$12	\$12	7%	5%	7%	40%	41%	81%
Y	\$12	\$10	\$12	5%	13%	4%	37%	41%	78%
N	\$12	\$10	\$12	5%	14%	4%	37%	40%	77%
Y	\$10	\$12	\$10	11%	2%	11%	35%	40%	75%
N	\$10	\$12	\$10	12%	2%	11%	35%	40%	75%
Y	\$10	\$10	\$10	9%	7%	9%	34%	40%	74%
N	\$10	\$10	\$10	9%	8%	9%	34%	40%	74%
Y	\$8	\$10	\$10	28%	3%	6%	26%	37%	63%

Again, the overall trend towards cutting back or quitting smoking continues. Within the purchase-only scenario, the highest incidence of cutting back or quitting behaviour occurs when the highest brand extension at \$12.00 is used (between 81 and 82%) with or without descriptor. Once a lower brand extension price is introduced (\$10.00 for the Light brand extension), between 13 and 14% of the respondents choose Light, while 9% of the respondents are divided between the Regular or Extra Light brand extensions.

Within the choice sets, wherein \$10.00 is the price assigned to the Regular or Extra Light brand extensions, between 11 and 12% of the respondents are split between the Regular or Extra Light brand extensions (on average, 11% each). The percentage of respondents choosing to cut

back smoking to save money or quit smoking altogether drops to 75%, with or without descriptors.

Once the brand extension price is set at \$10.00 across the three extensions, between 25 and 26% of respondents are divided between the Regular, Light and Extra Light extensions (on average, between 8 and 9 % for each extension).

When \$8.00 is introduced as the lowest-priced extension for Regular, the incidence of smokers choosing the highest tar delivery extension increases to 28%. Here the incidence of respondents choosing to cut back smoking to save money or to quit smoking altogether drops to 63%.

REGARDLESS OF MESSAGE – HIGHEST INCIDENCE OF CUTTING BACK OR QUITTING

The chart below sets out the choice sets where the incidence of cutting back on the amount smoked or quitting smoking altogether is the greatest and the lowest.

Highest Incidence of Cutting Back/Quitting

		Brand Extension Price			Choice Set					
Message	Descr.	Reg.	Light	Extra Light	Reg.	Light	Extra Light	Cut back	Quit smoking	Combined CB/Quitting
P	Y	\$12	\$12	\$12	7%	5%	7%	41%	41%	82%
P	N	\$12	\$12	\$12	7%	5%	7%	40%	41%	81%
P	Y	\$12	\$10	\$12	5%	13%	4%	37%	41%	78%
H	Y	\$12	\$12	\$12	8%	9%	7%	36%	41%	77%
P	N	\$12	\$10	\$12	5%	14%	4%	37%	40%	77%
H	N	\$12	\$12	\$12	8%	9%	7%	35%	40%	75%
P	Y	\$10	\$12	\$10	11%	2%	11%	35%	40%	75%
P	N	\$10	\$12	\$10	12%	2%	11%	35%	40%	75%
C	Y	\$12	\$12	\$12	8%	7%	11%	32%	42%	74%
P	Y	\$10	\$10	\$10	9%	7%	9%	34%	40%	74%
P	N	\$10	\$10	\$10	9%	8%	9%	34%	40%	74%
C	N	\$12	\$12	\$12	8%	8%	11%	31%	42%	73%
H	Y	\$12	\$10	\$12	4%	21%	3%	33%	39%	72%
C	Y	\$12	\$10	\$12	6%	18%	6%	30%	41%	71%
H	N	\$12	\$10	\$12	4%	22%	3%	32%	39%	71%
H	Y	\$10	\$12	\$10	14%	3%	13%	32%	39%	71%
C	N	\$12	\$10	\$12	6%	18%	6%	29%	41%	70%

3

The highest incidences of cutting back and quitting behaviour occur within the purchase intent only choice sets, where the brand extension price is held at \$12.00 across the three brand extensions, at 82% for the choice set with descriptors, and 81% for the choice sets without descriptors.

³ Messages: P = Purchase Intent Only; H = General Health Risk; and C = Risk of Lung Cancer.

Generally, throughout the remaining choice sets, respondents gravitate towards the extensions priced at \$10.00, when the remaining brand extensions are set at \$12.00. However, the overall general trend towards cutting back or quitting remains more or less constant throughout the remaining choices sets, where the cutting back or quitting behaviour is 70% or more. Overall, the choice sets wherein the purchase intent only option is available, are most often found within the higher incidence of cutting back or quitting smoking choice sets.

Lowest Incidence of Cutting Back/Quitting Smoking Behaviour

The table below sets out the choice sets where the incidences of cutting back or quitting smoking are the lowest.

		Brand Extension Price			Choice Set					
Message	Descriptors	Reg.	Light	Extra Light	Regular	Light	Extra Light	Cut back	Quit smoking	Combined CB/Quitting
C	N	\$12	\$12	\$8	5%	2%	43%	19%	31%	50%
C	Y	\$10	\$10	\$8	7%	4%	40%	19%	31%	50%
H	N	\$10	\$10	\$8	6%	6%	38%	21%	29%	50%
C	N	\$12	\$12	\$8	5%	2%	43%	19%	31%	50%
P	N	\$8	\$8	\$8	15%	18%	19%	17%	32%	49%
C	N	\$10	\$10	\$8	7%	4%	40%	18%	31%	49%
H	Y	\$8	\$8	\$8	13%	18%	19%	20%	29%	49%
H	N	\$8	\$8	\$8	13%	19%	21%	19%	28%	47%
C	Y	\$8	\$8	\$8	15%	15%	24%	17%	29%	46%
C	N	\$8	\$8	\$8	15%	15%	25%	16%	29%	45%

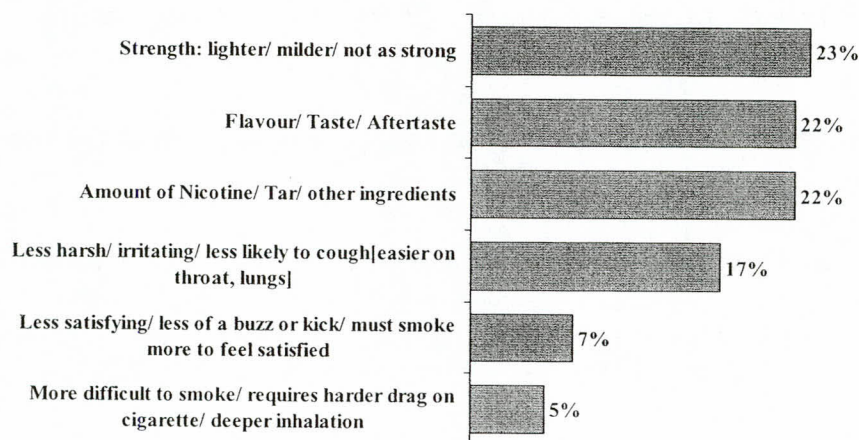
Within the table above, the choice sets wherein the extension price is constant at \$8.00, have the lowest incidence of cutting back and quitting behaviour. Additionally, the other low incidence of cutting back or quitting smoking occurs in choice sets wherein the Extra Light extension is set at the lowest price of \$8.00. Overall, within these choice sets, while roughly one-half or less choose to cut back on the amount they smoke or quit smoking altogether, an equal proportion choose to smoke. The risk of cancer, generalized health risk, along with a constant price of \$8.00 have the least combined impact on cutting back or quitting smoking.

PERCEIVED DIFFERENCES BETWEEN LIGHT AND MILD CIGARETTE

When asked to identify the differences between Regular and Light cigarettes, respondents mentioned strength: Light is milder or not as strong (23%), flavour/taste/aftertaste (22%), and the amount of nicotine or tar (22%) are the three most common differences.

Perceived Differences Between Light and Regular Cigarettes

In what ways are light cigarettes different than regular cigarettes?



N=1,201

Respondents who are more likely to mention "strength" as the major difference between Light and Regular cigarettes include:

- residents of Quebec (30%), compared to residents of Ontario (18%) and the Atlantic provinces (18%);
- those with a lower annual household income, i.e., those earning less than \$20,000 (32%), compared to those with an income of \$80,000 or more (17%);
- younger respondents, peaking at 28% for respondents between the ages of 18 and 34;
- those who smoke Light (28%) or Extra Light cigarettes (25%), compared to those who smoke Regular cigarettes (16%); and
- those in the study whose regular brand is Players cigarettes (28%).

Respondents who are more likely to mention "flavour/taste/aftertaste" as the major difference between Light and Regular cigarettes include:

- younger respondents, for both respondents between the ages of 35 and 44 and 18 and 34 (at 25%, each), compared to those between the ages of 45 and 54 (17%);
- those whose regular brand is Export A (26%), compared to Craven A (14%); and
- those who smoke Regular cigarettes (24%), compared to those who smoke Light cigarettes (19%).

Respondents who are more likely to mention "amount of nicotine or tar" as the major difference between Light and Regular cigarettes include:

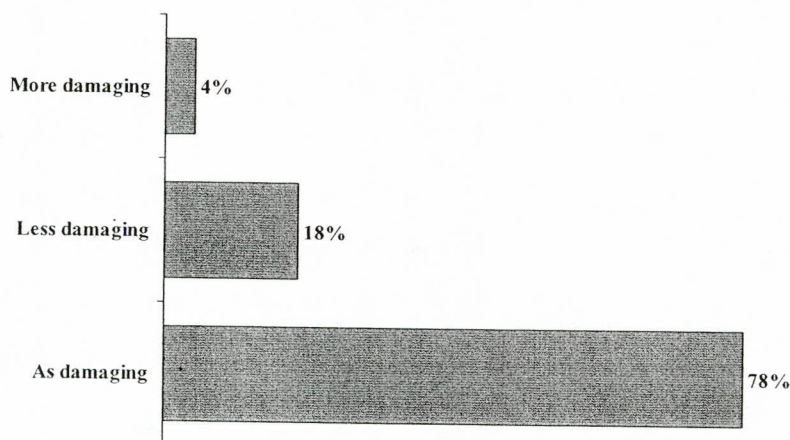
- residents of the Prairies (31%) and Ontario (29%), compared to residents of Quebec (11%);
- those earning a higher annual household income, peaking at 28% for those earning in excess of \$80,000;
- those who evaluated Craven A (26%) or Du Maurier (24%), compared to Export A (16%);
- those whose regular brand is Matinee (34%), compared to Export A (19%) or Players (17%); and
- those who smoke Extra Light cigarettes (29%), compared to those who smoke Regular cigarettes (16%).

Are Light Cigarettes Less Harmful than Regular Cigarettes

When asked whether or not Light cigarettes were more or less damaging than Regular cigarettes, more than three-quarters of respondents (78%) said that Light cigarettes were as damaging to health as Regular cigarettes. Almost one in five (18%) said that Light cigarettes were less damaging, while another 4% indicated that Light cigarettes are more damaging than Regular cigarettes.

Light Cigarettes: More or Less Damaging

Overall, would you say that a light type of cigarette is more damaging, less damaging or as damaging to health as a regular type of



N=1,201

Respondents who are more likely to mention that Light cigarettes are "as damaging" as Regular cigarettes include:

- residents of Quebec (85%) and British Columbia (82%), compared to residents of the Prairies (73%) and Ontario (72%);
- those earning a lower annual household income, peaking at 85% for those earning less than \$20,000;

- those who evaluated Export A (86%) or Players (80%), compared to Du Maurier (75%) or Craven A (69%);
- those whose regular brand of cigarettes are Export A (85%) or Players (83%), compared to those who smoke Matinee cigarettes (63%);
- those who smoke Regular (81%) or Light (80%) cigarettes, compared to those who smoke Extra Light cigarettes (71%); and
- younger respondents, i.e., those aged 35 to 44 (81%) and 18 and 34 (80%), compared to those aged 55 years of age or older (71%).

Respondents who were more likely to mention that Light cigarettes are "less damaging" than Regular cigarettes include:

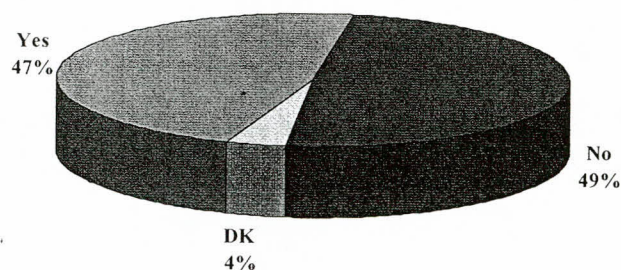
- residents of Ontario (24%) and the Prairie provinces (22%), compared to residents of Quebec (10%);
- those who regularly smoke Extra Light cigarettes (29%) or Light (19%), compared to Regular cigarette smokers (8%);
- those who evaluated Craven A (27%), Du Maurier (20%) or Players (16%), compared to Export A (9%);
- those whose regular brand extension is Matinee (34%), Craven A (27%) or Du Maurier (20%), compared to Players (13%);
- those with a higher annual household income, peaking at 25% for those earning in excess of \$80,000; and
- older respondents, peaking at 24% for those aged 55 or older.

Light Cigarettes Are Less Harmful

When asked if they had ever believed that Light cigarettes were less damaging than Regular cigarettes, respondents were split on the issue, with 47% saying "yes" and 49% saying "no."

At One Time: Thought Light Cigarettes Were Less Damaging Than Regular Cigarettes

Was there ever a time when you ever thought that a light type of cigarette was less damaging than a regular type of cigarette?



Base: More/as damaging N=989

Respondents who are more likely to mention that they believe Light cigarettes are less damaging than Regular cigarettes include:

- those who smoke Extra Light cigarettes (64%), compared to those who smoke Light (41%) or Regular (40%) cigarettes;
- residents of British Columbia (61%), the Prairies (58%) and Ontario (57%), compared to residents of Quebec (27%);
- those with a higher annual income, peaking at 55% for those who earn in excess of \$80,000;
- those who evaluated Du Maurier cigarettes in the study (54%), compared to Players (42%) or Export A (38%);

- those whose regular brand of cigarettes is Matinee (77%) or Du Maurier (53%), compared to Players (43%) or Export A (44%); and
- older respondents, peaking at 51% for those aged 55 or older.

Respondents who were more likely to mention that they have never believed Light cigarettes were less damaging than Regular cigarettes include:

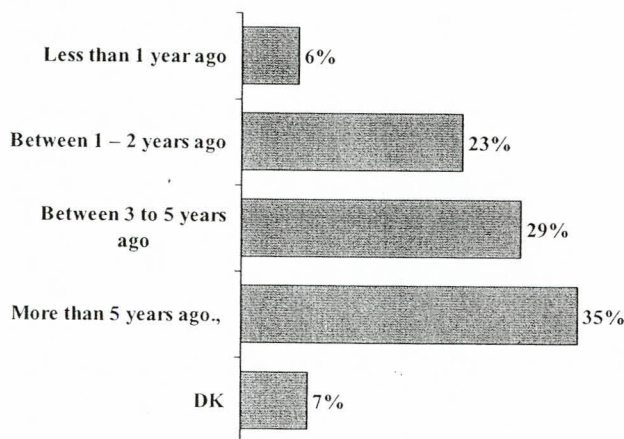
- residents of Quebec (70%), compared to residents of British Columbia (31%);
- those who regularly smoke Regular (56%) or Light (53%) cigarettes, compared to those who smoke Extra Light cigarettes (31%);
- respondents earning a lower annual household income, peaking at 55% for those earning less than \$20,000; and
- those who evaluated the Export A (58%) or Players brand in the study (53%), compared to Du Maurier (42%).

When Perception that Light Cigarettes Are Less Harmful than Regular Cigarettes

Respondents who indicated that they did at one time believe that Light cigarettes were less damaging than Regular cigarettes were asked when their opinion changed about the subject. More than one third of respondents (35%) indicated that their opinion changed more than five years ago. Another three in ten (29%) indicated that their opinion changed between 3 and 5 years ago, while almost one quarter of respondents (23%) indicated that their opinion changed between 1 and 2 years ago. Only 6% indicated that their opinion has recently shifted (less than one year ago).

How Long Ago Did You Change Your Perception that Light Cigarettes Are Less Damaging

How long ago did you change your opinion about light cigarettes i.e. they are not less but as damaging to health as regular cigarettes?



Base: Light type less damaging N=462