

The Puffers & The Tolerants

(Part 3 of 4)

A company's brand is its principal source of competitive advantage and is therefore a valuable strategic asset. A well-structured brand helps generate brand loyalty. Brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually.

Most Popular Brand

From the overall sample of smokers and non-smokers, a majority (67%) stated that the Marlboro ads were their favorite. When the smokers were asked which brand they usually smoke, 50.3% indicated they smoke Marlboro. The runner-up was Gauloises with 22%, followed by Winston with 11.1%, Kent with 4.5%, Gitanes with 2.7%, Camel with 1.5%. Viceroy and Bond both ranked the same with 0.9%. Vantage, Superking and Wenchester ranked equally with 0.6%, as did Chester, Royal King, 3 Stars and Davidoff with 0.3%.

The accuracy of these findings was reinforced by the 2004 Lebanese Customs figures that indicate 66% and 13% of cigarette imports were from the United States and France, respectively.

Graph 1 depicts the most smoked brand according to gender and age. Respondents above 65 years smoke only Marlboro and Winston. Kent is smoked by females more than by males, whereas Gitanes is smoked more by males. Bond and Chester are only smoked by males, while Wenchester, Royal King, 3 Stars and Davidoff are only smoked by females.

Brand Loyalty

However when smokers were asked if they are brand loyal, almost half said they weren't and half said they were. A majority (66.5%) of Marlboro smokers were brand loyal. All those who smoked Viceroy, Wenchester, Chester, 3 Stars and Davidoff were brand loyal, which was not the case for all of the respondents who smoked Bond and Royal King.

Half of the respondents disclosed that they had switched brands, while 29.2% stated they had tried more than two brands. The respondents who said they had switched brands were asked why they did so. Graph 2 illustrates why some respondents switched brands.

Cost to the Smoker


The majority of the respondents (70.8%) had never considered how much money they spent on buying cigarettes. Some (25.6%) did not specify how much they spent on cigarettes per month. 4.2% indicated that they spent LBP 150,000 per month on cigarettes and 1.8% indicated that they spent up to LBP 200,000 per month.

Half of those whose family income was \$200 (i.e. ≈ LBP 300,000) or less, spent LBP 60,000 on cigarettes per month. That's 20% of their monthly family income. Additionally, 25% of respondents in the same income bracket spent LBP 150,000 (i.e. half of their monthly family income) on cigarettes and 25% spent LBP 170,000 (57% of their monthly family income). It should be noted that these are people who are living on minimum wage. Hence, considering that there are other expenses like: utility bills, mobile bills and food expenditure, these people are either living above their means or they have other sources of income. In a paper entitled 'Why is tobacco a public health priority?' the WHO stated, "Tobacco and poverty are inextricably linked. This means that these families have less money to spend on basic items such as food, education and health care."

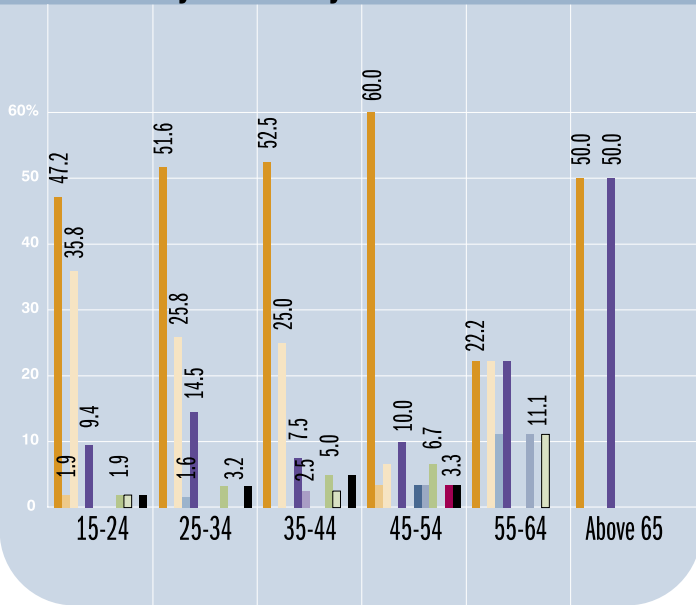
The spending habits of respondents who fell within the middle income bracket of \$1,000-1,500 (i.e. ≈ LBP 1,500,000-2,250,000) varied greatly. Most (20%) spent LBP 60,000 per month on cigarettes. Half of the respondents within the higher income bracket of over \$3,000 (i.e. ≈ LBP 4,500,000) spent LBP 30,000 on cigarettes per month. The other half were split between spending LBP 60,000 and LBP 200,000.

So, the next question is, are smokers price sensitive? The majority (60.8%) stated that price had no influence on how much they smoked. Furthermore, 69.3% indicated that price had no influence on the brand they smoked either.

To test the reliability of their answers, respondents were asked about their reaction to an increase in the price of the brand they were currently smoking. Only, 18.1% replied that they would definitely not buy another brand, 28% would probably buy another, whereas 10.5% would definitely buy another. However, 43.4% indicated that they didn't know what they might do.

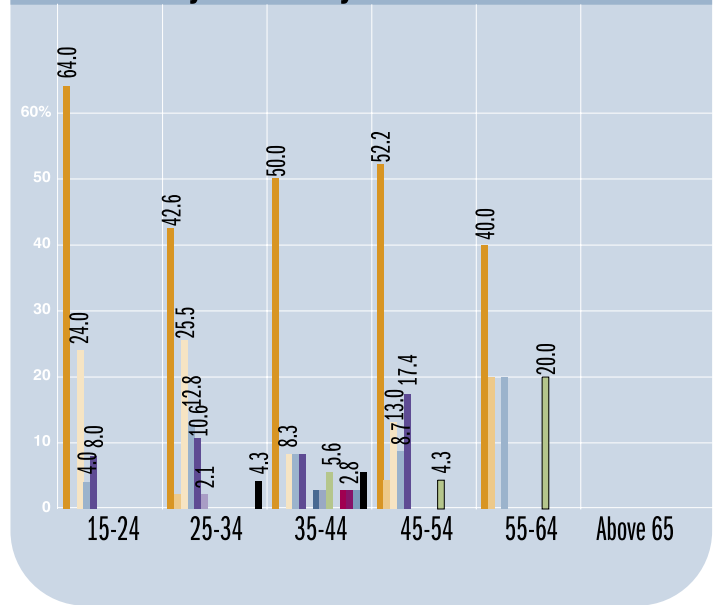
Though all respondents who smoked Royal King classified themselves as not brand loyal, they indicated that they would definitely not buy another brand if the price of Royal King increased. Conversely, all smokers of 3 Stars stated that they were brand loyal, yet if the price of their brand increased, they would definitely buy another. All Chester smokers ranked themselves as brand loyal nevertheless they stated that a price increase would probably lead them to buy another brand. Davidoff smokers also positioned themselves as brand loyal, but when faced with a price increase, they didn't know what they would do. Furthermore, a price increase would lead the 100% loyal Wenchester smokers to split between probably buying another brand and not knowing what they would do. Consequently, we can deduce that despite their loyalty to a brand, Lebanese tobacco consumers are price sensitive. 

G1.1 | Which cigarette brand do you usually smoke? MALES



- Marlboro
- Kent
- Superking
- Bond
- Camel
- Winston
- Viceroy
- Chester
- Gauloises
- Vantage
- Gitanes
- Unspecified

G1.2 | Which cigarette brand do you usually smoke? FEMALES



- Marlboro
- Kent
- Superking
- Wenchester
- Davidoff
- Camel
- Winston
- Viceroy
- Royal King
- Unspecified
- Gauloises
- Vantage
- Gitanes
- 3 Stars

Sample & Methodology

This survey, based on a stratified random sample of 600 respondents in the Greater Beirut area, was conducted between 14 and 26 October 2004.

The survey had a margin of error of $\pm 1.9\%$.

Respondents' gender distribution was 50% males & 50% females, while age distribution was as follows:

26.2% between 15–24 years, 31% between 25–34 years, 21.8% between 35–44 years, 15.5% between 45–54 years, 4.5% between 55–64 years, & 1% above the age of 65.

The next issue will look into the opinion of the respondents regarding a legal minimum smoking age, the role of tobacco companies and the availability of health awareness programs. The issue will also examine the level of health awareness among smokers.

G2 | Why have you switched brands?

