Where the Gains Are

Tobacco sales rose in convenience stores by more than 2.7% in 2019 to hit $72.2 billion, but units declined 2%, according to IRI. Unit sales for cigarettes, the largest segment with $55.8 billion in sales, fell more than 4%.

The fastest-growing subcategory for another year in a row was electronic cigarettes, jumping 59.1% in units sold and up 70.9% in dollar sales vs. 2018, according to IRI. San Francisco-based Juul Labs led the growth, continuing a market domination that began in 2017, according to shipment data from Temple, Texas-based McLane Co.

Spitless tobacco was the other bright spot in the tobacco category, with unit sales growing more than 44% and dollar sales up more than 49%, according to IRI.

Nielsen data showed a 5.1% decline in cigarette volume in 2019 vs. 2018, with an increase in vapor volume of 48.2%. The overall tobacco category in 2019, excluding tobacco alternatives such as e-cigarettes, took in $60 billion in sales, down 1.2%. E-cigarettes brought in $4.6 billion last year, up 46.1%, according to Nielsen.

C-store sales, 52 weeks ending Dec. 29, 2019

CATEGORY	C-STORE SALES ($ MILLIONS)	PCYA*	UNIT SALES (MILLIONS)	PCYA*
Cigarettes	$55,763.3	(1.0%)	7,694.4	(4.3%)
Chewing tobacco/snuff	$7,128.7	3.9%	1,297.3	(1.6%)
Spitless tobacco	$627.7	49.4%	120.4	44.0%
Total smokeless tobacco	**$7,756.4**	**6.5%**	**1,417.7**	**1.1%**
Cigars	$3,472.4	(0.2%)	2,311.5	(1.3%)
Electronic smoking devices	$4,831.5	70.9%	335.6	59.1%
Lighters	$592.2	(5.0%)	346.7	(7.6%)
Smoking accessories	$281.3	(0.3%)	154.9	(2.0%)
Pipe tobacco	$78.9	(1.5%)	10.1	(1.3%)
Roll-your-own tobacco	$42.0	(6.0%)	5.8	(10.7%)
Total all other tobacco products	**$120.9**	**(3.1%)**	**15.9**	**(4.9%)**

Source: IRI

C-store sales, 52 weeks ending Dec. 28, 2019

Cigarettes	$50,748.7	(1.8%)	7,092.4	(5.1%)
Smokeless tobacco	$5,910.4	4.3%	1,078.4	(1.5%)
Cigars	$2,930.5	(1.4%)	2,034.5	(1.9%)
Pipe tobacco	$36.8	(3.1%)	5.4	(1.7%)
Cigarette tobacco	$24.4	(13.6%)	4.4	(17.8%)
Tobacco combination packs	$5.4	5.5%	0.4	3.8%
Tobacco alternatives—nonvapor	$10.0	(45.6%)	1.4	(59.1%)
Tobacco alternatives—vapor	$4,569.8	46.1%	329.6	48.2%

Source: The Nielsen Co.

* Percent change from a year ago | ** Includes grocery, drug, mass market, military commissaries and select club and dollar retail chains

Channel Comparison: Cigarettes

All major retail channels saw declines in cigarette unit sales in 2019. However, c-stores fared better than other channels, according to IRI.

CHANNEL	DOLLAR SALES ($ MILLIONS)	PCYA*	UNIT SALES (MILLIONS)	PCYA*
C-store	**$55,763.2**	**(1.0%)**	**7,694.4**	**(4.3%)**
Multioutlet**	$11,948.4	(13.2%)	1,171.6	(9.3%)
Food	$3,831.6	(3.9%)	480.8	(4.9%)
Drug	$1,856.9	(16.6%)	237.6	(18.2%)

Source: IRI

Distributor Data: Total Nicotine Share

Wholesale shipments to retail through Dec. 28, 2019

Tracking shipment levels to stores in all channels, Management Science Associates (MSA) reported that cigarettes continued to give up share to other nicotine category subsegments, with volumes off 2.5% in 2019.

The brighter news was with vaping products. While amounting to only 5.6% of the nicotine pie, vapor jumped a considerable 2% in nicotine share, according to MSA.

SEGMENT	2019 SHARE	VOLUME PCYA*
Cigarettes	79.4%	(2.5%)
Moist smokeless	7.2%	0.1%
Vapor	5.6%	2.0%
Paper, tubes, wraps	3.3%	0.0%
Large cigars	2.6%	0.1%
Little filtered cigars	1.2%	(0.0%)
Snus	0.3	(0.0%)
Pipe tobacco	0.0	(0.0%)
Roll-your-own	0.0	(0.0%)

Source: MSA

Distributor Data: Cigarette Volume Changes

While premium cigarettes still represent about 3.8 billion in consumer units, MSA shipment data shows that the subsegment saw a volume decline of 6.5% in 2019 compared to 2018. Discount cigarettes, the second-largest subsegment at about three-quarters of a billion units, saw a 11% volume decline. Possibly in correlation to the discount decline, the deep-discount category's volumes rose 10.1%, indicating a more value-conscious consumer.

SEGMENT	VOLUME PCYA*
Superpremium	(0.6%)
Premium	(6.5%)
Discount	(11.0%)
Deep discount	10.1%
Total	**(8.0%)**

Source: MSA

Distributor Data: Top Cigarette UPCs

Calendar year 2019

Premium

Seven of the top premium cigarette UPCs shipped by McLane in 2019 were Marlboro brands, with two Newport UPCs edging into the top five.

1. Marlboro Gold Box King
2. Marlboro Box King
3. Newport Box 100
4. Newport Menthol Box King
5. Marlboro Gold Box 100
6. Marlboro Special Blend Gold Box King
7. Marlboro Special Blend Gold Box 100
8. Marlboro Box 100
9. Marlboro Silver Box King
10. Camel Blue Box King

Discount

The Pall Mall Red Box 100 and Camel Crush Box Menthol King led McLane's shipments of discount cigarettes.

1. Pall Mall Red Box 100
2. Camel Crush Box Menthol King
3. Pall Mall Blue Box 100
4. L&M Menthol Box 100
5. Pall Mall Blue Box King
6. L&M Box 100
7. L&M Box King
8. Pall Mall Red Box King
9. L&M Menthol Box King
10. L&M Blue Box King

Deep Discount

Maverick Menthol Box 100 and Eagle 20 Red Box 100 were the top two deep-discount cigarette UPCs shipped by McLane in 2019.

1. Maverick Menthol Box 100
2. Eagle 20 Red Box 100
3. Maverick Box 100
4. Pyramid Box Red 100
5. Eagle 20 Red Box King
6. Eagle 20 Blue Box 100
7. Maverick Gold Box 100
8. Pyramid Blue Box 100
9. Pyramid Red Box King
10. Maverick Box King

Source: McLane Co.

Distributor Data: Cigarettes

Fourth-quarter 2019

Shipments per store per week of cigarettes as measured by cartons from McLane fell 5.6% in fourth-quarter 2019, with private-label brands seeing the greatest percentage increase.

SEGMENT	APSW** (CARTONS)	APSW** GROWTH	PCYA*
Premium	111.05	(6.06)	(5.2%)
Discount	19.96	(2.58)	(11.4%)
Deep discount	5.84	0.03	0.5%
Private label	2.77	0.28	11.1%
Total	**139.62**	**(8.34)**	**(5.6%)**

Source: McLane Co.

4.3%

Decline in c-store cigarette unit sales in 2019, according to IRI

* Percent change from a year ago | ** Average shipments per store per week

Distributor Data: E-Cigarettes
Fourth-quarter 2019

McLane distribution data shows a rise in shipments by dollars of cartridge/pods, kits and disposables in 2019.

SEGMENT	APSW** (DOLLARS)	APSW** (DOLLAR GROWTH)	PCYA*
Cartridge/pods	$488.29	$122.20	33.4%
Kits	$90.26	$26.75	42.1%
Disposables	$21.01	$2.52	13.6%

Source: McLane Co.

Growth in e-cigarette cartridge/pod volume in c-stores, according to MSA

70.9%

Channel Comparison: E-Cigarette Volume Change
Wholesale shipments to retail through Dec. 28, 2019

MSA shipment data shows significant volume increases in cartridges, or pods, for closed-system devices and a continuing drop in e-liquids through all retail channels. Despite concerns over the U.S. Food and Drug Administration temporarily pulling flavored pods until manufacturers go through the agency's new-product application process, cartridges remain a strong category for the convenience channel.

SEGMENT	ALL OUTLETS	CONVENIENCE/GAS	TOBACCO OUTLETS	DRUGSTORES	DOLLAR STORES	ALL OTHER OUTLETS
Cartridges	68.0%	**70.9%**	29.8%	78.1%	(99.3%)	65.7%
Disposables	3.2%	**15.3%**	6.5%	(14.6%)	(57.5%)	(5.5%)
Starter kits	(51.4%)	**(50.3%)**	(66.1%)	(48.2%)	(94.0%)	(48.7%)
E-liquids	(17.1%)	**(38.2%)**	(11.3%)	(100%)	(54.0%)	66.9%

Source: MSA

Distributor Data: Top Vapor, Disposables
Calendar year 2019

Vapor Starter Kits

Juul items led the vapor starter kits shipped by McLane in 2019.

ITEM	PCYA*
1. Juul Basic Starter Kit	67.9%
2. Juul Device Kit Silver	297.3%
3. NJOY Ace Device	300%
4. My Blu Device	N/A
5. Vuse Alto Kit	61.8%
6. Vuse Vibe Kit	(2.2%)
7. Logic Pro Device	22.7%
8. Vuse Ciro Kit	(61.7%)
9. Logic Power Kit Tobacco	(18.9%)
10. Logic Power Kit Menthol	(28.4%)

Vapor Pods/Cartridges

Among vapor e-liquids, seven Juul products ranked among the top 10 items shipped by McLane in 2019.

ITEM	PCYA*
1. Juul Mint Pod 0.8-mL, 4-pack	155.8%
2. NJOY Ace Blueberry Pod 5%	***
3. Juul Tobacco Pod 0.8-mL, 4-pack	186.6%
4. Juul Classic Menthol Pod 0.7-mL, 4-pack	462.0%
5. Juul Cool Mint Pod 1.4-mL, 2-pack	***
6. NJOY Ace Watermelon Pod 5%	***
7. Juul Cool Mint Pod 3%, 4-pack	***
8. Juul Menthol Pod 5% 1.4-mL, 2-pack	***
9. NJOY Ace Menthol Pod 5%	***
10. Juul Classic Tobacco Pod 0.7-mL, 4-pack	***

E-Cigarette Disposables

Among disposable e-cigarettes, the blu and NJOY brands led in McLane's shipments to c-stores in 2019.

ITEM	PCYA*
1. Blu Classic Tobacco	(25.3%)
2. NJOY Daily Blackberry	(9.0%)
3. Blu Cherry Crush	(27.1%)
4. Blu Mint	10.4%
5. Blu Magnificent Menthol	(19.1%)
6. NJOY Daily Menthol	(15.6%)
7. NJOY Daily Watermelon	16.6%
8. NJOY Daily Cool Menthol	23.0%
9. Blu Vanilla	(17.2%)
10. NJOY Daily Rich Tobacco	2.4%

Source: McLane Co.

* Percent change from a year ago | ** Average shipments per store per week | *** Growth higher than 500%

Where the Gains Are

Shipments to c-stores in dollars per store per week of single cigars grew about 12% in fourth-quarter 2019, while single little cigars grew more than 16% in the same period, according to McLane.

Distributor Data: Cigar Shipments

Fourth-quarter 2019

SEGMENT	APSW** (DOLLARS SOLD)	APSW** GROWTH	PCYA*
Cigar pouches	$152.16	$2.86	1.9%
Cigars, singles	$78.62	$8.15	11.6%
Cigars, packs	$77.23	$4.65	6.4%
Cigars, little packs	$17.46	($0.03)	(0.2%)
Cigar wraps	$4.24	($0.09)	(2.0%)
Little cigars, singles	$0.30	($0.04)	16.4%

Source: McLane Co.

Channel Comparison: Cigars

52 weeks ending Dec. 29, 2019

In 2019, dollar sales of cigars were down in all channels and either down or flat in unit sales, IRI reported.

CHANNEL	DOLLAR SALES ($ MILLIONS)	PCYA*	UNIT SALES (MILLIONS)	PCYA*
C-stores	$3,472.4	(0.2%)	2,311.5	(1.3%)
Multioutlet***	$403.8	(7.8%)	178.8	0.7%
Food	$103.2	(6.0%)	56.6	(3.6%)
Drug	$53.6	(13.9%)	16.8	(10.9%)

Source: IRI

Distributor Data: Pouch Cigars

Swisher Sweets made up four of the top 10 pouch cigars shipped by McLane to c-stores in 2019.

ITEM	PCYA*
1. Swisher Sweets Red	(5.8%)
2. Swisher Sweets Diamond	4.9%
3. Dutch Masters Palma Cigarillos	(6.4%)
4. Game Blue	9.1%
5. Dutch Masters Berry Fusion	21.8%
6. Swisher Sweets Grape	3.3%
7. Game Green	5.9%
8. Game Red	4.9%
9. Game Silver	15.0%
10. Swisher Sweets Mini	(2.6%)

Source: McLane Co.

$3.5 billion

Cigar sales through c-stores in 2019, according to IRI

Distributor Data: Little-Cigar Packs

Al Capone brands were among the top little-cigar packs shipped by McLane in 2019.

ITEM	PCYA*
1. Al Capone Sweets Filtered (2-pack)	9.2%
2. Djarum Black Clove	(2.2%)
3. Al Capone Sweets Cognac (2-pack)	13.7%
4. Cheyenne Menthol 100 (20-pack)	(3.4%)
5. Swisher Sweets	(19.1%)

Distributor Data: Single Cigars

For the single-cigar category, John Middleton Co.'s Black & Mild brands dominated the rankings for McLane shipments to c-stores in 2019.

ITEM	PCYA*
1. Black & Mild Plastic Tip	15.8%
2. Black & Mild Jazz Plastic Tip	10.9%
3. Black & Mild Wood Tip	2.9%
4. Black & Mild Wine Plastic Tip	(4.6%)
5. Black & Mild Wine Wood Tip	(7.1%)

Distributor Data: Cigar 5-Packs

The Backwoods brand competes with Black & Mild in cigar-pack shipment data, according to McLane.

ITEM	PCYA*
1. Black & Mild 20 (5-count)	5.6%
2. Backwoods Sweet (5-pack)	(7.8%)
3. Backwoods Honey Berry (5-pack)	2.7%
4. Black & Mild Wine (5-pack)	(7.9%)
5. Black & Mild Wood Tip (5-pack)	(0.1%)

Source: McLane Co.

* Percent change from a year ago | ** Average shipments per store per week | *** Includes grocery, drugstores, mass market, military commissaries, and select club and dollar retail chains

Where the Gains Are

C-store sales, 52 weeks ending Dec. 29, 2019

Sales of smokeless tobacco in c-stores rose 6.5% in the 52 weeks ending Dec. 29, 2019, with unit sales up 1.1%, according to IRI. Notably, spitless tobacco was up more than 49% in dollar sales and 44% in unit sales.

According to Nielsen, sales of smokeless tobacco rose 4.3% to $5.9 billion in the 52 weeks ending Dec. 28, 2019.

While c-stores and drugstores grew dollar sales of smokeless tobacco, the food segment remained flat and multioutlet stores fell 6.3%, according to IRI.

SMOKELESS TYPE	C-STORE SALES ($ MILLIONS)	PCYA*	UNIT SALES (MILLIONS)	PCYA*
Chewing tobacco/snuff	$7,128.7	3.9%	1,297.3	(1.6%)
Spitless tobacco	$627.7	49.4%	120.4	44.0%
Total smokeless tobacco	**$7,756.4**	**6.5%**	**1,417.7**	**1.1%**

Channel Comparison: Smokeless Tobacco

CHANNEL	DOLLAR SALES ($ MILLIONS)	PCYA*	UNIT SALES (MILLIONS)	PCYA*
C-stores	$7,756.4	6.5%	1,417.7	1.1%
Multioutlet***	$681.4	(6.3%)	85.1	(7.2%)
Food	$288.5	0.1%	48.6	(4.9%)
Drug	$11.5	8.0%	2.0	7.3%

Source: IRI

Distributor Data: Smokeless Tobacco Shipments

Fourth-quarter 2019

Dollars per store per week of smokeless tobacco from McLane to c-stores were up more than 11% in fourth-quarter 2019, with the emerging segment of smokeless alternatives growing by triple digits, according to McLane shipment figures.

SEGMENT	APSW** (DOLLARS)	APSW** (DOLLAR GROWTH)	PCYA*
Smokeless tobacco	$566.37	$31.50	5.9%
Smokeless alternative	$39.14	$31.38	404.3%
Snus/sticks/strips/orbs	$36.32	$2.59	7.7%
Total smokeless tobacco	**$641.82**	**$65.46**	**11.3%**
Cigarette tobacco	$3.31	($0.22)	(6.2%)
Pipe tobacco	$1.31	($0.33)	(19.9%)
Total cigarette/pipe tobacco	**$4.62**	**($0.54)**	**(10.5%)**
Cigarette papers	$8.43	($0.23)	(2.7%)
Cigarette tubes	$0.69	($0.14)	(16.7%)
Total cigarette papers/tubes	**$9.12**	**($0.37)**	**(3.9%)**
Chewing tobacco	$12.15	($0.10)	(0.8%)

Source: McLane Co.

Distributor Data: Smokeless Alternative

The emerging nicotine pouch category came on strong in 2019, according to McLane data, with Zyn-branded products dominating the top 10.

ITEM	PCYA*
1. Zyn Wintergreen 6 mg (0.21-oz.)	342.4%
2. Zyn Cool Mint 6 mg (0.21-oz.)	314.1%
3. Zyn Spearmint 6 mg (0.21-oz.)	464.3%
4. Zyn Peppermint 6 mg (0.21-oz.)	322.0%
5. Velo Mint large pouch 1.35 mg	N/A
6. Velo Citrus large pouch 1.35 mg	N/A
7. Zyn Cinnamon 6 mg (0.21-oz.)	250.0%
8. Zyn Wintergreen 3 mg (0.21-oz.)	360.07%
9. Zyn Cool Mint 3 mg (0.21-oz.)	350.6%
10. Zyn Coffee 6 mg (0.21-oz.)	363.3%

Source: McLane Co.

Distributor Data: Moist Smokeless

The most shipped moist smokeless product from McLane in 2019, Grizzly Long-Cut Wintergreen Can, was also one of the items with growth among the top five.

ITEM	PCYA*
1. Grizzly Long-Cut Wintergreen Can	6.4%
2. Copenhagen Fine-Cut Can	(1.1%)
3. Copenhagen Long-Cut Can	(3.6%)
4. Copenhagen Long-Cut Wintergreen Can	9.3%
5. Grizzly Wintergreen Pouch (0.82-oz.)	15.6%
6. Copenhagen Long-Cut Mint	17.2%
7. Copenhagen Long-Cut Straight	15.9%
8. Copenhagen Pouches Can	8.9%
9. Kodiak Wintergreen Can	1.0%
10. Grizzly Long-Cut Straight (1.2-oz.)	(2.6%)

Source: McLane Co.

Distributor Data: Snus

McLane data had Camel and Skoal items as the top movers in 2019.

ITEM	PCYA*
1. Camel Snus Frost Large Can	0.2%
2. Camel Snus Frost Can	3.7%
3. Camel Snus Mellow Can	4.2%
4. Camel Snus Winterchill Tin	(9.5%)
5. Skoal Snus Mint Can	24.0%
6. Camel Snus Mint Can	(0.5%)
7. Skoal Snus Smooth Mint Can	26.1%
8. General Snus Mint Can (0.85-.oz)	1.2%
9. General Snus Wintergreen Can (0.85-oz.)	(7.6%)
10. General Snus White Can (0.85-oz.)	(4.0%)

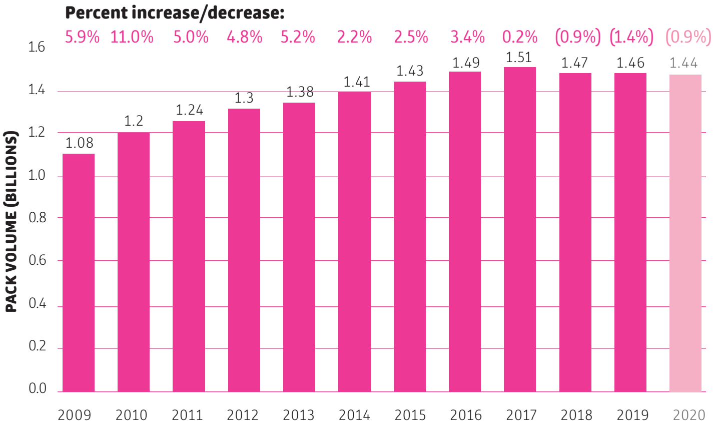
Source: McLane Co.

* Percent change from a year ago | ** Average shipments per store per week | *** Includes grocery, drugstores, mass market, military commissaries, and select club and dollar retail chains

Distributor Data: Moist Smokeless

Wholesale shipments to retail through Dec. 28, 2019

Though dropping by a half-percent in pack volume, shipments in 2019 for total U.S. moist smokeless products were about 1.5 billion, according to MSA.



Source: MSA; **Note:** 2020 data is estimated

Distributor Data: Chewing Tobacco

Three of the top chewing-tobacco items shipped by McLane in 2019 were Redman brands.

ITEM	PCYA*
1. Redman	(0.2%)
2. Redman Golden Blend	0.4%
3. Levi Garrett	(5.2%)
4. Redman Silver Blend	(4.9%)
5. Beechnut	(17.7%)

Source: McLane Co.

Distributor Data: Pipe Tobacco

Two of the most prominent brands of pipe tobacco shipped by McLane in 2019 were Gambler and Largo.

ITEM	PCYA*
1. Gambler Pipe Tobacco Medium Bag (6-oz.)	0.9%
2. 4 Aces Turkish Blend Pipe (0.75-oz., 2 pouches)	30.6%
3. Largo Regular Pipe Tobacco (0.75-oz.)	(35.8%)
4. Largo Regular Pipe Tobacco Bag (5-oz.)	(28.0%)
5. Gambler MLW Pipe Bag (6-oz.)	18.5%
6. Tin Star Pipe B1G1 Pouch (0.7-oz.)	0%
7. Gambler Pipe Tobacco Large Bag (16-oz.)	3.6%
8. Gambler Mint Pipe Medium Bag (6-oz.)	5.7%
9. High Card Regular Pipe Bag (5-oz.)	19.4%
10. Largo Regular Pipe Tobacco Bag (12-oz.)	(39.7%)

Source: McLane Co.

Distributor Data: Cigarette Paper

In 2019, Zig-Zag and Job were the major brands for cigarette paper, McLane said.

ITEM	PCYA*
1. Zig-Zag French Orange Book	1.5%
2. Job Gold 1.5 Cigarette Paper	(5.8%)
3. Job Original 1.25 Book	0.8%
4. Zig-Zag White Cigarette Paper Book	(4.7%)
5. Top Gummed Paper Book	(3.4%)
6. Job Gold 1.25 Cigarette Paper	(15.0%)
7. Zig-Zag 1 1/4 Ultra Thin Book	4.8%
8. Job Original 1.25 Bowl book	2.3%
9. OCB Organic Hemp 1.25 booklet	3.4%
10. Zig-Zag Paper Cones 1.25	0%

Source: McLane Co.

Distributor Data: Cigarette Tobacco

While many brands made up the top items shipped by McLane in 2019, American Spirit claimed the Nos. 2 and 3 spots.

ITEM	PCYA*
1. Bugler Original Tobacco Pouch (0.65-oz.)	(16.9%)
2. American Spirit Original Blend Pouch (1.41-oz.)	(14.0%)
3. American Spirit Organic Pouch (1.41-oz.)	(4.5%)
4. Drum Tobacco Pouch (1.14-oz.)	(12.8%)
5. Top Tobacco (0.6-oz.)	(16.9%)
6. Top Superoll Pouch (0.4-oz.)	(26.8%)
7. Top Superoll Twin Pack Pouch (0.8-oz.)	(23.7%)
8. Top Menthol Tobacco Pouch (0.6-oz.)	(16.4%)
9. American Spirit Original Blend Tin (150g)	(3.3%)
10. Kite Mentholated Original Tobacco Pouch (0.65-oz.)	(46.5%)

Source: McLane Co.

Pocket Lighter Brands

C-store sales, 52 weeks ending Dec. 29, 2019

C-store lighter sales totaled more than $592 million in 2019, with many of the top-selling brands coming from BIC Corp., IRI data shows.

BRAND	C-STORE SALES ($ MILLIONS)	UNIT SALES	UNIT SALES (MILLIONS)	PCYA*
BIC	$403.6	(7.4%)	$232.4	(9.2%)
BIC Limited Edition	$48.2	(4.1%)	$24.8	(4.6%)
Private label	$25.4	(2.4%)	$17.7	(5.5%)
BIC Special Edition	$13.0	349.7%	$6.4	357.4%
Flick My BIC	$10.6	(20.2%)	$5.3	(22.8%)
Total †	**$592.2**	**(5.0%)**	**346.7**	**(7.6%)**

Source: IRI

* Percent change from a year ago | † Including UPCs/brands/families not shown