

Philip Morris opens first IQOS flagship in Africa



By Lauren Hartzenberg

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The only IQOS standalone store on the African continent opened its doors in South Africa recently. The new 160sqm flagship boutique, located in Sandton City Shopping Centre, will help Philip Morris South Africa (PMSA) - the local unit of international tobacco giant Philip Morris International (PMI) - introduce more cigarette smokers to its smoke-free tobacco products and educate them on the science behind it.



The Gauteng boutique shares the same sleek, modern minimalist look that characterises IQOS devices and accessories. The interior extends the Scandinavian design thread present in other IQOS flagship stores in the likes of London, Tokyo and Milan.

Sandton City was selected as the flagship location as it boasts annual foot traffic in excess of 25-million visitors, and is a destination mall with an appeal to both local and international consumers. With South Africa being the only market in Africa where IQOS is sold, the flagship retail presence will help serve as a springboard to expand into the rest of the continent.

Heat, not burn

The IQOS innovation is based on the premise that the vast majority of harmful chemicals associated with cigarette smoking is produced when tobacco is burnt. An IQOS therefore uses an electric heat source to heat the tobacco at controlled temperatures below combustion levels, emitting “95% lower levels of harmful chemicals compared to cigarettes”, according to the tobacco company.

This device is used with specific tobacco sticks called Heets, which are available in different 'flavours'. This means that IQOS is able to satisfy cigarette smokers with the taste of real tobacco, which is where devices like 'vapes' – which rely on a flavoured nicotine liquid – fall short. IQOS doesn't produce a cigarette smoke smell, second-hand smoke or ash.



PMI has openly committed to a move away from the cigarette business, and has invested more than \$6 billion into the research and development of IQOS.

Speaking at the launch, Marcelo Nico, managing director at PMSA, said PMI is more than a tobacco company, it's also a science and technology company. With three versions of IQOS devices already available, along with a host of matching accessories, Nico said that PMI will continue to design and launch new products.



Philip Morris launches next-generation IQOS devices in SA

Lauren Hartzenberg 5 Dec 2018



Value of a retail presence

PMI currently has a retail footprint of 11 IQOS kiosks in shopping malls across Gauteng, Western Cape and Kwazulu-Natal.

Sandton is the first stand-alone store, with plans in the works to open more in the major cities.

A strong retail presence is a vital part of PMI's strategy to grow its IQOS business and stop selling regular cigarettes. According to the Marlboro maker, the new IQOS flagship store in Sandton was designed to serve two main purposes: to provide important information about smoke-free alternatives and to give IQOS users a place to personalise their devices and get support.



"IQOS is a product that requires explanation and we need sufficient time with a smoker to be able to demonstrate the product," explained Nico. At the launch, attendees were encouraged to download a dedicated app, allowing one to hold a mobile phone up to interactive in-store displays to obtain additional information and multimedia related to the product.

"The aim of the retail boutique is to offer adult smokers a space where they can get to know, touch, try IQOS and educate themselves on better alternatives to smoking. In addition to taste, the consumption of tobacco products has a lot to do with touch and ritual - the interest in IQOS is high and accordingly, we need space in our boutiques to engage with these consumers."

He added that a South African retail footprint will help PMI with building its case for IQOS with regulators and consumers in other markets in the region.



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PMI said that while heat-not burn-tobacco products are relatively new to South Africans, an estimated 75% of adults in SA who have switched to IQOS continue using it. “About 10,000 smokers are converting to IQOS globally daily and the conversion to the product in SA since it launched in 2017 has been significant,” stated the company.

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