

E-cigarettes: growing, but fragmented \$3 bn market

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The World Health Organization [took aim Tuesday at e-cigarettes](#), the increasingly popular, ostensibly safer tobacco substitute which WHO nevertheless says poses a serious threat to young people.

The [global market](#) for e-cigarettes is still dwarfed by traditional cigarettes, but has grown rapidly to about \$3 billion. It is very fragmented, with more than 400 brands of flavors and "delivery systems," many using identical components from China.

But the world's largest cigarette companies are moving in, developing and buying products, aiming to stake out market positions as they see traditional cigarette smoking slowly on the decline.

— Imperial Tobacco Group owns blu, said to be the largest US brand with a 40 percent market share. Imperial acquired blu from Lorillard in July as a part of Reynolds American's takeover of Lorillard. Lorillard had reported first half sales of blu worth \$88 million.

— Reynolds American, parent of the RJ Reynolds [tobacco](#) company, began expanding its VUSE e-cig into the national US market this year after test marketing in 2013. It says VUSE is now in 21,000 US retail outlets.

— BAT, or British American Tobacco, is slowly introducing its Vype brand into the British market and experimenting with consumer preferences.

— Altria, the parent of Phillip Morris, is already selling its MarkTen e-cig in 60,000 retail stores in the western half of the United States, and is planning more expansion. It also recently bought the Green Smoke brand, which had carved out a share of the US market.

— Japan Tobacco International in June bought the e-cig brand E-lite, popular in Britain, its first step into the [market](#).

— NJOY is the [brand](#) of a Silicon Valley and Hollywood startup which has built significant US [market share](#) through slick marketing, but remains an independent among the tobacco giants.

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