

Committee on Oversight and Reform
Questions for the Record in the April 27, 2022, Hearing

Mr. Bob Sternfels, Global Managing Partner, McKinsey & Company

Questions from Rep. Krishnamoorthi

1. *What was the purpose of McKinsey's work on behalf of JUUL?*

McKinsey's work on behalf of Juul Labs, Inc. ("Juul") focused primarily on traditional commercialization issues, such as pricing, brand positioning, and consumer segmentation. McKinsey also performed work related to youth prevention initiatives, some of which was done at the direction of and under the supervision of counsel to Juul. McKinsey ended its relationship with Juul in April 2019, and more broadly, under McKinsey's client service policies, McKinsey has ended all work on tobacco-related business issues, including vaping-related work.

2. *What was the impact on minors of the marketing strategy that JUUL developed based on McKinsey's work?*

McKinsey's marketing-related work was intended to assist Juul in converting adult users of traditional combustible cigarettes to e-cigarettes.

3. *Were there any efforts to shift the age demographics of JUUL's customer base?*

McKinsey's work included efforts directed at youth prevention.

4. *Was research conducted into previous tobacco advertising on JUUL's behalf?*

To the best of our knowledge, no.

5. *What were the goals, target audiences, and foci of public opinion and customer preference research into JUUL's products?*

In early 2018, McKinsey analyzed Juul's brand positioning and consumer base in an effort to target adult smokers. In spring 2018, McKinsey oversaw a survey related to flavor name preferences across demographics, including adults and youth, in order to inform youth prevention efforts.

6. *Did McKinsey conduct any research on how to either attract minors to JUUL's products or deter them from using JUUL's products?*

As noted above, certain of McKinsey's work was directed at youth prevention efforts, not attracting minors.

7. *Did McKinsey make any recommendations as to how to market JUUL's products to minors or deter them from using JUUL's products?*

As noted above, McKinsey's work was directed at converting adult users of traditional combustible cigarettes to e-cigarettes, and at youth prevention efforts.

8. *Did McKinsey work for any other e-cigarette or tobacco companies during the same time period in which McKinsey worked for JUUL, or during the previous five years?*

Yes, although under McKinsey client service policies, McKinsey ended all work for the vaping industry in 2020 and ceased all work on tobacco-related business issues in 2021.