Nicotine Pouches Come of Age: A Category Retailers Can’t Ignore

Nicotine pouches—small, tobacco-free sachets placed between the lip and gum—have rapidly evolved from a niche Scandinavian product to one of the UK’s fastest-growing tobacco alternatives. With recent market research showing explosive growth rates of over 700 percent in a single quarter for some retailers, these unassuming products are proving to be anything but quiet when it comes to sales potential.

The Next Frontier

The evolution of nicotine products has followed a clear trajectory: first came vaping, then heat-not-burn devices, and now possibly the most revolutionary development of all—nicotine pouches. Drawing inspiration from traditional Scandinavian tobacco practices, these modern alternatives contain no tobacco whatsoever. Instead, they use nicotine-infused fibre with added flavourings and sweeteners.

For convenience retailers, the category represents a significant opportunity amid changing consumer preferences and increasing restrictions on traditional tobacco products. Unlike e-cigarettes or heated tobacco systems, pouches require no batteries, produce no vapour or smoke, and can be used virtually anywhere without drawing attention—making them the ultimate discreet nicotine product for today’s consumer.

Market Potential

Grand View Research valued the UK nicotine pouches market at £185.07 million in 2024, projecting a compound annual growth rate of 7.6 percent through 2030. Perhaps more telling is the rapid consumer adoption rate—a recent study published in Nicotine and Tobacco Research revealed that the proportion of adults who have tried nicotine pouches doubled from 2.7 percent in 2020 to 5.4 percent in 2024.

“The growth we have experienced since our launch in May 2024 is nothing short of phenomenal. Our commitment to excellence, an unmatched product range, and a deep understanding of our consumers' evolving needs have driven our stellar performance,” says George Muhtarb, Director of Prime Kiosks.

Pouches, a specialist retailer, reported extraordinary quarterly growth rates—728 percent from Q2 to Q3 2024, followed by 130 percent from Q3 to Q4, and an additional 70 percent in Q1 2025.

This average monthly growth rate of approximately 47 percent highlights not only the rapid rate at which the company is scaling but also illustrates the strong consumer appetite and market viability for nicotine pouches in the UK.

Clearing the Air

Phil Hudson, Associate Director of the Global Institute for Novel Nicotine (GINN), advocates for clear, consistent messaging and responsible marketing. “Retailers need to treat nicotine pouches like any other nicotine product and act responsibly,” he says.

Hudson stresses the importance of adult-only marketing and retail practices that prevent youth access. “This is a category with significant harm reduction potential—but that potential must be protected through proportionate, science-based regulation and clear retail discipline.”

He further adds that policymakers must be cautious not to confuse nicotine pouches with combustible tobacco. “These are not the same products, and conflating them undermines the public health benefit that nicotine pouches can deliver.”

A Significant Category

Philip Rasinger, Head of Marketing at Scandinavian Tobacco Group UK, states: “With overall smoking rates falling and new upcoming legislation on the way, the nicotine pouch category is no longer a niche segment. It’s becoming mainstream. With a growing roster of suppliers, nicotine pouches are now firmly on the map.”

Major brands like Nordic Spirit, Velo, and ZYN are leading the pack. Retailers are now pushing customers to switch to pouches—and it’s working. Some retailers are seeing annual growth of over 900 percent. Others report year-on-year growth of 7 percent in sales.

Philip Morris Limited, through its ZYN brand, has established itself as a formidable player in the UK nicotine pouch market. The brand saw a 497 percent net increase in sales volume between December 2023 and December 2024. The company also highlights a price point that makes ZYN nicotine pouches a budget-friendly option compared to cigarettes. ZYN retails at £6.50 RRP, whereas the average price of a pack of cigarettes is £16.60.

Consumer Preferences

The research conducted by King’s College London in collaboration with Action on Smoking and Health (ASH) provides valuable insights into who is embracing nicotine pouches. Usage is notably higher among young adults aged 18–34, predominantly male consumers, and individuals living in London. The study also found that most users had prior experience with nicotine, particularly through smoking or vaping.

This demographic profile presents retailers with a clear target market—young, urban professionals seeking a more discreet and convenient alternative to traditional tobacco products or vaping. The appeal lies in the product’s invisible nature, making it suitable for any environment without breaching social norms or workplace restrictions.

The market shows interesting segmentation by nicotine strength, with Extra Strong variants (more than 8 mg/pouch) capturing 33–41 percent of revenue share in 2024, according to Grand View Research. This strength category appeals particularly to experienced nicotine users and former heavy smokers seeking an intense alternative to cigarettes.

However, Light strength pouches (2mg/pouch) are expected to show the fastest growth at a CAGR of 11 percent from 2023 to 2030, driven by new users and those aiming to reduce their nicotine dependence. This bifurcation suggests retailers should maintain a balanced offering across strength categories to cater to diverse consumer needs.

As the nicotine pouch category continues its impressive growth trajectory in the UK, leading manufacturers are investing heavily in product innovation, consumer education, and retail support.

One key insight from manufacturers is the diverse usage patterns emerging among nicotine pouch consumers. According to Dor Matot, Head of ZYN at Philip Morris Limited (PML), these products appeal not as a primary nicotine-containing product but as an alternative that fulfills specific need states where other products may not be convenient or permitted.

“Nicotine pouches are a versatile, smoke-free alternative suitable for any adult smoker or legal-aged nicotine user. They are ideal for any location or occasion as they provide a cleaner, discreet nicotine experience compared to cigarettes,” he notes.

Tips to Maintain and Grow Sales

Think responsibly: Always age-gate these products to ensure they are sold only to adult smokers and nicotine users.

Alternative product approach: Consider nicotine pouches not as a primary nicotine product but as an alternative that fulfills specific needs.

Diverse portfolio: Ensure nicotine pouches are part of a broader portfolio of smoke-free products to cater to poly-users, providing a comprehensive selection that meets various customer needs.

As the UK moves towards a smoke-free future, it’s crucial for retailers to adopt a multi-category approach that caters to consumer need for variety. Nicotine pouches have seen significant growth and momentum, and this is only the beginning.

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