

CAMEL Roll Your Own Fact Book

(States of Ohio and Minnesota Only)

*FSC-101-00
Attachment
4/20/00*

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CAMEL Roll Your Own Introductory Timetable

	<u>Pre DTS</u>	<u>Week Of</u>
Fact Book to Field	11 weeks.....	4/17/00
Sell Sheets Available in Roadside	9 weeks	5/1/00
Wholesaler to Retailer Selling Brochures Allocated and Available for Order ..	9 weeks	5/1/00
RJRT Wholesale Presentation Available on CAPS	7 weeks	5/15/00
Managers and Sales Reps Begin Selling Direct Accounts	5 weeks	5/30/00
Displays and Gratis Product to Wholesale	5 weeks	5/30/00
First Ship Date – to Direct Accounts	3 weeks	6/12/00
Direct Accounts Begin Prebooking	3 weeks	6/12/00
Direct Accounts Begin Shipping Product and Displays	3 weeks	6/12/00
Retail DTS.....	0 weeks	7/3/00
Introductory Wholesale Off-Invoice Discount Concludes.....	-13 weeks	9/29/00

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CAMEL Roll Your Own Launch

Marketing Objectives/Strategies

- Capture significant incremental profit by establishing CAMEL as the "gold standard" of the rapidly growing Roll Your Own (RYO) category.
 - Build on CAMEL's quality reputation and big brand legitimacy.
 - Leverage CAMEL's unique Turkish and Domestic blend point of difference.
 - Gain broad distribution across all classes of trade.
 - Utilize pricing to reinforce the overall quality of the CAMEL brand and lead growth of the premium price segment of the RYO category.
 - Gain learning relative to consumer acceptance of a CAMEL RYO product.

Rationale

- Capitalize on explosive growth in the RYO category (over 30% volume increase in 1999).
- Leverage the RYO experience to expose CAMEL's ownable Turkish and Domestic product point of difference.
- Generate new news for the CAMEL brand.
- Provide trial/switching opportunity for competitive adult smokers to come into the CAMEL brand family.

Sales Objective

- Test strategy of introducing CAMEL RYO through Wholesalers. Note: The introductory program was developed via a joint effort of RJRT Sales, Marketing, and input from key wholesalers in the lead/test market states.
- Wholesaler Distribution Objectives
 - 100% distribution in CTS outlets
 - 40% + distribution in all other outlets with 50+ CPW Industry Volume (During the 16-week introductory period 6/12/00 – 9/29/00)
 - Create marketplace awareness through impactful preloaded promotional displays kits with key supplemental POS pieces as sold in and implemented by Wholesaler Sales Teams.

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Key Tactics

- Create retailer marketplace awareness/demand via announcement letter along with a CAMEL RYO prebook form sent to all 50+ Industry CPW stores in the two lead market states: "Coming Soon to a Wholesaler Near You – CAMEL Roll Your Own." The announcement letter will be delivered to retailers through the week of 6/5/00.
- Wholesalers maximize distribution across all potential 50+ Industry CPW retailers in the two lead market states via the following incentives:
 - 12 pouches for the price of 10 – pre-packed promotional display shipper kits (Retail Display Incentive is the value of the retail price of the two pouches at no charge.)
 - ➔ \$1 per pre-packed promotional display (Wholesaler Salesman Incentive) – to be paid to direct accounts through an off-invoice discount.
 - \$24 per case (\$1 per box of 6 pouches) Introductory incentive to wholesaler for all standard cases purchased during the introductory period (available on 24 box cases only for the period 6/12/00 through 9/29/00) to be paid to direct accounts through an off-invoice discount.
- Limit Field Sales involvement only to:
 - Selling the program in to participating direct accounts/direct account Sales Force
 - Distribution reporting via the laptop
- Require participating direct accounts to provide periodic sales/display placement reports as specified below:
 - Gross sales (#displays placed, # boxes sold) weekly
 - Store specific results at the end of each month
 - ➔ See attachment for format and information specifics. **NOTE:** This format will be provided to the direct accounts via email with a return email address for data submissions to a central RJRT mailbox. A listing of the participating direct accounts will be forwarded to each ROU to input the e-mail address for each respective wholesaler and forward to Tom Sullivan.

Selling Tools

- The following Sell Sheets will be available in Roadside Assistance on 5/1/00:
 - Wholesaler prebooking form
 - Wholesaler to Retail Sell Sheet
- CAPS presentation will be available for presentations to Direct Accounts on 5/15/00.
- Direct Account Sales Brochures will be allocated to each region involved in the test, to be provided to direct account sales teams to present and sell the RYO proposition at retail.
- Gratis product will be provided in packed shipper displays (one each of the two counter displays available – 24 total pouches) to be utilized at direct account sales meetings and for direct accounts to utilize at retail for presentation purposes.
 - ***This will be the only gratis product available for this introduction.***

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CAMEL Roll Your Own Launch

Product and Packaging

- CAMEL Roll Your Own – Fine Cut Tobacco.
- Pouch Pack and Box graphics to be provided on Roadside Sell Sheet.
- Product Weights and Measures:

Style	Pouch	Box	Case			
Cam RYO – Fine Cut Tobacco	0 12300 40107 0	0 12300 40106 0	000 12300 40101 0			
				<u>Length</u>	<u>Width</u>	<u>Depth</u>
				<u>(in.)</u>	<u>(in.)</u>	<u>(in.)</u>
Pouch				4.13	2.9	.98
Box				5.04	2.9	5.91
Case (Outer Dimensions)	24 Box			18.4	12.2	10.6
1 Wide Promo Case	UPC 12300 40112			12	9	19.25
2 Wide Promo Case	UPC 12300 40111			16.75	8.5	18
						<u>Cube</u>
						<u>(ft3)</u>
						.007
						.044
						1.38
						1.20
						1.48
						<u>Weight</u>
						.109 lb
						.656 lb
						17.4 lb
						3.4 lb
						3.5 lb

- Case, Box, and Pouch UPCs are available in Bartender and will also be available on sell sheets.

UPC Information

	CAMEL Roll Your Own	Case Cost	Off Invoice Allowance
Pouch	12300 - 40107	N/A	N/A
Box	12300 - 40106	N/A	N/A
24 Box Case	12300 - 40101	\$288	\$24/Case
1 Wide Promo Case	12300-40112	\$ 20	\$ 1/Case
2 Wide Promo Case	12300-40111	\$ 20	\$ 1/Case

* All case purchases for the period 6/12/00 through 9/29/00 are eligible for 14 days extended dating.

Marketing Support

- Print – Insert in Alternative Weeklies, which are only in distribution in the test markets.
- Direct Mail- Test Market mailing to non-menthol competitive smokers to generate awareness and trial.
 - A retailer letter announcing the introduction of CAMEL Roll Your Own – “Coming soon to a wholesaler near you.”
- In-store POS – Supporting POS will only be available in the introductory display shippers and will include a counter display, poster, easel and a wobblers.
- Floor displays will be available for CTS locations.
 - Included with all displays will be 25 informational RYO brochures with a name generation postcard.
- Event Marketing support – will consist of name generation and conversion.
 - In select clubs, CAMEL tobacconists will educate adult smokers about the smoothing characteristics of Turkish tobaccos and the art of rolling.

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Distribution Strategies

Beginning 6/1, 2000:

- **Direct Accounts**

- During normal selling coverage, RJRT personnel with selling responsibility for the identified direct accounts should present the complete CAMEL Roll Your Own proposition to each direct account and assist in building a plan to maximize the direct accounts market penetration with product, displays and advertising.
 - ➔ First order date for Direct Accounts will be 6/9/00.
 - ➔ Product will be available for shipment to Direct Accounts on 6/12/00.
 - ➔ Introductory terms (6/12/00 through 9/29/00)
 - 2% standard discount and 1.25% additional
 - 14 days extended dating
 - ➔ Introductory discounts
 - Promotional shipper display cases - \$1 per case off invoice allowance
 - Standard 24 - ½ dozen box case - \$24 per case off invoice allowance (\$1 per Box)

- **Retail Accounts**

- **Direct Accounts will be responsible for the selling and introduction of the promotion\proposition at retail.**
- The introductory distribution objective for CAMEL Roll Your Own is for the direct accounts to gain placement in a minimum of 40% of the retail outlets they supply.

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Presence Strategies

Beginning 6/12, 2000:

- To support CAMEL Roll Your Own – Fine Cut Tobacco, the introductory promotional shipper will include a paster, wobblers, and a counter easel card.
 - Retailers will receive the introductory promotion shipper with 12 pouches of RYO product at a special introductory price.
 - The introductory price on the CAMEL Roll Your Own promotional shipper will be the equivalent value of 12 pouches for the price of 10 and wholesalers should encourage retailers to establish and sell all 12 pouches at the everyday suggested retail price.
 - ➔ The additional profit generated from the sale of the introductory product should be leveraged to gain and maintain strong display presence at retail.

Display/Promotion Priorities

- It is imperative that the CAMEL Roll Your Own proposition, does not impede on the effectiveness of RJRT's display/presence impact at retail.
 - The success of CAMEL Roll Your Own will be dependent upon each wholesalers ability to gain distribution and presence with minimal impact on RJRT Field Sales efforts and on current RJRT business.

CAMEL Roll Your Own Launch Managers/Reps/ROU Information

Support Materials

- All items below will be allocated at region level.

<u>Description</u>	<u>Item #</u>	<u>Packing</u>	<u>Available for Shipment</u>
Wholesale to Retail RYO Selling Brochure	566363	1	5/8/00
RYO Floorbase Display	566411	1	6/5/00
CAMEL RYO 6-Pouch Repack Carton	575123	1	6/26/00

Brand Tables

- CAMEL Roll Your Own will be available in the brand tables effective 6/12/00 to help identify distribution opportunity and track progress.

Shelf Life

- CAMEL Roll Your Own will follow our standard full price shelf life policy.