

Great Week - Region I
May 1984

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B. & W.

Special \$2.00 off per carton promotion has been seen in Western Mass. Payment was made similar to V.P.R.'s in the military. This type of promotion was only seen in a few select outlets. Other high volume outlets were offered 15¢ to 20¢ off per carton for the purchase and display of quantities of merchandise during designated periods.

Slowly, but surely, they are adding Part-Time Merchandisers to their field force for a total of 18 hours per week. Most recent here was in the Binghamton, N.Y. market area.

Lorillard

Newport Lights Box 100's and Newport 100's Box was introduced to the trade May 23rd, and the introductory period is to run thru June 22nd; list price \$30.15 per M. Introductory allowance \$2.00 per M on initial allocations.

L. & M.

Generic S.O.M. in Region I for the four quarter average period ending 3/31/84 amounted to 1.53%. There has been a 1% growth over the past year, but we have yet to see what impact, if any, the price increase will have on their sales.

Eve Cigarettes continue to be featured with lighters - "One Lighter Free With A 2 Pack Purchase". Similar activity noted on their other brands in select outlets.

Bronson Cigarettes to be manufactured by L. & M. for "National Product Group" - P.O. Box 3475, Tulsa, Ok. 74101. Selling brochures have been sent out to retailers in the Albany trading area at \$19.90 per M King size, \$20.90 per M for 100MM.

R. J. Reynolds

Though they are introducing New Doral II in areas outside of Region I, they are at the same time removing whatever Doral there is currently available in the Region. They have stopped shipping the product and more than likely will introduce the New Doral II after the market has been dried up of the old Doral.

Century 25's in New England is selling where they have the "Buy One - Get One Free" offers available, and where retailers are selling the 25's for the same price as a package of 20's. There is repeat business being reported. Product is being featured in temporary counter displays, and payment for same is \$1.50 per location. Overall, they have about a 1% share in the six states in the Region where they are available.

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They now have a new carton fixture which they have begun to show the trade, beginning with those accounts where we have already made carton fixture presentations to. The carton fixture brochure has been submitted to headquarters under separate cover. Generally speaking, this new carton fixture is an improvement over their universal rack both in appearance and inventory and row capability.

Sterling being featured with a "Buy One - Get One Free" Program, but to-date consumer response appears weak and sales are dragging along.

TRADE CLASSES

Wholesalers/Distributors

Price competition amongst wholesalers in the N.Y. metro area is still rampant with Golden Tobacco reportedly being the most aggressive for new accounts. Requests for direct listing are beginning to come forth from wholesalers in minority areas, and we are processing them as they come in. Though a number of wholesalers are anticipating another manufacturers price increase, they nevertheless feel that they would not like to see it at this time. Overall, cigarette volume appears rather stagnant and their fear is that a price increase might stir another downtrend. Aggressiveness on the part of a few wholesalers in upstate N.Y. to gain new chain business will definitely effect the figures of several accounts. However, the overall volume will not suffer.

Wholesale Grocers

McLane N/E, our newest wholesale grocer in the Region, has been very active in soliciting new upstate N.Y. and New England business. S. M. Flickinger's branches in upstate N. Y. are preparing themselves for a takeover by an outside party or group shortly.

Military

Arrangements have been completed with our major commissaries to conduct our forthcoming 7-Up promotions. There is no doubt that the military market has become a discount market, and the only way it appears that we can prevent lagging sales is to compete with the discount promotions. We are still No. 1 in the military in the Northeast, but we must continue to promote if we are to maintain our share and volume.

Retail/Supermarkets

Though Reynolds has made some progress during this period with their two shelf demands, we have not truly suffered nor lost availability and/or visibility. On the other hand, the acceptance of our carton fixtures has been delayed as a result of the introduction of the new Reynolds carton fixture. At the moment, the acceptance of our carton fixture is at a stand still until the operators have had a chance to compare and evaluate both fixtures now available to them.

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Our inventory status should improve significantly within the next 45 days as a result of our signing a Plan A agreement with Grand Union headquarters in New Jersey.

Convenience

Presentations continue in this trade class for the purpose of improving our inventory status and also our visibility through improved counter displays and the placement of our permanent P.O.S. materials. During this reporting period, activity along these lines was accomplished in Cumberland Farms, Xtra Mart Stores and Food Bags Stores. New Plan B agreements have been signed with Wabaco Gas Stations and the C-Store chains which will add to our availability and visibility. Krauszer's in N. J. have finally exercised their privilege to buy direct which will now negatively effect the sales figures of Consolidated Distributors, Hawthorne, N. J.

We have merely a few 7-11 Stores to be converted to the B-4 displays. Those that have been converted seem to be working out satisfactorily.

Drug

Upstate N. Y. chains continue to expand, and as they do we will make every effort to involve them with our merchandising plans and P.O.S.

Mass Merchandisers

We are now contacting K-Mart Stores and doing what we have been authorized to-date. Slowly but surely we are improving our status.

Service Stations

We continue to replace exterior P.O.S. materials that have been destroyed or removed, but in addition we have gained several new chains where we have received authorization to place counter balance and pole/wall signs.

The overhead package racks are being placed in the Mobil Oil Service Stations and this work will continue until the overall job is completed.

Liquor

Nothing new to report.

Returned Goods Salvage Program

Though our overall returns are higher this year over the same period as last year, we still have the least returns in the industry. The newly added R.G.P. in the Buffalo, Rochester and Jamestown, N.Y. area should help keep good control of this activity in this select area and also free-up our people for other important activities.

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MERCHANDISING PROGRAMS

Carton Rack Programs

R.J. Reynolds continues to be actively pursuing their two shelf concept and in their \$250.00 Bonus Program, but despite this effort we continue to maintain our position and rows. They have not really been successful in gaining larger rack acceptance, but nevertheless have been known to grant the \$250.00 bonus for acceptance of their two shelf program. We are exploring the "Area Of Our Choice" concept where we do not have a Plan A contract in effect. A Plan A has now been signed with Grand Union in New Jersey which should help our inventory status in this division, and also help us sign agreements with their other divisions.

Plan A-1

Early response from the field to our Players A-1 Tote Bag promotion was fair. Nevertheless, we did gain added inventory during the promotional period, and also gained an opportunity to have consumers try the brand again.

C/I

Reynolds continues to pursue converting these departments to their universals and extenders. We have lost some departments, but wherever we lost the department we have replaced ourselves satisfactorily on the newly placed carton fixture. In essence, the loss of the department has not created any availability or visibility problems.

Counter Display Programs

At this point in time, our penetration of Plan B's within the retail universe is approximately 29% and increasing. Our visibility is strong in these outlets, and our compliance within this program remains in the high 90's percentile.

Vending Programs

Each of the Section Managers in the Region have been allocated a budget for vending ride-withs and R.D.A.'s. Moreover, each Section Manager has a good understanding of how this money should be spent.

Special Merchandising Programs

Recruiting is still underway for the Part-Time Merchandisers authorized to be hired in Sections 12 and 14. As of this writing, we need to finalize two more hires and we will then be on our way with the program.

The Marlboro Lighter Special Program that is being worked in the New London, Connecticut trading area is still going on and being watched closely. The sale of the lighters has slowed down somewhat now that the initial impact is over. A complete report is scheduled to be submitted shortly under separate cover.

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We have slightly over 1900 overhead racks on location now throughout the Region and we are continuing with our Placement Program.

Our single pack rack test with Genovese Drug in New York is in progress. There are some difficulties still to be ironed out before the test can truly be evaluated. We are working closely with Genovese top management and are optimistic that we will get some positive results out of this work effort.

SECTION OPERATIONS & ACTIVITIES

Retail Activity and Accomplishments

Generally speaking our territory coverage, considering the variety of activities that we are performing at retail, is quite satisfactory. ICR error rate continues to drop in the Region. The Division Managers welcomed the prepared scripts and cassette tape for the Third Sales Period PPP meetings. Our Sales Representatives felt that the "Selling In The High Volume Outlet" tape reinforced the need for a full call mission.

Section 13 is the only section in the Region without a Retail Merchandiser, and I believe the time has come for us to seriously consider authorizing one at this point in time.

Management Activity and Accomplishments

All Area Managers are in place now and are hard at work getting familiar with their accounts and at the same time promoting and presenting our available programs. Seminars have been conducted throughout the Region which gave this entire grade level orientation and training on their new work responsibilities, administrative duties, etc. Additionally, new S.R.O.'s and S.H.A.'s and Section Manager have been appointed where the vacancy existed, and are all now deeply involved in their jobs.

Special Programs

Full report on the Marlboro Lighter Promotion will be forthcoming under separate cover in the near future. Generally speaking however, the promotion did help to gain counter displays. There are some scattered reports of added sales as a result of the Point of Purchase Display, but this is difficult to track. Sales of the lighter have slowed down now that the initial buying spree is over.

Resort Programs

All coverages have been worked out for this coming summer season, and all but a few of the Marlboro summer samplers have been hired.

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