

Addendum to FSC-81-B		5/30/97	
SUBJECT: WINSTON Launch Updates/Best Practices			
DISTRIBUTION:			
<input checked="" type="checkbox"/> AVP	<input checked="" type="checkbox"/> KAM	<input checked="" type="checkbox"/> DM	
<input checked="" type="checkbox"/> RSM	<input checked="" type="checkbox"/> AM	<input checked="" type="checkbox"/> RM	
<input checked="" type="checkbox"/> RBM	<input checked="" type="checkbox"/> AE	<input type="checkbox"/> Sales Rep	
<input checked="" type="checkbox"/> ROM		<input type="checkbox"/> Retail Rep	

Based upon your input, suggestions and questions during the recent WINSTON Relaunch Meetings, below you will find several points of clarification. We have also attached several examples of "Best Practices" that we have already received.

- PM Exclusive/RJR Lockout Accounts

- Every effort should be made to minimize returned goods in these calls.
- Execute current strategy - no promotional activity including discounting.
- Inventory monitoring and product rotation is critical.
- Conduct retailer and consumer education relative to product blend/packaging change.
- August retail return of current packaging product to wholesale as previously communicated in FSC-81-B, Page 10.
- It is critical that returns are replaced by an order, carton for carton of new packaging product.
- Take this opportunity to increase box distribution in these stores. Every effort should be made to secure temporary displays.

- Wholesaler T-Shirts

- T-shirts are to be utilized as sweeteners, for wholesale personnel responsible for product rotation.
- Item #531974
- Allocations available in SMS

Availability Date: Now

- WINSTON Match Caddies

- Item #527582
- Packed 20 per SKU
- Allocations available in SMS

Availability Date: 7/11/97

- Retailer Education Sweepstakes Cards

- Item #530231
- Packed 50 per SKU
- Allocations available in SMS
- (Program not available in MI, MA, VA)

Availability Date: 6/9/97

- WINSTON 2-Pack Discount Cards/Accrual Sleeves

- 2-Pack discount cards, 1907 SKUs available on open order. Item discontinued when quantities are depleted. Order in realistic quantities.
- Accrual sleeves will replace discount cards
  - 2-Pack Assembled - Item #529211
  - 2-Pack Flat - Item #529183
  - 3-Pack Assembled - Item #529220
  - 3-Pack Flat - Item #529184
  - 5-Pack Assembled - Item #529223
- (Accrual sleeves available on open order on 7/11/97)

- WINSTON SME Car/Pack Inflatables

- Check local ordinances relative to placement restrictions.

- Allocations

Pack		Car	
Region	Quantity	Region	Quantity
1100	5	1300	1
1200	4	1600	1
1300	5	1800	1
1600	7	2100	1
1700	7	2200	2
1800	6	2600	1
2100	9	2900	1
2200	9	5400	1
2300	9	6700	1
2600	9		
2900	9		
5400	2		
5800	7		
6700	6		
6900	6		

- Pack Item #527612
- Car Item #527615
- Availability Date: 6/23/97

- Military Discounting

- Continue to discount at current rate (20¢/\$2.00) through the end of June at 30% PV level.
- 100% PV level in July on all current style graphics (up to 30¢/\$3.00). Beginning in July, you may increase PV levels beyond the authorized 30%, increase the discount rate by 10¢/\$1.00, or both as needed to flush out current graphic product.

- Best Practices

- Expectations of selling arm and execution arm (N. California) - Attachment A.
- Direct account business plan (N. California) - Attachment B.
- Workplan overview (Boston) - Attachment C.
- Direct account announcement sheet to be sent to retail (Cincinnati) - Attachment D.

- PCD Loads

- Maintain a 50/50 mix of box and soft pack styles.

- POS

- Workplan POS Kits shipped to Field Sales beginning the week of 7/7/97.
- Additional workplan POS will be available for order on 7/7/97 utilizing item numbers on Page 30 and 31 of the WINSTON Launch Fact Book.
- Supplemental and Spanish POS allocation can be viewed in SMS. Order utilizing item numbers on Pages 20, 30 and 31 of the WINSTON Launch Fact Book.
- APD Display POS must be ordered utilizing item numbers on Page 30 and 31 of the WINSTON Launch Fact Book. Displays shipped after 7/7/97 will contain new graphic POS.

- WINSTON "No Bull" Letterhead
  - Item #531713, packed 100 per SKU.
  - Orders will be placed on back order. Back orders will be filled and shipped beginning on 6/16/97.
- WINSTON August CTS Carton Onset
  - Utilize Item #527153, Program #700557
- Discounting in non-Grid Outlets
  - Follow strategy outlined in WINSTON Launch Fact Book (Page 10).
  - Employ aggressive discounting as needed to flush out current style graphics.
  - Incremental spending required to flush out current graphic product should not reduce accrual dollars available to implement planned third quarter discounting programs.
- Ad Slicks
  - Examples will be sent to the Field when available along with ordering instructions.
- Public Warehouse Product Rotation
  - Procedures for insuring proper rotation in public warehouses will be communicated separately to appropriate personnel.
- Retail PowerPoint Presentation
  - Rotation page revised (WINRET.PPT).
  - Statement regarding August 4 return of current packaging has been removed to ensure emphasis on product rotation.
- WINSTON Ultra Light Box PPD Card
  - Small PPD card, Item #529550, available 7/16/97.
  - In many cases, new distribution will be obtained on Ultra Light Box styles to gain consumer awareness.
  - Utilize temporary display as needed.
- Grassroots Program (Program Contact: Cressida Lozano, extension #2155)
  - Will begin July 1, 1997 and will operate in nine cities:
 

Baltimore, MD	Milwaukee, WI
Chicago, IL	Madison, WI
Orange County, CA	Ft. Lauderdale, FL
Kansas City, MO	Tampa, FL
New Orleans, LA	
  - Will operate in selected adult bars and nightclubs agreeing to exclusively promote WINSTON.
  - Program will be implemented by Kevin Berg and Associates (KBA) who has offices in each market.
  - Program will include on premise WINSTON-sponsored events, custom invitations, signage, exclusive over-the-counter WINSTON cigarette displays and special vending machine agreements.

Program Contacts: Floyd Cook, extension #3486  
 Lucinda Sheer, extension #2619  
 Your Area Manager of Operations

R. J. REYNOLDS TOBACCO COMPANY

## Northern California Region *Winston Repositioning Launch*

### Expectations

#### ***SELLING*** (SR/DM/AM/KAM)

- Understand and commit to the importance to our business of the Winston Repositioning - and the role YOU play in its success.
- Balance our workplan objectives in order to maintain our momentum on CAMEL and DORAL, protect SALEM and successfully launch WINSTON! (F.O.P.)
- Maximize Retailer (including Chains!) education relative to the NO BULL proposition
- Minimize RETURNED GOODS
- Replace all returned product with new Winston CARTON for CARTON  
- in all accts you are assigned
- Effectively sell Winston Base Box Styles to achieve CIV % distribution objectives in AO
  - Direct Accounts
  - Retail
- Effectively sell Display (Perm and Temp) and merchandising priorities in all calls

#### ***IMPLEMENTATION*** (RR/RM/ROU/DIR. ACCT.)

- Understand and commit to the importance to our business of the Winston Repositioning - and the role YOU play in its success.
- Balance our workplan objectives in order to maintain our momentum on CAMEL and DORAL, protect SALEM and successfully launch WINSTON! (F.O.P.)
- Maximize Retailer (including Chains!) education relative to the NO BULL proposition
- Minimize RETURNED GOODS
- Replace all returned product with new Winston CARTON for CARTON  
- in chains where you are the only RJR Rep.
- Support, audit and communicate CIV % distribution objectives and results in AO
- Crisply execute Display (Perm and Temp) and merchandising priorities sold in all calls

ATTACHMENT A

***SELLING***  
**(SR/DM/AM/KAM)**

- Prioritize package outlet coverage first during the 4-week D-T-S period (8/4/97 - 8/29/97)
- Sell placement of semi-permanent 20 pack tower display in all calls with 1 FP footprint and in all calls (including Lockouts) with no contractual display
- Consistently and aggressively (yet prudently - asking for ID to verify adult smokers) execute Winston Personal Selling to competitive and franchise adult smokers  
(FOP 8/4/97 - 8/29/97)

***IMPLEMENTATION***  
**(RR/RM/ROU/DIR. ACCT.)**

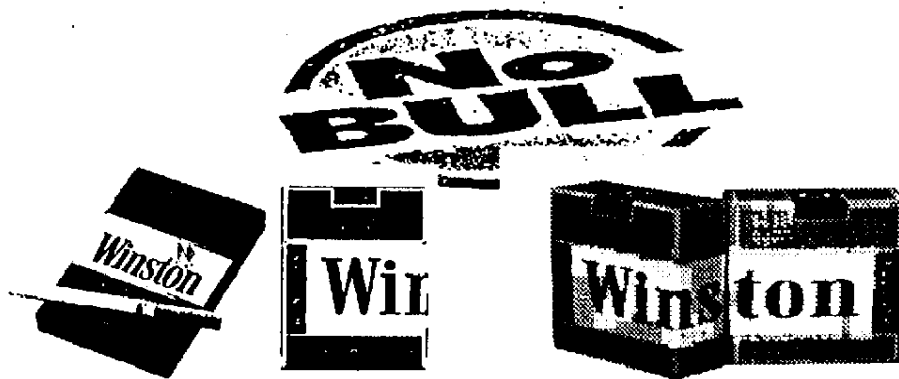
- Prioritize package outlet coverage first during the 4-week D-T-S period (8/4/97 - 8/29/97)
- Begin POS changeover immediately upon receipt of your shipment.  
**Do not wait until 8/4/97**

- Ensure a minimum of ONE "Stick to Stick" comparison piece of POS is placed in each call

Priority #1 Changemat  
#2 Banner  
#3 Large Paster

- Consistently and aggressively (yet prudently - asking for ID to verify adult smokers) implement Winston Consumer Mission to competitive and franchise adult smokers  
(FOP 8/4/97 - 8/29/97)

## INTRODUCING AN ALL NEW WINSTON



- **NEW BLEND**
  - No Additives
  - No Artificial Ingredients
  - 100% True Tobacco Taste
- **NEW PACKAGING ON PACKS AND CARTONS**
  - Wrap Around Graphics
  - Cellophane Wrapper is Back
- **NEW MARKETING CAMPAIGN**
  - "No Bull"
  - Billboards, Print, In-Store
  - Motorsports Events
- **WHEN IS IT COMING**
  - As Early as 6/2/97
- **WHAT NEEDS TO BE DONE?**
  - Insure Proper Rotation of Winston Product
  - Insure That Current Graphics Sell Through First
  - Do Not Return Current Graphics to Wholesaler
- **WHY ARE WE DOING THIS?**
  - This Blend Allows Winston to Deliver 100% True Tobacco Taste
  - Over 50% of Competitive Smokers Think Winston No-Additive Tastes Better than Current Winston
  - Over 90% of Franchise Smokers Think No-Additive Winston is as Good or Better Tasting than Current Winston
- **BOX GROWTH OPPORTUNITIES**
  - King, Light King, Light 100, Ultra Light King, Ultra Light
- **ASK YOUR RJR REPRESENTATIVE ABOUT UPCOMING PROMOTIONS**

## ATTACHMENT B

Name: Kim Sayles		XYZ WHOLESALE - WINSTON REPOSITIONING LAUNCH BUSINESS PLAN			EXAMPLE	
Issues/Opportunities	Objectives	Next Steps	Who	Timing	Results	
Successfully launch Repositioned Winston	Minimize liability on returned goods	Create temp. separate staging area for new Winston to be held until all current product per style is shipped to Retail	John Handson-XYZ	by 5/26		
		Contact XYZ weekly to ensure proper rotation of all Winston	Kim Sayles - RJR +for AJ Rep- RJR	Begin 6/2 End 7/18		
		Ensure no New Winston is shipped to retail prior to current packaging	John Handson-XYZ Kim Sayles - RJR	Begin 6/2 End 7/18		
		ID high volume stores (ATK + CTS) to ship remaining inventories of current packaging	ROU/PC	by 5/27		
		Pre-sell to ID'd accounts	ID'd KAM/AM/SR	by 6/9		
		Communicate quantities by style to ID'd KAM/AM/SR and to ID'd Retail Accounts	Kim Sayles - RJR John Handson-XYZ	by 6/23		
		Ship product to accounts on template (ATK and C-T-S) in ID'd quantities for ADCP (Sticker Prog.)	John Handson-XYZ	w/o 6/30		
		Inform ROU of any remaining inventories by brand style	Kim Sayles - RJR	by 7/18		
		Ship remaining inventories back to W-S after orders replacing total inventory amount are placed	Kim Sayles - RJR John Handson-XYZ	by 7/25		

51892 4135

Addendum to FSC-81-B

**CONFIDENTIAL**  
B. ON REGION

ATTACHMENT C

**1997 Promotional Workplan**

COVERAGE WEEKS	5	4	4	5	4	4
Monthly Workplan Dates	APR 3/31-5/2	MAY 5/5-5/30	JUN 5/2-5/27	JULY 6/30-8/1	AUG 8/4-8/29	SEPT 9/1-9/28
Workplan Full-Price / Doral Changeover		X DORAL		WINSTON CHANGEOVER (AS SOON AS SHIPMENT ARRIVES)		
National Base Plan (Value-Added Emphasis) (Partners Only)	CAM B2G2F DOR B2GF LIGHTER	CAMEL MENTHOL B1G1F	DOR B2G1F	CAM B2G2F DOR B2G FLASHLIGHT	CAM B2GF T-SHIRT	DOR B2G1F
CAMEL MENTHOL		B2GF HAT		CAM B2G2F		
WINSTON LAUNCH					B2G2F	B2G2 LIGHTERS
DIRECT ACCOUNTS/ INDIRECT ACCOUNTS/ MILITARY DIRECT		WEEK OF 5/12 BEGIN SELLING. PRODUCT COULD ARRIVE BY 5/28.	WEEK OF 6/2 BEGIN WEEKLY COVERAGE FOR ROTATION OF CURRENT PACKAGING AND NO BULL PRODUCT.	ON 6/30 SEND LEFTOVER INVENTORIES TO HIGH VOLUME OUTLETS. ON 7/18 REPORT TO ROU REMAINING INVENTORY OF ALL CURRENT PACKAGING. RETURN TO W/S.		
RETAIL ACCOUNTS		ROTATE CURRENT PACKAGING TO THE FRONT OF ALL DISPLAYS. USE STANDARD GAP RATES.		CTS CURRENT RATE (TE; \$1.50) (CURRENT PACKAGING) PLUS \$1.00	DTS BEGINS- ACHIEVE CIV GOALS BY AUG 29TH.	DTS CONTINUES, ACHIEVE CIV GOALS BY SEPT 28TH.
		DO NOT FEATURE NEW WINSTON UNTIL ABSOLUTELY NECESSARY. GAP NEW WINSTON (IN GRID OUTLETS) IF QUANTITY IS NEEDED.		GRID AND NON-GRID ACCOUNTS (CURRENT PACKAGING) WITH GAP PLUS .10¢ WITH NO GAP DISCOUNT AT .25¢ MILITARY ACCOUNTS (CURRENT PACKAGING) ADD \$1.00.	100% COVERAGE OF ALL MONTHLY OR GREATER ACCOUNTS RETAILER EDUCATION PROGRAM CONSUMER MISSION DTS QUARTERLY ACCOUNTS. BEGIN IN AUGUST ONLY AFTER ALL MONTHLY ACCOUNTS COMPLETE.	
		WEEK OF 6/2 BEGIN PREBOOKING NEW WINSTON . NEW BOX DISTRIBUTION SHOULD BE PREBOOKED TO ARRIVE THE WEEK OF JULY 21.		SM AND BJS WHOLESALE (CURRENT PACKAGING) IF HDQTR BUYDOWN ADD \$1.00 COUPON AT STORE LEVEL. IF NO HDQTR. DISCOUNT PLACE \$2.50 CPN. SM. DISCOUNT PACKS APPROPRIATELY.	CHANGE OVER TO NEW ADVERTISING AND CONVERT ALL PERMANENT DISPLAYS. BEGIN RETURN OF ALL INVENTORY OF CURRENT PACKAGING. REPLACE CARTON FOR CARTON.	
Accrual Match - Camel		X			X	
Winston		X			X	
Salem		X			X	
National Carton Promos Supermarket / Carton outlet			DOR ONSET			DOR ONSET
Cigarette Store (CARTON)			DORAL ONSET		WINSTON ONSET	DOR ONSET
Cigarette Store (PACK)			DORAL B2G1F	DOR B2G FLASHLIGHT		
Distributor Promotion Coverage (DPC)		CAMEL (.30¢) DORAL (.30¢)		CAMEL (.30¢), WINSTON (AUG X(.30¢) DORAL (.30¢)		
SALEM .30¢ SNIPED RED KAMEL DIST.						

9914 26815