

**RETAIL EXHIBIT PLANNING  
SUMMARY  
July 24, 1997**

**I. OVERVIEW**

- **Situation** - absent a final resolution of the announced tobacco settlement, the probable outcome will include:
  - Elimination of nearly all advertising and promotions.
  - Significant restrictions on product appearance, merchandising and visibility.
  - Increased product selling price to offset settlement costs.
- **Impact** - presuming increased inventory costs/decreased volume and profits, the probable short term effects on the retail trade will include:
  - Shift in trade class volume to greater percentage sales in cigarettes/tobacco stores and bars.
  - C-store industry consolidation/elimination of marginally profitable stores.

In the long term:

- Better operated/more aggressive c-stores reap benefits of decreased competition and continue to focus on the cigarette industry.
- Supermarkets/carton outlets also reduced in number with remainder more aggressive in category.
- **Summary** - the ultimate outcome will be a radically changed industry. However, even if the agreement were approved by Congress and became law, the effective dates are:
  - After five months retail signage restrictions apply.
  - After nine months retail product displays and other advertising restrictions apply.
  - After 12/31/98 sponsorship restrictions become effective.

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Consequently it is safe to assume that no actions will become effective by the 1997 NACS Convention - 10/5-7.

## **II. STRATEGY**

From an exhibit planning perspective the issues and challenges are reasonably straight forward:

### **a) Short term NACS '97**

- Present existing materials/programs
  - Retail Masters
  - Consumer advertising/promotions
  - NSS merchandising (c-store)
  - Events promotions
- Provide/schedule meetings with retailers to address the issues
- Contain costs in every way

In essence maintain the status quo (from FMI '97)

### **b) Long term - 1998 (FMI/NACS)**

- Depending upon status of the settlement modify exhibit

### **c) Longer term - beyond 1998**

- Reassess and redefine exhibit program based on marketing environment
- Reduce space/redesign display to suit

## **III. REALIZATION - NACS**

### **a ) Attract kiosk/rotunda**

- Participation events
  - "Marlboro Racing"
  - "Test Your Profitability"
- Promotions
  - "Marlboro Unlimited"
- Motion message signage
- Retail Masters light boxes
- Retail Masters Infocenter
  - Interactive program update

### **b) C-Store merchandising**

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- Model to illustrate NSS pack/carton fixtures
- P.O.S. materials
- Information technology
- c) Public/Legal Affairs (status TBD)
- d) Conference center
  - Scheduling
  - Staffing
- e) Communications
  - Fax, phone, computer, printer
  - Customer service inquiry follow-up
  - Meeting schedule
- f) Celebrity visit/autograph session
  - Marlboro team driver
- g) Prizes
  - Daily
  - Grand
- h) Entry forms
- i) Staffing
  - Models
  - Contractors
  - PM
- j) Miscellaneous
  - Product for displays
  - Janitorial schedules
  - Meeting room food\beverage

#### IV. PRODUCTION SCHEDULE

- |                              |      |
|------------------------------|------|
| • Planning Meeting           | 7/10 |
| • Planning Meeting Follow-Up | 7/24 |
| - Present floor plans        |      |
| - Graphic elements           |      |
| - Initial estimates due      |      |

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- Planning Meeting  
- Review all final estimates

8/5  
Sunday  
10:00 AM  
meeting

- Production  
- As needed  
- Update Retail Masters program

8/18

- Schedule Business Meetings  
- Communications to RVP's/National Accounts

8/18 - on-going

- Final Planning Meeting

9/11

- Ship

9/30

- Set-up

10/2-3

- Show

10/5-7

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