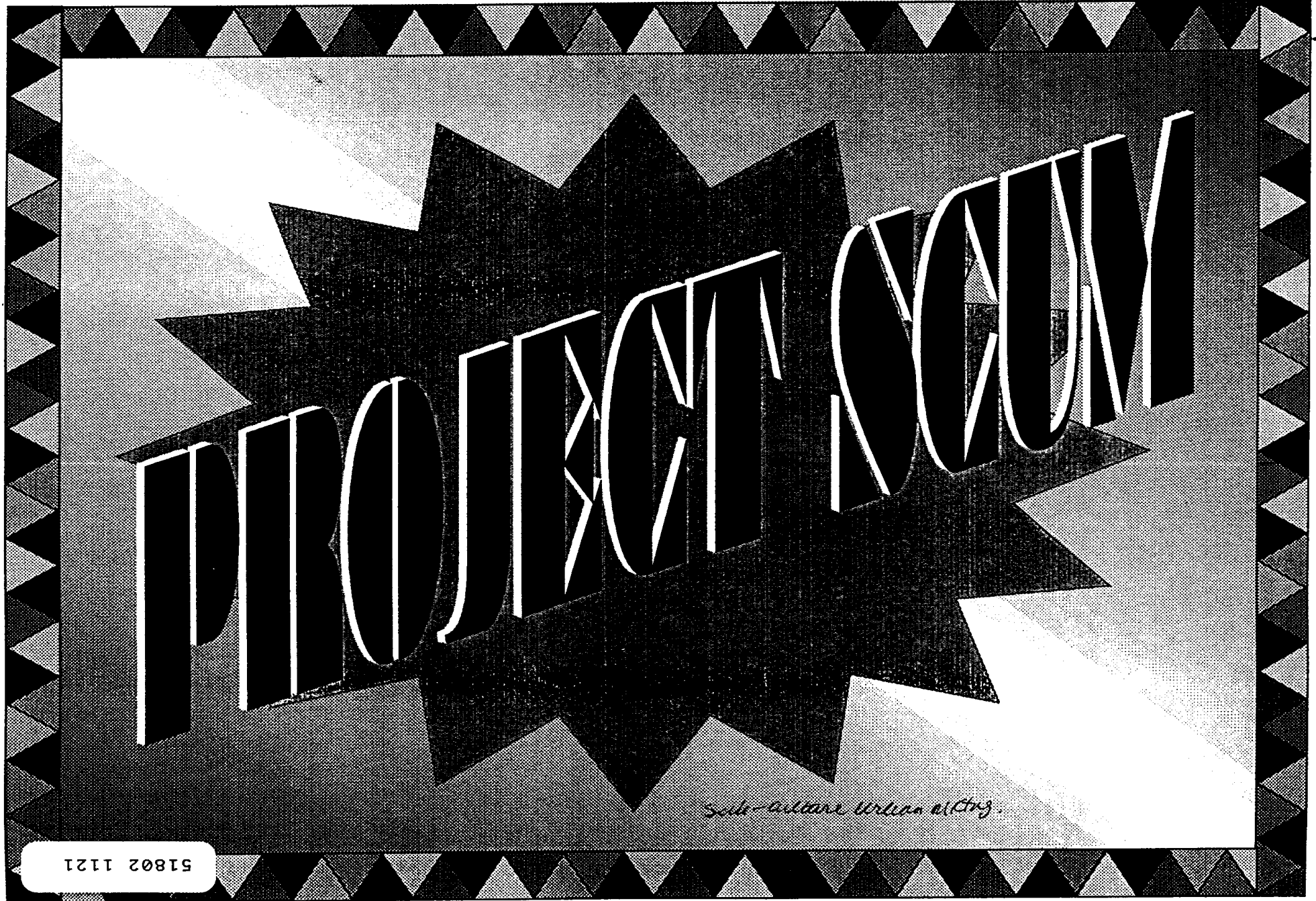


*On line's bad drive - load on dir - print + cc @ Roll
Color!!*



51802 1121

Sally - Atlanta Verlean 11/03

BACKGROUND:

During the introduction of Red Kamel, additional opportunities to improve Camel presence became evident in ~~the~~ San Francisco proper.

1. Consumer Subcultures

- ☯ Alternative Life Style *(Castro/Gay)*
- ☯ International Influence
- ☯ Rebellious; Generation X
- ☯ Street People - More Applicable to Doral *Tendebria*

2. Camel has a higher share than in the general Marketplace. This was consistent in calls where we had the elements of presence/distribution and where we didn't

Brand is big where we are and where we're not.

**Focus is in calls where we're not (Goodacts.)*

- ☯ Haight Ashbury - 22.6% SOM - Not SOC
- ☯ Castro - 10.5%
- ☯ Downtown Metro - 7.90%
- ☯ Northern California Region - 7.70% (AIM 12/30/95-2/28/96)

we sold via 3 records

3. Consumers shop in traditional small foods and liquor but there are additional types of retail outlets

- ☉ head-shops
- ☉ smoke shops (not Cigarette Outlets) *snorts, cigars, magazines + head shop paraphernalia*

4. Market is fractured

opp'ty for re-availability contract

- ☉ higher # of outlets
- ☉ volume base significantly below RJR call standards due to store density
- ☉ collectively massive volume - untrackable and unreachable with traditional structure *(cash 'n carry, membership clubs)*

5. Current Environment

- ☉ minimal Camel Presence
- ☉ minimal product availability
- ☉ minimal display
- ☉ No MA \$\$ *(Mass 3P's)*

but it's cool as hip to smoke Camel

KNOWNNS

- ☺ Opportunity exists for a cigarette manufacturer to dominate, although at this time no one company does.
- ☺ Population and tourist flow make area highly visible
- ☺ Camel momentum appears to be sustained or growing (on its own)

	<u>Q295</u>	<u>Q495</u>	<u>Diff</u>
Haight	18.70	18.10	-0.60
Castro	13.28	13.56	0.28
<i>More marketable</i> S.F. Metro	7.47	8.12	0.65
N. Cal Region	7.20	7.59	0.39

- ☺ Increased receptiveness on the part of store owners to Camel marketing/presence due to emergence of "Cheaper" stores and Camel's natural momentum.
- ☺ High incidents of smoking ~~and drugs~~ in subcultures
- ☺ Haven't penetrated call universe adequately (estimated ^{at least} 600 calls not covered)

OBJECTIVE

- ☺ **Penetrate fragmented/nontraditional outlets to increase Camel's Distribution and presence.**

TACTICAL PLAN

Identify Call Base:

- ☺ Collect information on unknown universe
- ☺ Utilize ^{Part Time and} outside agency to canvas specific geography
 - Tactical plan similar to the low volume penetration plan

3 P's

☺ Establish product availability, display, presence standards for identified calls

☯ Contracted displays

✌ System III or brand specifics

✌ payment program different from normal partner requirements

☯ In store presence

✌ product availability of major Camel brand styles and Red Kamel

– consistent POS/PDI placements

☯ Store front presence

✌ applicable to high visibility area only

– lighted and enhanced

☺ Promotions

☯ Beach Premiums, T-shirt, Collector Packs } fun, a little more fun & different from the general market

☯ Flat Discounting to match with Marlboro

↓
No Brand Savings trigger

Brand registration
NOT "JOE"

Marlboro call based upon elements, volume & for location presence prices, distribution, display/call

MANPOWER

☺ Current manpower doesn't allow for the level of account penetration necessary

☺ Propose dedicated additional manpower (2 year time-frame)

☹ 2 Territory Reps.

✌ Report to DM

✌ 100% Job Value

✌ Company vehicle

EXPECTATIONS

☺ Incremental spending on manpower (annually)

☯ \$100,000.00

✌ Salary

✌ Fringe

✌ Vehicle

☺ Annual volume return

☯ Current estimated volume - 461,000 cartons

☯ Volume breakeven - +18,200 cartons at \$5.50 MAM

• Marlboro is ~~not~~ ^{currently}
a 30 place in these mlt's.
• We're be bringing smokers to Camel



2 ct./wr. increase @ 600c/ct = 28,800 cts.
400 = 19,200 cts.