

RESTRICTED

PRODUCT DEVELOPMENT STEERING GROUP

Minutes of the meeting held on Wednesday, 2nd November, 1988, at Woking.

- Present:
- Mr. W.J.R.V. Rose
  - Mr. A.R. Cousins
  - Mr. P. O'Keeffe
  - Mr. A.L. Heard
  - Dr. P. Binns
  - Dr. T. Hirji

Apoloiges were received from Mr. J. Marsh.

ACTION

1. MATTERS ARISING FROM PREVIOUS MINUTES

(i) Project SUREBARD (Product Innovation)

- (a) a meeting between P&D and IDP Marketing took place in Southampton on 12 September 1988 during which 6 new marketing concepts were presented and potential product concepts (innovative and conventional) were discussed. The marketing concepts are expected to be finalised by the end of 1989 and a meeting between individual Brand Managers and the appropriate Marketing Support personnel will be arranged early in the New Year.

PO'K/TR

- (b) Product Innovation presentations will be made at the European Marketing Meeting in London on 2nd December and a similar presentation is planned for the Far East Meeting in January 1989.

(ii) USP Development

It was felt that the P.D.S.G., being a BATCo. Committee should also include USP product development projects as opposed to the current bias on flue-cured and mod Va products. For future projects, relevant USB style products will also be given consideration.

ALL

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ACTION

The possibility of registering a trade mark based on the concept of less environmental smoke will be explored.

PO'K

BAT has a major input in setting up the standard method for sidestream measurement in CORESTA and it is important to establish what rate of progress is desirable for BAT. As a first stage, a survey of own and competition brands in all our markets, using tobacco weight burnt as an indicator of sidestream deliveries, will be set up to identify where BAT stands vis-a-vis the competition.

ALH/TH

(iii) Project FELT (Low tar for full-flavour smokers)

A 9mg modified Ya product with full-flavour characteristic has been developed and is awaiting panel test against Palliser 9MG. The various options available to design such products will be written up as a Product Development Review.

TH

The FELT approach will also be presented at the December Marketing Meeting and if supported, a 9mg 900 product will be developed.

It must be recognised that this product is not appropriate for current low tar smokers but for future movers from the full tar segment.

(iv) Project GREENDOT (Product with radically different tar quality)

Dr. Binns updated the Group on the current status:

- significant progress has been made on the technical front, particularly in establishing the feasibility of producing products with radically different quality of tar using combinations of synthetic and natural materials.
- the equipment and sample manufacturing facilities required by the team will be operational by the end of the year as planned.
- A market research de-brief on the work done in Switzerland will take place at the end of January 1989. This will indicate the target group for GREENDOT style products and hence the taste requirements. At that stage, consideration should be given to identifying the most appropriate marketing platform.
- interim product targets have been identified in conjunction with Marketing.

PO'K

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ACTION

- to ensure that the project retains applied product development as its focus, the GREENDOT team now reports to TH.

3. NEW PROJECT PROPOSAL

(i) Ultra low tar development

The development of the new generation of ultra-low tar product using 'glycerol technology' in conventional and novel rod construction was approved and will commence in January 1989.

TH

(ii) DEER extensions

Projects FLITE (casings and flavourings addition through DEER) and MTECH (developing Armenia Technology) were approved. For Project DEEP (cheap filters through extrusion of polypropylene), the recommendation is that further feasibility studies are conducted before presenting it to the P.D.S.B.

TH

4. PATENTS REVIEW

Postponed for next meeting.

5. ANY OTHER BUSINESS

(i) Meetings for next year

A form with suggested dates was distributed and Members are requested to return these to Mrs. J.C. Hanford by 5 December.

ALL

(ii) B&W Visit

Dr. P. Binns briefed the Group on Messrs. Sandefur, Fitzmaurice, Reynolds and Riehl's visit on 24 October. Their main areas of interest were ultraslins (14mm circumference), water filters and micro-encapsulation technology, use of DEER technology to process flue-cured stems, carbon rods and for producing Skoal Bandit equivalent.

(iii) Modified sidestream aroma and non-tobacco mainstream taste

Postponed for next meeting.

TAJ HIRJI

Distribution:

Mr. B.D. Branley  
Mr. R.A. Crichton  
Mr. D.K. Thorpe  
Members

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BATCO 1989 PLAN

PRODUCT INNOVATION

In Product Innovation, emphasis will shift from variable cost reduction to product quality improvement. Major opportunities for smoke quality improvement are envisioned through extrusion technology by incorporating spices and flavourings and by leveraging the laminated technology. The former will be particularly relevant in the development of good lower delivery modified Virginia products and the latter will make ammonia technology, now increasingly seen in competitor products, available to a larger group of BATCO products. With increased feasibility of Government imposition of maximum tar/yield, Product Innovation will focus on leveraging a new generation of low and ultra-low tar products with better taste and satisfaction than current conventional products. The approaches which will be pursued will include structural tobacco rod, use of high nicotine blends, products with modified tar to nicotine ratio and taste optimisation through blend modification based on combination of different styles and inclusion levels of flue-cured and burley tobaccos. Development of low or less than products with and without nicotine reduction are also expected to have been completed by the end of 1989.

Nov. 88

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