

FIELD ACTIVITY

9-MONTHS SEPTEMBER 1982

MAN DAYS WORKED	18,365
NUMBER OF CALLS COVERED	218,983
AVERAGE CALL/DAY	11.9
STORE SET-UP OR REALIGNMENT	6,043
SHELF MERCHANDISING (pack and/or carton grouping)	12,387
TRADE PRESENTATIONS	39

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**MISSION STATEMENT**

THE PRIMARY PURPOSE OF THE FIELD FORCE IS TO  
ENSURE THE AVAILABILITY OF OUR PRODUCT TO OUR  
CUSTOMERS AND TO COMMUNICATE TO AS MANY CONSUMERS  
AS POSSIBLE, THROUGH STORES, IN THE MOST EFFECTIVE  
MANNER.

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EXTERNAL ENVIRONMENT

- ANTI-SMOKING ACTIVISTS
- FEDERAL/PROVINCIAL/MUNICIPAL LAWS, BYLAWS
- TAXATION -- FEDERAL/-PROVINCIAL
- HEALTH ISSUE
- SMOKERS BECOME SOCIAL OUTCASTS
- RETAIL BLACKMAIL
- MEDIA PROPAGANDA
- MALLS DISASSOCIATING FROM TOBACCO PROMOTIONS
- RUMORS AGAINST TRADEMARKS
- PHARMACIES REMOVING TOBACCO
- RESTRICTED DISTRIBUTION -- FEWER WHOLESALERS THROUGH MERGERS
- DECLINING CONTRIBUTION OF TOBACCO TO WHOLESALE MIX
- PILFERAGE AT RETAIL
- PHYSICAL HARM TO PERSONNEL -- THEFT
- REDUCING REP MORALE
- LOSS OF RETAIL SPACE TO LOTTO, BANKCARD DISPENSERS

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EXTERNAL ENVIRONMENT

- STATISTICS CANADA FORECAST A POPULATION CHANGE OF +2.2%.

MAJOR INCREASES WILL BE IN:

ONTARIO +3.2%

B.C. +2.4%

- NATIONAL UNEMPLOYMENT RATE IS 7.5% (JULY 1989).
- NEWLY ELECTED GOVERNMENT IN QUEBEC AS OF SEPTEMBER 25, 1989. POSSIBILITY OF A MAJOR TAX INCREASE IN THE 1990 BUDGET.
- ALL FOUR ATLANTIC GOVERNMENTS ARE AT LEAST TWO YEARS AWAY FROM ELECTIONS AND THE STRONG POSSIBILITY EXISTS OF FURTHER SHARP TOBACCO TAX INCREASES AT THIS EARLY STAGE IN THEIR MANDATES.

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## S T R E N G T H S

### RBH

- A larger sales force than ITL.
- Offering large dollars (often double) to secure our Pop space.
- Extensive placement of temporary counter displays.
- Innovative fixturing concepts, i.e. R.P.M.
- Have custom cut option.

### RJR

- An apparent endless source of funds for off-pricing programs and payment of premium dollars for retail shelf space.
- Wide-spread off-pricing of Export and Vantage, particularly in chain stores.
- Fairly stable sales force - not much turnover.
- Sales force has a good rapport with trade because of the frequent and generous deals and terms.
- Hand-held computers. Ease of information access.

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## W E A K N E S S E S

### RBH

- Sales force has a very high turnover and lack of team spirit. Sales reps are given very little decision-making authority and all contracts are negotiated or approved by District Managers.
- Morale problem: job security, apathy, stock condition.
- Reps have no rationale for spending their large budget.
- Reps do not visit smaller accounts on a regular basis.

### RJR

- The smallest manufacturer in a declining market with all their business dependant on one trademark.
- Sales force uncertain of their future because of staff reductions in the US and rumors of a merger with RBH. Some of their best marketing and sales people may move prior to what will be an eventual consolidation of one firm or another.
- Little concern for stock condition.
- Lack of interest by representatives.
- Reps do not visit smaller accounts on a regular basis

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