

STATE EXPRESS FILTER KINGS
LAUNCH INTO CANADA DUTY FREE

1. Brand

State Express Filter Kings

It will be the same product as the Canadian domestic version

It will carry Canadian domestic health warnings as well as special "Duty Free" clausings.

2. Product Type

It is a Virginia product

Made in Southampton by BATUKE

Delivery levels are 16 mg tar, 1.4 mg nicotine

3. Intended Markets

Canadian Duty Free outlets which cater for a significant number of Asian travellers. This includes both airport Duty Free shops and Border shops.

Airport Duty Free Shops

Airport	Shop	Operator
Montreal (Mirabel)	-	UCS
Toronto	T1	Alders
Toronto	T2	Alders
Toronto	T3	DF Shoppers
Calgary	-	DF Shoppers
Vancouver	-	Alders

Border Shops

British Columbia	4 outlets
Ontario	5 outlets

4. Invoice Price

Invoice price will reflect that of other mainstream imported international brands .

Rothmans King Size C\$35.50 per mille

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5. Price Category or Position

Mainstream price positioning

555 SEFK must be on price parity to the highest priced King Size international brand.

6. Retail Price

It must reflect that of other mainstream imported international brands.

On shelf (200) C\$ 21.99

7. Manufacturer

The manufacturer will be BATUKE, Southampton. The brand will be available in a 200's carton and supplied in a 5 mille case.

8. Brand Objectives

The reasons for launching SEFK into Canadian Duty Free are as follows:

- To increase the "internationalism" of SEFK by making the brand available in an important travel market.
- To maximise the avenue of Duty Free as a shop window to the international traveller by increasing brand awareness and by generating brand trial amongst key consumers.
- To generate incremental sales volume and contribution by making the brand available in a new market.
- To support the local domestic markets of Canada and the USA through brand distribution, awareness and advertising.
- To focus SEFK as a direct competitor to other international imported Virginia products such as Dunhill International and Rothmans King Size amongst Asian consumers.

9. Target Consumers

- Mainly males
- 30 years and older
- Affluent
- Far Eastern nationality

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10. Brand Proposition

- As per IB guidelines

11. Marketing Rationale

SEFK is to be launched into Canada Duty Free to compliment the following:

- The large influx of Asians who are now settling in Canada
- The recent launch of SEFK into the Canadian domestic market.
- The size of the current Duty Free business due to the cross-border traffic.

12. Timetable

July 1992	-	SET approval to project
July 1992	-	Confirmation of packaging requirements
Aug 1992	-	Production of packaging requirements
Oct 1992	-	Production of product
Nov 1992	-	Shipment
Dec 1992	-	Launch into Canada DF market

This timetable will be subject to delay if Imperial Tobacco, Canada do not confirm packaging requirements by mid July 1992.

13. Volume Forecasts

- Please refer to 5 year financial analysis

14. Research

- Duty Free demand will reflect domestic market performance
- Launch will be undertaken on a selective outlet, minimum order basis which will act as a controlled test market
- No formalised research will be undertaken.

15. Target Brands

Dunhill International
Rothmans International
Rothmans King Size

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16. Support Plans

1993

- A 10% free goods offer will be made with all Duty Free operators first order (standard market practice)
- Media merch investment will be made in Duty Free shop signage and promotional materials.

1994 - 1997

- Continuing investment in DFS signage and promotions
- Level of investment £1 per mille

17. Set-Up Costs

Key points are as follows:

- Canadian Duty Free product must:
 - Carry domestic health warning
 - Incorporate special "Duty Free" clausing
 - Artwork costs
 - £1000 - 03517 705327
 - Packaging costs
 - £3000 - 03517 705323

DGN/SCR/DN-225

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