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IMPERIAL TOBACCO LIMITED

FROM: R.D. Brown

TO: J.-L. Mercier

February 10, 1992

RE: OBSERVATIONS - ORLANDO CONFERENCE

AGENDA ITEM 2 (a)

- No question B.A.T. companies would benefit from more frequent senior level marketing conferences.
- Because markets are quite diverse (consumer preferences, cultural differences, political/economic conditions, historic trademark prevalence), marketing conferences tend to focus on actions (these are the conditions in our market, this is what we did about it). While interesting, leaves little to apply at home. Perhaps conferences should focus on the process and structures of marketing: consumer focus, market segmentation, market research technique, market analysis technique, brand positioning, new brand development, prioritizing resource allocation, forecasting, realistic objectives, communication with management. Those marketing functions that are common.
- One of B.A.T.'s major objectives is the establishment and growth of international brands, a necessity in today's global market. However, many operating companies still have real business opportunities from local brands within their own borders. This could (and does) cause priority conflicts. Both goals must be realized. A common understanding of planning, structure, objectives and resource prioritization would be an important conference subject.
- Anti-smoking activities and growing government restrictions vary by country, but it is generally accepted that sooner or later, they will increase in intensity and affect own (and opposition) operating abilities. Within the group, is enough experience to help all accept and prepare for enforced restrictions -- which can prove a competitive advantage.

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T.S.R.T. has moved to begin the structure of a comprehensive marketing development program. We can only stress the importance of this and, again, recommend that this program be focused on the basic process of marketing (rather than individual market situations, which can be competently addressed by B.A.T.'s center/operating company relationships) and designed to develop all levels of marketing consistently.

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