

Note to Mr B.D. Bramley

TSRT Report: The future significance of de-nicotined brands.

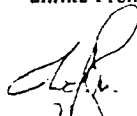
As far as we can establish 'de-nic' brands have only been launched by Philip Morris in the US domestic market, always in test market and with reasonable trial rates but little re-purchase.

Their apparent inability to generate a lasting franchise is not surprising:

- a) By definition the product is incapable of satisfying the basic physiological reason for smoking. A confirmed smoker would find it unsatisfying and return to more conventional products.
- b) In all other respects it is exactly like any other cigarette in producing both mainstream and sidestream smoke. If the reason for smoking is principally psychological a biro tube could arguably do the job better.

In summary the product proposition is only likely to appeal to those who wish to give up smoking but it does nothing to solve the problems associated with smoking. As such it can only work as a temporary bridge out of the smoking habit.

It is also hard to see how these products could provide any strategic advantage to PM in any other way. The regulatory environment is moving firmly towards 'tar' measurement rather than nicotine. It also seems to be attacking the wrong end of the product problem, unlike Premier which failed not on concept but on execution.



I.A. Ross

5th November, 1991.

cc Mr J Rembiszewski

*Mr. Marshall
 we need an...
 input on this
 product concept -
 can we do it
 D.*

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