

"Structured creativity group"

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Marketing scenario

Before starting on any future scenario, let us look at what we are currently selling and where and how it has developed.

A cigarette as a "drug" administration system for public use has very very significant advantages:

i) Speed

Within 10 seconds of starting to smoke, nicotine is available in the brain. Before this, impact is available giving an instantaneous catch or hit, signifying to the user that the cigarette is "active". Flavour, also, is immediately perceivable to add to the sensation.

Other "drugs" such as marijuanha, amphetamines, and alcohol are slower and may be mood dependant.

ii) Low dosage

The delivery of nicotine from the puff of a UK middle tar (US full flavour) is about 0.1mg or 100ug of the active agent. By contrast, other common drugs such as aspirin require about 300mg (3000 fold excess on one puff, 300 fold excess on a per cigarette comparison), and a saccharin tablet contains about 15mg of active agent.

Other extremes of drug dosages are alcohol (1 "shot" of about 1oz, = 28gms, at approx. 40% alcohol is about 10gms or 10,000mg, an excess of 100,000 fold per puff or 10,000 fold per cigarette), and LSD, where a dose of 100-500ug lasts 12-24 hours but is viewed

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askance by most legal authorities. The contraceptive pill another all day active (hopefully) drug, has 1 to 1/5mg of active ingredients. Thus nicotine is about the lowest dose "common" drug available!

Cost

The unit cost of a 10 minute "high" from tobacco is, in UK terms, about 6 pence (approx. 9.5 US cents), although much lower elsewhere. This sum is about 40 seconds pre tax earnings at the UK average wage or about 1 minute after tax!

The future?

Thus we have an emerging picture of a fast, highly pharmacologically effective and cheap "drug", tobacco, which also confers flavour and manual and oral satisfaction to the user. There are other things about tobacco though. It is legal (as is alcohol but not marijuana and LSD), and the articles themselves are eminently portable. It can be used freely in public places in most countries.

So, all in all, it is a relatively cheap and efficient delivery system, legal, and easily usable.

However, it has drawbacks. The major one is that it has a "health shadow" over it which is not easy to dispel. Secondly, it is a messy habit, polluting the non-smokers breathable atmosphere, and leaving ash and debris, not to mention smells, around for hours or days. Thirdly, carelessly used, it sets fire to things.

As a result of all these, it now has a social acceptability much below that of former times.

As to the design and production of the device, like all consumer goods it has had to react to the marketplace. As time has evolved most consumer products into more convenient, higher performance variants, so

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have tobacco producers reacted to consumer and governmental pressures.

However, this reaction can be seen as due to three pressures, of which only one is the consumer to which we sell our products! The other two are both arms of government, on the one hand the Treasury, who collect a vast amount of their income from our product. Indeed in the UK tobacco (mainly cigarettes) is the third largest contributor to the Government revenue - at £4.5 billion it represents, after income tax and VAT (a consumer sales tax), 5% or slightly more of Government revenue.

I propose to dwell only briefly on the consumer aspects of product change, since I believe that only a minor part of the total change is due to the consumer. Repeated attempts by outside forces to drive the consumer to lower tar have in general, resulted in at worst (in Governmental and Social pressure group eyes) a backlash and at best only a steady, inexorable grind downwards in deliveries. It is a moot point whether actual deliveries to humans have ever really dropped across the vast majority of the smoking population. True, there is now a group of "health concerned smokers" who buy low or ultra-low delivery products and puff away valiantly, but I suspect that there are few even of these who are real "smokers" - they are not "smokers" in the real sense of the word, more users of cigarettes to divert internal stress. It must be a dilemma for them whether to smoke at all - their peer group probably is the most vocal anti-smoking class of all, so they must really need the relief of those internal pressures very badly indeed!

If one looks, cursorily, at the human behaviour records in GR&DC over the last fifteen years, the immediate conclusion is that puff volumes have risen as inexorably as machine deliveries have declined.

Given the design parameters of the cigarettes, it is possible to speculate that human compensation has, for a significant part of the

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smoking population, negated attempts to reduce tar deliveries.

Now, there are many confounding factors involved - and I invite you to take your pick as to which you think most important, but I surmise that over a smoker's lifetime involvement with cigarettes in general, he tends to inwardly "titrate" or adjust his current delivery towards that with which he was first acquainted - if the cigarette will let him. Indeed, a doleful letter recently appeared in the "Times" bewailing the fact that "Capstan", a plain UK 70mm brand, used to last five minutes but now is consumed in four. Allowing for cigarette design and increased smoulder rate for delivery reductions, one would expect, on machine smoking, to see at least seven minutes duration. The conclusion must be that while puffing, this smoker is increasing his puff volume - and thus his tar intake, possibly from the current machine delivery, approx. 19mg tar, up to the 35 or so mg of his youth. Many people will tell you authoritatively that, on sound statistical analysis of well designed experiments, low tar smokers do not compensate. Rubbish. The findings are valid, but the choice of smokers probably was not.

Observation of my mother-in-law tends to confirm the point. I have, unbeknown to her, given her middle tar (BAT) products while she is a, and possibly the, confirmed low tar Du Maurier smoker. She, I would guess, since I have no data other than that seen from observations of puff duration and coal temperature, certainly does not take a 35ml puff on Du Maurier - probably nearer 50 -, and probably about 35 on State Express. From what we know of deliveries at non-standard puff volumes, I would suggest that she gets about the same from either cigarette! So, you say, since she's 65, why does 'nt she, on my prior reasoning, increase volumes and durations till she can get 35-40mg, which are the deliveries of her youth some 45-50 years ago? The answer is simple - the cigarettes won't let her!

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So, I am proposing two things for your consideration. One is that people try to compensate for past cigarette designs to the best of their ability and the other is, that over time, these efforts may become less necessary as the distant memory of long-ago events fades.

At this point you may have read those what I hope were interesting "divertissements" and are now wondering what I am aiming at. I have shown you nicotine in relation to other drugs, and indicated that humans perhaps "titrate" for nicotine.

Where do we go from here? One obvious route is to give people more nicotine as tar is reduced, i.e. increase the nicotine:tar ratio, or as we normally use terms, decrease the tar:nicotine ratio. But could we?

Technically, the answer is yes, but all our experiences founder on the rock of acceptability. The very reason is that since tobacco is a relatively efficient nicotine delivery system, over what is now some hundreds of years, a balance in subjective flavour: strength ratios has been struck. If I allude back to my comments about my mother-in-law, her initial cigarettes of 35mg tar (or so) probably delivered 3mg of nicotine. If we attempt today by blend modification, to give her her 3mg of nicotine at a tar:nicotine ratio of say 5:1 rather than 11:1, as previously, she will have a natural revulsion to this "flavourless but over potent" new cigarette! It follows from this that I have equated the flavour:strength ratio with tar:nicotine, which I do not think unreasonable.

If we follow this type of thinking a little further, we can begin, perhaps, to understand why we seem to be plagued with such a conservative population of consumers. It is because early trials of cigarettes, as in so many of our meetings with novel concepts, shape our later behaviour. We all hear comments like "roast beef (or hamburgers

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etc etc) doesn't taste like it used to". Surely, roast beef and hamburgers won't, because the style of cattle, their feeding, the way joints of meat are cut, the use of growth accelerating hormones and the presence of preservatives have had an effect. All are consumer (or Government?) demands. The significant thing, I suggest, is that we think we can remember what they were like years ago. Surely, this must extend to cigarettes?

It is very important to remember that any attempt on our part to revive past glories in consumer minds must be a credible one. To borrow from the motor car business, in the UK there is a small, private firm, Morgan, who manufacture a car whose design goes back to 1908 in certain parts and whose style is 1930's. It would not be credible (though it has been tried) to have both modern car performance and convenience from such a machine. Who wants a Model T that goes like a Corvette, or an Austin 7 like a Ferrari? The concept of Barclay can be allied to this type of nostalgia. Advertising lines like "the pleasure is back" suggest, through the promotion, a Scott Fitzgerald 1930's USA image. Is it credible that a long cigarette can perform like the US cigarettes of that era? I do not criticise Barclay, which is a magnificently engineered device. Neither do I criticise the promotional ideas which led to the campaign. I merely ask "can the concept be substantiated in real consumer attitudes?"

I will go further. Recently, I did a long and complicated piece of research work to try to discover what elements of cigarette design influence "smoking mechanics". I regret to say, from a purely scientific view, I succeeded only to a very limited, but hopefully useful degree. What emerged, in my philosophical thoughts about the work, was a comparison that I would like to share with you.

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You are an international businessman, well conversant with the jet set life - flying from A to B, usually being met and chauffeured to your hotel. However, from time to time, this is not possible, and in these events you hire a car. You step forth from the formalities, key in your hand, to the parking lot, and your vehicle, let us say a Ford Sierra or Chevrolet Chevette, awaits you. It is dark and raining, and you have no time or inclination to look for those status marks such as V8, GLS etc etc. You get in, start the (we suppose silent) motor, engage a gear, having remembered which side of the road to drive on, place your foot on the accelerator, and set off. What happens?

Well, in Germany you probably got the V8 turbo charged version - result, you're at the other end of the parking lot before you know it. In the UK, with the standard model, all goes roughly according to your past experiences. In the US, with all the anti-pollution gear, the thing may only barely move.

Why such a simile? Because our cigarettes can behave similarly! One white rod is apparently like another, until it is lit. It is only then - when you put your foot on the accelerator, figuratively speaking - that things change. Is there an opportunity for us here?

Let us go back to the white stick. Sure, it's like any other white stick. It's filled with tobacco (you presume), it's firm, there's an end to it of reasonable appearance and some tobacco there to show its made of tobacco, and its usually got a white filter end on the other, covered in cork or white tipping.

My question is, why don't we use the construction or colour of the cigarette to tell our consumer what to expect. My analogy with the hire-car was dependant, if you remember, on two things. One, the motor

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was silent in operation, and two, you couldn't see the badges that told you what performance to expect. Our cigarette is exactly similar. It comes out of a package unlit (silent) and, once out, nothing really differentiates it from another cigarette (no badges, though we do try).

We've forgotten to tell the user what to expect. Sure, we wrote in big letters (or as big as the government told us), some data on deliveries of various things. Once out of that pack, our cigarette is not differentiated from any other, and no smoker offered it unseen knows what to expect. I could produce for you two cigarettes of visually identical construction (unless you use a microscope) which could be of 1mg and 20mg delivery!

So, the final question I ask is, can we give a consumer some guarantee that we, the manufacturer, are offering him something that he wants, that satisfies his requirements, is credible and is unique to us? Splitting this down into sections, we can deal with them as follows:

What does he want

He wants, in my estimation, a product that smokes like those he was familiar with some years ago (naturally, as the years go by, there will be less and less smokers who "remember" plain cigarettes of 35+mg). We can do this by assuring him through a good quality smoke, perhaps better than he was used to, with a reduced tar:nicotine ratio, though not overtly so. We couple this with a "normal" cigarette design that does not offend through being "too" unconventional, and we position this product to take maximum advantage of league tables, which are still basically "tar" driven.

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What satisfies his requirement

What seems to satisfy smokers requirements is a device that broadly in line with what it claims to be. Thus, ultra-low tar, though indubitably a cigarette, seems only to be a saleable proposition to a minority of customers, who perhaps anyway are a health risk conscious group. Most recent market analyses by tar groups or delivery levels suggest that any "surge" towards lower tar has faded, and that there is a "backlash" toward 15mg type products. I suggest that this area is where smokers really want to be today, though time may be against us maintaining this level. And we may return to my original remarks on drugs and their doses. For a sweet cup of tea, we put in two saccharin, not one. For a bad headache or hangover, we take two aspirin, not one. I suggest that there is a parallel with cigarettes - we may smoke a low delivery cigarette - but in times of tension or altered mood we want a stronger one. What happens? Either we smoke one more intensively (remember, there is no single dose for a cigarette) - or we smoke two in rapid succession. A dilemma appears - do we design a compensatable cigarette - and sell one - or the non (or minimally) compensatable cigarette - to sell two? Given the unit cost, it is very probable that the second option is not viable - so we have, perhaps, to do the first.

Given these considerations, one can predict that in an era of value-for-money, people will want the "highest" delivery for a unit price (in most places if not all, low tar costs the same as high). Whether this "highest" delivery is to be the highest available in a market is unlikely - it is more liable to be a "medium" delivery compensatable product.

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SUMMARY

So - give them what they seem to want taste and value. And always remember that, while King James I issued his famous "Counterblaste to Tobacco", in 1604, it is nicer from our point of view to remember Oscar Wilde's words in "The Picture of Dorian Gray" in 1891:

"A cigarette is the perfect type of a perfect pleasure.

It is exquisite, and it leaves one unsatisfied. What more can one want".

Let us provide the exquisitess, and hope that they, our consumers, continue to remain unsatisfied. All we would want then is a larger bag to carry the money to the bank.

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