

CONFIDENTIALPROMOTION RESEARCH PROPOSAL

(BIAD #92-93704)
 (BIAD #92-13142)

TITLE: RETAIL LAB - NEAR PACK EXPANSTION TEST/BRC TEST

BACKGROUND:

Earlier this year, the Near Pack concept was tested in Retail Lab. The Near Pack is a specially designed premium packaging which does not require any physical loading of product into the premium packaging. Instead, the Near Pack utilizes a blister card containing the premium item along with the purchase requirement message. The premium items are then located on the permanent promotional display with product in close proximity on the top shelf of the display. Research results indicated that both the Near Pack and traditional premium packaging resulted in substantial incremental volume. As advantages, the Near Pack can result in significant savings of sales force time, simplified premium packaging, reduction in premium lead time, elimination of payments for premium assembly and elimination of payments for jobber assembly. The Promotion Operations Team would like to confirm these results in an expanded test as well as address the issue of potential slippage with the Near Pack configuration. Another premium concept ready for testing in Retail Lab is using a Business Reply Card (BRC) in order to obtain a premium item. This concept in premium delivery may result in decreased slippage and a reduction in Field Sales' time being used for premium maintenance.

RESEARCH OBJECTIVES:

The test will measure the Near Pack and BRC concept relative to the current on-pack premium execution in order to determine if any differences exist in:

- Volume movement
- Product velocity
- Premium slippage
- Franchise/competitive participation

METHODOLOGY:

Four panels will be used for the study as follows:

<u>Panel</u>	<u>Offer</u>
Test 1	Near Pack Configuration
Test 2	BRC with no proofs required for premium fulfillment
Test 3	BRC requiring pack proofs for premium fulfillment
Control	Traditional premium packaging

Each panel will work a CAMEL pack offer of buy 3 packs of CAMEL get a brass lighter. More specifically,

- Test Panel 1 will work the promotion from the current promotional display with the lighter on a blister card with the message "Get a Brass Lighter free when you buy 3 packs of CAMEL." The premiums will be placed on the lower shelves of the display while the individual packs of CAMEL will be placed on the top shelf. Special POS will be developed to emphasize the 3 pack purchase requirement to receive the lighter.
- Test Panel 2 will work the promotion by utilizing a BRC attached to a larger cardboard card that will have 3 packs of CAMEL attached to the card. This cell requires the participant to purchase the 3 packs of CAMEL and send in the BRC in order to receive the brass lighter.
- Test Panel 3 will work identically to Test Panel 2 with the exception of requiring 3 pack proofs of purchase sent in with the BRC request for fulfillment.
- Test Panel 4 will work the brass lighter offer in traditional premium packaging with 3 packs of CAMEL.

Each panel will consist of 25 convenience stores in Atlanta, GA. The panels will be balanced based on sales trend and clientele. The test will utilize audits to determine volume movement in the four panels; velocity checks to determine which packaging configuration moves quicker; and promotion penetration checks to determine if competitive promotions may have affected velocity and volume movement for the brand.

In order to obtain a participant profile and promotion perceptions, each promotion in the control panel and Near Pack Panel (Test Panel 1) will be seeded with a Response Check. In the control stores, the Response Check will be hidden in the box with the 3 packs of CAMEL and brass lighter. In the Near Pack Panel, the Response Checks will be placed underneath the brass lighter in the blister card. Each Response Check will have a \$1 value and will obtain the following information:

- Name, address, phone number
- Claimed usual brand (and style information)
- % last 10 CAMEL purchases
- Age and sex
- Promotion perceptions and usage

Test Panels 2 and 3 which utilize the BRC will collect the same information on the BRC as room permits.

Slippage will be monitored in each cell by using in-store interviewers who will visually monitor the premium displays but will be intercepting consumers who are purchasing soft drinks in an effort to get a clearer understanding on retailer/clerk slippage as well as mis-redemption (e.g. selling packs of Marlboro and allowing the smoker to get the premium or BRC). By not identifying the interviewer's interest in the CAMEL display, it is believed that the retailer/clerks will act in a normal manner.

TIMING:

Pre-Period	9/14 - 9/27
Hiatus/Test Set-Up	9/28 - 10/11
Test Period	10/12 - 10/25
Topline Results	w/o 11/30
Final Report	w/o 12/7

The above timetable is for sales results only. The participant profiles will be available in early January 1993 pending turnaround time from the fulfillment house with information regarding BRC participants and turnaround time on the Response Checks. The BRCs and Response Checks will have an expiration date of 11/30/92.

(The sales timetable above can be met if this proposal is routed and signed by Wednesday, July 29.)

SUPPLIERS: Meyers Research - Retail Lab
Attitude Measurement - Response Checks

COST:

Field Set-Up/Briefing	\$ 2,000	
Pre OI Checks	3,500	
Audit Visits	53,300	
Test Conditions/Set-Up	8,000	
Invoice Checks	5,125	
Police Visits	7,000	
Merchandising Fees	5,000	
Warehousing	400	
Pilferage Checks	8,000	
Sales Research		92,325
Response Checks		<u>11,400</u>
Total Cost		\$103,725

SOURCE OF FUNDS:

Test Cells 1, 3 and the Control Cell will be funded from the 1992 Promotion Operations Budget (\$81,100)

Test Cell 2 will be funded from the 1992 CAMEL Research Budget (\$22,625)

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CONCURRENCE:

	<u>Initials</u>	<u>Date</u>
S. C. Hawkins	<u>SON</u>	<u>7/23/92</u>
D. E. Schmidt	<u>- out -</u>	<u>- out -</u>
R. C. Pasterczyk	<u>EJP</u>	<u>7/23/92</u>
E. J. Fackelman	<u>rip</u>	<u>7/24</u>
J. C. Pierre	<u>JCP</u>	<u>7/24/92</u>
J. J. Dean	<u>JJD</u>	<u>7/24</u>

SIGNED PROPOSAL DISTRIBUTION LIST:

Ms. S. C. Hawkins
Dr. D. E. Schmidt
Ms. R. C. Pasterczyk
Mr. E. J. Fackelman
Ms. J. C. Pierre
Mr. J. J. Dean
Mr. G. W. McKenna
Mr. J. D. Weber
Ms. G. R. Davis
Mr. W. J. Roper
BIC

*CM Davis
CM Smith*