

INTERNATIONAL PRODUCTS STATUS REPORT

AUGUST 1, 1987

EXPORT MANUFACTURE

BARCLAY

Purpose: Develop improved BARCLAY products for export.

Status: No active projects currently. Product changes will be guided by Domestic activities.

KENT

Purpose: Develop improved KENT products that will test superior to current KENT among franchise smokers.

Status: Hong Kong CPT results of KENT KS versus ELI CUTTER LIGHTS KS and candidates FD and NF have been reported. None of the products satisfied the objectives.

Results from Louisville Dupont of KENT 100 samples, made from tobaccos used in the KS CPT, did not show a significant improvement over current.

The "homerun" contingency KS product was a significant win over current KENT KS at Louisville Dupont.

A task force will be formed for KENT improvement.

620464175

LUCKY STRIKE

No active projects currently.

MAX/RICHLAND

Purpose: Develop a low cost LIGHTS product for marketing in Saudi/Gulf States (PROJECT VANNA).

Status: Exploring the possibilities of contracting the manufacture of these products with an overseas manufacturer.

NEWPORT

Purpose: Develop and launch NEWPORT KS and NEWPORT LIGHTS KS for Hong Kong.

Status: Total offer test for NEWPORT KS is currently in progress in Hong Kong.

Purpose: Develop and launch NEWPORT LIGHTS KS for Japan.

Status: Three products being evaluated versus Japan Salem Lights KS in Japanese panel.

VICEROY

No active projects currently.

SAUDI ARABIA/GULF STATES ALL PRODUCTS

Purpose: Develop products to be sold in Saudi/Gulf States market that satisfy the new government restrictions of 12/0.8 tar/nicotine.

Status: Modified designs have been implemented.

Unfiltered products to be discontinued.

Diethyl citrate as a filter additive for reducing nicotine is being examined.

OVERSEAS MANUFACTURE

ARGENTINA

KENT

Purpose: Develop and re-launch KENT
(PROJECT INTRIGUE.)

Status: The new KENT has been introduced
into test market.

LUCKY STRIKE

Purpose: Develop and launch LUCKY STRIKE KS.

Status: The product is launched in test mar-
ket. Early indications are very en-
couraging.

Working with IFF for sourcing the
flavor in Argentina.

BELGIUM

KENT

Purpose: Modify KENT blend to facilitate primary operation.

Status: Blend without stem approved.

PROJECT COMPLETED

KOOL

Purpose: Elimination/substitution of SYNTHOS.

Status: NESSER will be used for the substitute.

PROJECT COMPLETED

BRAZIL

BARCLAY

Purpose: Develop and launch KS and KS BOX (PROJECT R).

Status: Guidelines for Actron have been given. Three samples are to be made:

1. Original B&W formula except no ET, local oriental and oriental enhancer.
2. Local blend similar to Galaxy.
3. Based on Swiss guidelines.

Artwork and guidelines for Actron Plus have been forwarded.

LUCKY STRIKE

Purpose: Develop and launch KS Box and KS (PROJECT SHOTGUN).

Status: Subjective evaluations indicate the Amelia E flavor to be less like Brazilian Marlboro than the Brazilian flavor. The local flavor will be used.

The Box KS 84 mm will be launched first, followed by the soft cup at a lower price.

Artwork has been sent.

CAPRI

Purpose: Develop and launch a CAPRI-type non menthol product (PROJECT HUMMING-BIRD).

Status: Assisting as requested.

CANARY ISLANDS/SPAIN

LUCKY STRIKE

Purpose: Develop and launch LUCKY STRIKE SUPER LIGHTS for mainland Spain.

Status: Have selected design for delivering 6.0 mg tar/0.6 mg nicotine.

Purpose: Evaluate possible use of surplus oriental.

Status: Samples have been evaluated and recommendations made.

LAPALMA

Purpose: Develop and launch a local KS non-menthol brand that will use the brand name PALL MALL.

Status: Samples using ELICUTTER LIGHTS, RICHLAND LIGHTS 100 and CAPRI blends received.

KOOL

Purpose: Launch KOOL KS product in Mainland Spain by August 1, 1987.

Status: Macon has committed to the delivery of 36,000 kg mentholated, cut tobacco by the following timetable:

18,000 kg in C.I. by July 4, 1987
18,000 kg in C. I. by September 5, 1987

620464180

CHILE

LUCKY STRIKE/VICEROY

Purpose: Assist in lowering irritation and improving the smoke quality of LUCKY STRIKE/VICEROY to more favorably compete with Marlboro, which is being introduced.

Status: Sending ELI CUTTER guidelines for trials. Reconstituted tobaccos and flavors will be provided.

620464181

COSTA RICA

KOOL

Purpose: Use the VICEROY blend and casings for standardization.

Status: No significant difference in smoke quality. Costa Rica notified to go forward with VICEROY blend, if desired.

VICEROY

Purpose: Use the VICEROY blend and casings, for VICEROY LIGHTS KS, for standardization.

Status: No significant difference in smoke quality. Costa Rica notified to go forward with VICEROY blend, if desired.

CYPRUS

LUCKY STRIKE/VICEROY

Purpose: Reduce product cost.

Status: Stem increased from 5% to 9%. The use of wood pulp paper is acceptable. Both approved.

PROJECT COMPLETED

VICEROY

Purpose: Develop and launch VICEROY LIGHTS KS.

Status: Production initiated June, 1987.

PROJECT COMPLETED

FINLAND

BARCLAY

Purpose: Reduce cigarette spotting.

Status: Spotting, particularly on BARCLAY 100's has been observed to be excessive. Investigations are underway in attempt to determine causes and to correct.

CAPRI

Purpose: Develop CAPRI for Finnish market.

Status: Samples sent for analyses by State Laboratory.

Chromalines for 20's pack and 200's carton have been sent to S.T.O.Y. for submission to Finnish State Board of Health.

Information sent for converting Mark B maker.

KENT

Purpose: Investigate cigarette physical quality and recommend product changes for improvement if needed.

Status: Samples of all KENT styles produced by S.T.O.Y. are being analysed by B&W RD&E.

FINLAND

NORTH STATE

Purpose: Develop a new LIGHTS product.

Status: Guidelines for ELI CUTTER LIGHTS have been sent.

LOCAL BRAND

Purpose: Assist in developing a local brand to compete with Marlboro. (PROJECT PRELUDE)

Status: Testing indicates ELI CUTTER to be harsher, drier and more bitter than Marlboro. Blend and design changes were recommended to S.T.O.Y.

620464185

GERMANY

BARCLAY

Purpose: Develop BARCLAY for Italian market sourced from Germany. Delivery will be less than 5 mg tar (sealed).

Status: Assisting Germany in product development. Project on hold at this time.

Purpose: Develop BARCLAY for French market sourced from Germany. Delivery will be 1 mg open, 9 mg channels blocked.

Status: Assisting Germany in product development. Three samples have been designed. Project on hold at this time.

CAPRI

Purpose: Develop and launch CAPRICE non-menthol and menthol for the German market (PROJECT TWIGGY).

Status: Major efforts in providing guidance and materials. German-approved flavors developed and sent. Resourcing with tobacco grades, cased burley, casings, flavors, and filter tow continues.

Analytical cross-check of tobacco, filters and cigarettes planned for late July.

Test Market for nonmenthol will begin in October. The menthol launch will be later.

GERMANY

LUCKY STRIKE

Purpose: Launch LUCKY STRIKE in U.K.

Status: If this product is to be similar to the Holland/Swiss product, concentrates will be sent from the U.S. We are working with a flavor house to develop U.K. approved versions of these flavors.

620464187

GREECE

KENT

Purpose: Improve product smoking characteristics.

Status: Blend trials have been recommended.

Purpose: Adjust smoke delivery of KENT KS to target.

Status: Suspended until completion of blend trials.

Purpose: Qualify local CELANDO.

Status: Sample of local CELANDO was found acceptable and approved.

PROJECT COMPLETED

PALL MALL

Purpose: Improve product smoking characteristics.

Status: Blend trials have been recommended.

Purpose: Adjust smoke deliveries of PALL MALL PLAIN and PALL MALL FILTER KS to targets.

Status: Suspended until completion of blend trials.

Purpose: Qualify local CELANDO.

Status: Sample of local CELANDO was found acceptable and approved.

PROJECT COMPLETED

GUATEMALA

LUCKY STRIKE

Purpose: Develop LUCKY STRIKE FILTER.

Status: Samples being prepared using LUCKY STRIKE Red Stripe flavor and Amelia E casings and flavor.

620464189

HOLLAND

620464190

HONG KONG

VICEROY

Purpose: Increase tar delivery of VICEROY KS.

Status: S-135-1 cigarette paper has been sent, awaiting sample.

Purpose: Modify VICEROY KS and 100 blends for full case utilization. Exploring the use of Brazilian grades.

Status: Formulas were prepared and have been sent, awaiting samples.

Purpose: Qualify Chinese Flue-cured grade GYD as a partial replacement for PJS.

Status: Subjective evaluation at 100% GYD encouraging. Recommended samples to be made with varying levels of substitution. Samples received and submitted for evaluation.

FILTER ROD HARDNESS

Purpose: Increase filter rod hardness.

Status: Samples have arrived and are being evaluated. Initial results indicate increased hardness with 2% reduction of plasticizer.

620464191

KENYA

LUCKY STRIKE

Purpose: Develop and launch LUCKY STRIKE KS.

Status: Guidelines and materials sent.

620464192

MALAYSIA

KENT

Purpose: Develop and launch KENT GOLD menthol and nonmenthol (PROJECT NUGGET).

Status: Product guidelines for two modified ELI CUTTER LIGHTS blends with CPCL, one with increased flue cured, have been given. Casings and flavoring materials have been sent. CPCL has been sent.

Guidelines for RICHLAND KS and 100 menthol and modified KOOL MILDS are being explored for the menthol version. Flavors EF-149 and EF-183 requested and sent.

STEM IMPROVEMENT

Purpose: To reduce the harshness and improve taste characteristics of Malaysian flue cured stem.

Status: Recommended the use of ammonium chloride, awaiting samples.

MENTHOL

Purpose: Evaluate experimental menthol products with natural and synthetic menthol.

Status: Formulas have been prepared and forwarded.

620464193

PANAMA

620464194

SINGAPORE

KENT

Purpose: Contract manufacture of BOX 10's for Paraguay.

Status: Have sent guidelines and artwork. Samples received and approved.

Purpose: Launch KENT KS in 14's pack.

Status: Awaiting analyticals.

LUCKY STRIKE

Purpose: Modify proposed blends for LUCKY STRIKE PLAIN and FILTER utilizing full cases. Additionally, partially replace FJS/EBR with 50% local ET 50% cut stems.

Status: Leaf Group has developed and sent formulas for trial purposes.

VICEROY

Purpose: Provide materials to manufacture 25 million VICEROY 80 BOX for Lebanon/Syria.

Status: Materials have been shipped. Awaiting representative sample for sensory and analytical evaluation.

620464195

SWITZERLAND

CAPRI

Purpose: Develop CAPRI for Swiss market.

Status: Guidelines have been sent. Switzerland has requested and B&W has agreed to supply 2M cigarettes for test market.

KOOL

Purpose: Elimination/substitution of SYNTHOS.

Status: Continuing to look for acceptable substitutes.

LUCKY STRIKE

Purpose: Improve smoke quality of LUCKY STRIKE KS.

Status: First sample submitted and rejected. Two additional samples (085 and 095) were submitted by BAT(SUISSE). Both samples were judged by B&W to very similar to the current Swiss product and to B&W ELI CUTTER. 085 was found to have slightly less irritation. We have recommended 085 for CPT in Switzerland if the Swiss still insist on modifying the current blend.

YUGOSLAVIA

KENT

Purpose: Improve KENT KS smoking quality and reduce smoke delivery.

Status: Paper changes and blend with increased U.S. tobacco have been recommended.

Implementation is subject to DIN having sufficient hard currency to purchase the necessary materials (i.e., B&W will have to purchase more Yugoslav Oriental tobacco).

620464197

ZIMBABWE

LUCKY STRIKE

Purpose: Develop and launch LUCKY STRIKE KS using local materials.

Status: Initial sample considered worthy to pursue. Have sent guidelines for a nonredried version and a version with citric acid to reduce harshness.

PROJECT TERMINATED

VICEROY

Purpose: Develop and launch VICEROY KS using local materials.

Status: Formulas without burley CLD have been recommended for product trials.

620464198

MISCELLANEOUS

MONITORING

Purpose: Analyze and report licensee manufactured products.

Status: Monthly reports are issued on samples of overseas manufacture which are submitted on an agreed schedule. The monitoring program, including our Quality Index evaluations, is being reviewed.

Purpose: Determine product characteristics of major international competitive brands.

Status: Selected competitive products are analyzed on an agreed schedule.

Purpose: Substantiate tar levels of imported products from Germany, U. K., and Canada.

Status: Continuing project.

Purpose: Conduct analytical cross-checks with overseas manufacturers.

Status: Continuing project as needed. Currently involved with Germany in a total cross-check for their production of CAPRI.

LORILLARD

Purpose: Supply MOORGATE samples to Lorillard on a semiannual basis in compliance with the MOORGATE agreement.

Status: Five cartons of each MOORGATE product that is sold in U. S. Military and Duty Free locations are taken from production every six months for forwarding to Lorillard. Prior to sending, they are inspected according to our Quality Index program.

620464199

MATERIALS HANDLING PROCEDURES

Purpose: Establish guidelines for handling materials ex Macon by overseas personnel.

Status: We are working with International Technical Operations, Law, and Macon personnel to establish guidelines for overseas manufacturers to follow, in handling casings, flavorings, and plasticizers resourced from Macon.

FLAVOR PREPARATION SIMPLIFICATION

Purpose: Pursue preparation of casing and flavoring mixtures by outside flavor houses.

Status: To simplify the preparation of concentrates in Macon, we are looking into outside flavor houses (IFF) for preparing routine mixtures.

CIGARETTE PAPER SPOTTING (PROJECT MACBETH)

Purpose: Evaluate DeMauduit and Kimberley-Clark papers claimed to minimize spotting.

Status: Cigarette samples have been prepared using DeMauduit paper. Spotting potential will be determined versus corresponding current papers. Very limited samples received from Kimberley-Clark. Sample bobbins of two candidates will be requested.

MRT

Purpose: Review current status of the use of MRT.

Status: Currently MRT is supplied to Greece, Canary Islands and Finland. The continued use of this material versus substitution with other re-constituted materials is being considered.

PRODUCT GUIDELINES

Purpose: Determine the proper procedure to present product guidelines to licensees.

Status: Under discussion.

P. L. Aulbach

DISTRIBUTION: J. R. Anders, B.D. Dayvault, D. Gordon,
P. H. Harper, M. L. Hendershot, W. B. Knable,
J. L. Knoop, L. R. Lewis, P. J. Martinez,
M L. Reynolds, T. F. Riehl, H. C. Woertz, Jr.