

Mr. V. B. Lougee, III ✓
President

Vice President - Sales C. H. Mullen - June 9, 1979, Covering
Work Performed in the Honolulu, Hawaii, Area:

SATURDAY, JUNE 2 through SATURDAY, JUNE 9

In the Honolulu, Hawaii area. Attended the National Association of Chain Drug Stores Convention with Mr. A. S. Roses.

Also worked in the Field with District Sales Manager M. J. Bennett.

Worked Evaluation and Progress Report on D. Y. Nakashima and Progress Report with C. Y. Tokumi.

In addition, called on direct accounts and held a sales meeting with the entire District.

DISPLAY

Calls evaluated which were made during the first day of the current campaign revealed excellent placements of CARLTON King Filter and Menthol U.P.'s and TAREYTON lights/TAREYTON long lights U.P.'s.

Movement from the CARLTON King U.P.'s was excellent. Movement from the TAREYTON U.P.'s was good.

During the Evaluation we also made calls where CARLTON 'dry' carton displays had been placed last week. These too were well placed in good locations and good movement was noted with almost half of the cartons sold over the weekend period.

During the Progress Reports there was excellent acceptance to the CARLTON King U.P.'s but a tougher "sell" on TAREYTON, particularly in the lower volume calls. CARLTON distribution is excellent on all four styles from the highest to the lowest volume calls. Maintaining the TAREYTON lights distribution was a battle in the lower volume calls.

The Sales Organization was handling the balance between filter and menthol, placing proper emphasis on the menthol in this very strong menthol market.

There was a good showing of P.O.S. material on CARLTON and on TAREYTON lights as a secondary.

Advance order work and advance display booking with independent retailers was practically nonexistent. It was obvious that a great deal of additional training and assistance is needed by the Reps to maximize efforts under this program.

COMPETITIVE ACTIVITIES

Arctic Lights displays were found in a number of outlets featuring their coupon offer. Sales at wholesale and retail are quite slow. The B&W organization is concentrating on this brand but obviously with very little success to date.

Virginia Slims floor displays were found in several outlets featuring their "Remembrance" book free with carton purchase. The remnants of some Reynolds full line dry carton displays from the Memorial Day weekend were seen in several outlets.

L&M Lights U.P.'s in limited number in a few outlets were found - one free with one - very slow movement.

ADVERTISING COMMENTS

During a call at the drug department of a Gem Discount Store, a 600 carton volume outlet, received one of the most direct and positive comments on advertising that I have received in some time. Mr. Glen Terihito, the Manager, stated that he had an increasing trend on CARLTON which he felt had been helped greatly by "your CARLTON ad in the newspaper, next to the TV listings."

BRAND COMMENTS

<u>BRAND</u>	<u>DISTRIBUTION</u>	<u>TREND</u>
CARLTON King Filter		Increasing
CARLTON King Menthol		Increasing
CARLTON 100s Filter	98.7%	Increasing
CARLTON 100s Menthol	99.3%	Increasing
CARLTON Box		Increasing
TAREYTON lights	84.8%	Holding
TAREYTON long lights	85.2%	Holding
PALL MALL Light 100s	73.0%	Holding
PALL MALL Extra Light		Holding
TALL Filter & Menthol		N. F.

The menthol segment of the Hawaiian market continues to run at almost 60% of total cigarette sales.

The Kool franchise continues to dominate, however, the Kings are showing a slight decrease. The Milds and Lights are showing a slight increase. The full Kool franchise represents about 26% of total sales. The most dramatic increases are being racked up by B&H 100s Menthol and Light Menthol.

Salem Kings are also showing a decrease while their Lights are showing an increase.

Kent III - good trier buyer movement and repeats - Increasing

CARLTON Menthol Kings are currently registering a good increase and the Menthol 100s, while still not up to the volume of the King Menthol, is showing a dramatic increase. There is no question but that CARLTON offers us our first real opportunity to gain a menthol foothold in the State of Hawaii.

I shall discuss further with you suggestions to increase our share in this market.

ROUTE COVERAGE

Route coverage for our two Combo Reps run from 35 to 50 volume cutoff on a four week coverage and 35 on a five week coverage. There are major problems with the route coverage. A "jumping" of calls between the two Combo Assignments exists which results in wasted time, energy and effort. The Military Assignment has too many calls on a weekly frequency basis and too many "peanut" calls. We can far better utilize our third Sales Rep in Hawaii by converting him to a Combo Rep which would enable him to pick up the several hundred calls that the two Combo Reps are unable to make.

I am having a study made of this and will discuss with those in the field organization so that we may implement these changes as soon as possible.

SALES REPRESENTATIVE COMMENTS

Mr. Nakashima was leaving good displays of both primary and secondary U.P.'s. He had an excellent showing during the previous campaign of 43 "dry" carton displays, several of which were seen on the Evaluation. He was missing some U.P. frequency opportunities. He has a good attitude and is performing well. He is our veteran in Hawaii with three years service. Rating - 81 - up one.

Mr. Tokumi has an excellent attitude, moves aggressively, efficiently and effectively in his calls. A very positive Sales Rep, doing good work. Progress only - no rating.

SUPERVISORY COMMENTS

Mr. Bennett, in our employ almost 10 years, a former Military Rep promoted to DSM 8 months ago, is sharp, has a good attitude, however, has a great deal to learn. The route situation is a perfect example of what he does not know to run his District. This combined with a lack of knowledge on our Shelf Display Program, Advance Order and headquarter work leaves a great deal to be desired in this District. Mr. Bennett was trained and has had but one E&P trip with his Section Sales Manager, T. J. Venezia, since becoming DSM.

All of my findings have been thoroughly discussed directly with Mr. Venezia and Mr. Wells. Mr. Wells will discuss with Mr. Crom.

Mr. Venezia has been instructed to make a trip into this District in the very near future to give Mr. Bennett additional training and will return as needed to make certain that we are taking full advantage of every opportunity to build business.