



National African American  
Tobacco Prevention Network

## Follow the Signs: Tobacco Industry Retail Contracts & Practices in the Black Community (4 P's of Trade Marketing)

### PRODUCT

Product is monitored during each store visit. Tobacco managers:

- Ensure sufficient distribution of key brands to maximize sales opportunities
- Ensure style distribution is prioritized
- Ensure proper levels of products exist to meet consumer demand and minimize returns

### PROMOTION

Tobacco managers implement and monitor promotional programs during each store visit.

- Focus stores receive:
  - Higher allocations of BXGXF
  - Higher buydown (discount) rates on mentholated brands (for longer periods)
- Switch Selling Programs are conducted more frequently in Focus stores. These programs offer smokers:
  - Coupons
  - Access to brand websites
  - Guarantee of future direct mail promotions

### PRESENSE

During each store visit, tobacco managers:

- Identify and exploit opportunities for advertising
- Identify opportunities to enhance company's presence and position

### PRICE

Tobacco managers establish consumer net pricing that is consistent with brand strategy through the most efficient and effective means

- Tobacco companies often have "Price Wars"
- Whenever there is a cigarette price/tax increase, tobacco companies price protect their priority/ investment brands
  - Philip Morris- Marlboro, Basic, Virginia Slims, etc.
  - RJ Reynolds- KOOL, Camel, Pall Mall, Doral, Misty, etc.
  - Lorillard- Newport, Maverick, etc.