

Business

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Business Contents Introduction 2 Brief Background 2 Innovation 2 Target Market 3 Value Creation 3 Recommendation to Senior Management 3 [pic] [pic] Introduction Cigarette smoking is one of the most common forms of recreational drug. Research suggests that stress is one of the factors which leads to smoking. This is one of the factors which lures people into cigarette smoking, as they are stress-relievers. Cigarette smoking is a major cause of cancer deaths worldwide. Singapore is a country dealing with high stress levels. The idea here is to reduce the harmful effects and also provide variety of flavors clubbed with a few innovations. Hence, launching these reformed cigarettes in the Singapore market would be profitable for the business. Brief Background SEATC states in their report dated 30/1/2010, that there has been a rise in cigarette consumption in Singapore. Each day in 2009, 6.7 million were lit up, making for 2.44 billion cigarettes sold through the year. It is a 12 per cent rise over 2008's figure of 2.17 billion and the figure of 2.09 billion in 2005. Marlboro has a market share of 50% in Singapore. Our closest competitor Dunhill (BAT) is placed at 30%. Other competitors are from Japan Tobacco International which has 20% market share. This puts us in a driver's seat and our new concept of Marlboro Switch will be well accepted in Singapore market. Innovation The new 'Marlboro Switch' contains less Tar and Nicotine, compared to other competitors. This shall drastically reduce the odor and smoke emitted. It is available in three distinct flavors. The reason for it being called 'switch' is that the flavor of the cigarette switches to Clove, Cinnamon or Ice Blast when the capsule in filter is pressed by the smoker (The filter contains a small liquid-filled flavor capsule. When the capsule is pressed, the flavor is released). These flavors

shall be made from natural extracts. The cigarette packet shall have a slot to accommodate a lighter, thus, making the cigarettes and lighter easy to carry. Target Market The most recent figures from the National Health Survey conducted in 2010 indicate an increase in the percentage of Singaporeans smoking cigarettes. 14. 3% of adults in 2010 are smokers compared with 12. 6% in 2004. Our target group will be young Singaporeans aged 18 to 29. The results show that the number of youngsters taking up smoking has increased from 12. 3% in 2004 to 16. 3% in 2010 — this represents a 33% increase in just six years. Value Creation Customers will value this product due to less content of nicotine and tar, compared to other market players. Also, the monoacetate filters reduce the intake of tar and nicotine, which causes the reduction of smoke emitted. The new packaging will give the users a convenient slot to keep their lighters which will look more stylish and handy. Consumers will be spoilt for choice as they can smoke any two flavors (includes standard flavor) at a time from the available three flavors. Recommendation to Senior Management Launching this new product will help us to gain an edge over or competitors. Smokers will prefer to buy this product as it will be available in three flavors, which he can choose to switch to or not. Also it is competitive pricewise. Moreover, health conscious smokers could opt for this less hazardous cigarette. This marketing proposal aim will be to increase Marlboro's market share from 50% in 2010 to 60% by 2015.