

Doral 25-Pack DTS 10/20

- Preset on Price - make sure it's priced right
- out of here the List Price - same as Regular:
 - Directs to proactively call states and order stamps

Coupon Drop

13 million names
3-4 coupons each mail
9 times in 2004

Salem

- New Black Label Program - August/September/oct
- Δ Expectations to get it up where we can
 - Issue Accounts heading to PMOB Easel Cards

Silver 20 Pack Carton with 4 styles
28 states where it's pre-booked in 7/28-8/4
- Pre-sell 8/18 for November

Vision -

- Clarity of Focus
- Collective Understanding (Priorities)

Δ Cultural Empowerment - People at all levels feel motivated and authorized to make decisions. Flow of information, Trust, Risk taking / Feedback

Δ Operational Proficiency - Ability to execute Strategic Focus

Our Retail Presentation Approach has changed. Our customers are used to RDA Payments and over the years we've helped to make it a primary focus; RPC, CRF or Profit Bonus. Moving forward the focus has to be on Profitability. Profitability and margins (Profit) are separate points of discussion. Where next retailers want to have a margin discussion we should focus on Profitability. At the end of the day "what is the bottomline?"

Example chain A has 180 stores, sells 170 CPW, RSR 50%, 28%, PM 56%, Corland 15% and BAT 4%. Account is losing \$150,000 due to RSR Profit Bonus Payments and is considering different merchandising options ^{and} another PC Brand (better margin) to subsidize loss of RDA, ~~Account is very upset~~ ~~through RSR~~ potentially through ~~RSR~~ Account is very upset.

Action Plan

- △ If account is angry please allow them to express concern logically or emotionally. Don't place account in a position that appears defensive

Key Factors to Increasing Sales

- ▷ Focus on the category -
- ▷ Pricing Strategies (Aggressive) and Communication
- ▷ Understand the Customer (Youn Ajouette Customers)

Outlet Switching 10% (1996) to 15% (1999)

- ▷ Price is #1 reason (convenience is buying all items when possible, in one spot)
- ▷ Out of Stock

Reservation CTS

- Δ How many Stores total
- Δ " " Non-Contracted
- Δ Are all sets Linear set (contiguous)

Locations without PM Contract

- Δ Are we better off giving 3-4ft space to house other Brands including deep discount

6	10	28
Low 14%	BAT 23%	RSR 65%

SS
→

4	6	10	24
9% Low	14% Low	23% BAT	54% RSR

Action Plan

- I SS - Move all Deep Discount Brands to 2ft Fixture
- II SS - Allow PM Brand under RSR
- I NSS - Merchandise Competitive PM/Deep Discount Brands under RSR and Spread equilaterally to competitive companies (BAT/CORR)