

Mr. Joseph F. Cullman 3rd

November 13, 1962

R. R. Millhiser

Report on Trip, October 12-25, to San Francisco,
Los Angeles, Phoenix, Tucson, Denver and Chicago

Eight major observations from the above trip are listed first. These are followed by other minor or more detailed points observed.

1. In all of the markets visited, our share of the industry is down. Within this total company performance, Parliament has slightly increased its share of market in four of the six markets, no change in one, and loss in one. Alpine was the next best, though static, performer, increasing its share of the industry slightly in one market, no change in three, and loss in two. Philip Morris Commander had no change in share in three of the six markets, and was down slightly in the other three. Marlboro had a slight increase in only one of the six, losing share of industry in all the others visited. Philip Morris Regular, of course, was off in all the markets visited.
2. Soft pack for Parliament and Marlboro shows healthy increases in all markets and brings up the question of means to force soft pack distribution in vending machines without losing box distribution. I have no answer for this at the moment.
3. The growth of discount stores is assuming a greater importance, particularly because they are beginning to limit the number of brands and packings they carry. This affects our distribution in these outlets of soft pack, Marlboro and Parliament, as well as Alpine and Philip Morris Regular.
4. Our cigarette brand and packing distribution and in-store availability are excellent, excepting some discount stores and military.
5. Our Pal Premium and Gem Premium Blade distribution is good, but the in-store availability has much room for improvement. Our Pal Razor distribution and in-store availability has, of course, further to go but is perceptibly improving.

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