

# CIGARETTE NEW PRODUCT DEVELOPMENT FUTURE AREAS OF INVESTIGATION

## Supply-side Developments

The majority of cigarette NPD work appears to always start in the supply-side of cigarette manufacture rather than in the demand-side of the actual way in which people smoke and the reasons why they smoke. To a great extent this is natural. A cigarette is a relatively simple product so there are few things you can really change about it. Anything that the technical division discovers can be changed usually generates a NPD project automatically. All you can change about cigarettes is

- their price
- their length
- their strength
- their pack design.

Anything else involves changing the targetting. This is based on assessment of current brand targetting and a view that the brands currently available to you can't meet all areas. This requires the development of new product but not one that is radically different. It's still basically the same cigarette as you currently produced but made to be particularly liked by a certain group of smokers. More fundamentally these type of projects mean the development of new advertising campaigns, new pack designs, new promotional tools rather than pure new product. The types of projects are more accurately termed New Image Development.

The fact that few cigarette projects are directly inspired by consumers is not surprising. Smokers know that there are few product differences between cigarettes, the primary ones being price, length, strength and perceived roughness or smoothness of smoke. Over this there is very little consumer language that they can use to describe their approach to smoking or their future requirements from cigarette brands.

Given this type of background it is perhaps not surprising that there have in fact been few really successful new products launched into the cigarette market, over the years. The most successful were products that opened up whole new areas of the market and were based on correctly guessing a future direction for a large part of the market. Silk Cut established and still dominates the low-tar market. At that time smokers didn't necessarily know that they wanted a low-tar cigarette but once it was there it made sense and also grew overtime as more smokers dropped into the sector. JP Superkings launched initially as an extra length, full price cigarette. It was lucky enough to have a second bite if the cherry and established itself as a brand that delivered a value offering but with the trappings of a 'premium' image. This sector of the market has gone on to attract millions of smokers who need to move down from full priced cigarettes but want to feel that they are still smoking a proper and slightly up-market brand.

There are a couple of lessons to be taken out of these two successful brand developments. Firstly neither of them achieved immediate and massive success. Both grew overtime into big successes. In both cases this is due to the second point. Both introduced a product development that had a fundamental effect on how people thought about cigarettes and although polarising, attracted a large minority of smokers into the product. In both cases the developments recognised something new about smokers and their requirements. In these two cases based on what they would want to smoke strength wise in the future and what they would want to pay for acceptable quality, in the future.

Is there anything else out there, that smokers might need in the future?

## What Smokers Might Need

### “I’m trying”

The area of low-tar smoking and what current smokers might need coming out of this area is already a well know area. However there is the other way of looking at why people will chose certain types of low-tar product. Developing a low-tar brand with taste is obviously directed at current smokers and tackles a smoking concern that few non-smokers would understand. However one of the reasons that some people turn to low-tar cigarettes is to signal to non-smokers that they doing something about their habit. They know smoking is a bad thing to do and smoking a low-tar product is their statement that they know this and are prepared to do something about it. The kind of communications that you’d need to do, to properly position this sort of product proposition, is not the type thats likely to appeal to smokers wanting to make a statement to other smokers that they might be smoking low-tar but it’s a smoke with real taste and smoking credentials. What you’re aiming for is the kind of imagery that would mean that if you tried to smoke the brand in a crowded Californian restaurant, you’d just about avoid being shot instantly. Over the next few years the pressure building up on smokers is likely to grow more and more. More and more non-smokers will be aware of the problems of smoking, all the health issues, passive smoking etc etc.

Is there anything we can do in terms of product that could be used as a signal that we and the smokers are trying to do something to make non-smokers lives a bit better? The one area where you might look at the product is the amount of smoke the cigarette gives off and the smell. The smokeless cigarette is possible but can you manufacture one with reasonable smoking characteristics? Alteratively can you manufacture a low-tar cigarette which is perfumed so that it’s smell is somewhat more bearable for non-smokers? The one you can smoke between courses, without ruining everyone elses appetites.

### “I’ll Have One On The Way”

In the future more smoking will have to done in a hurry, on the move and outside. Smokers are increasingly banished by spouses from smoking in the house, fewer people can smoke at work, restrictions are starting to be imposed on people smoknig public social areas and there’s few public transport facilities which cater for smokers. Increasingly people will have to do their smoking on the way or standing around outside the home, office or restaurant. Are their cigarette developments that we can put in place for smokers faced with these problems? The likelihood is that smokers who still insist on having a smoke on the way, are going to be fairly hardened smokers. They’re the kind of people who currently smoke Embaasy Filter.

The obvious product development that could take place here is the production of a shorter cigarette, with sufficient hit.