

'Highest margins in the trade'

With nearly 80% of its business going through cash & carries and delivered wholesalers, **Zig Zag** continues to emphasise the benefits of its products to independent retailers.

Managing director Andrew Armstrong comments: "Consumers seem to love the brand; our challenge is to make retailers aware of the profits available. We offer the highest margins in the industry – for example, an extra £3 on a box of regular papers and £5 more on a box of king size papers. All our products give the retailer at least 60% POR."

He continues: "People often want to stock a certain brand of papers but they need to realise that all papers are not the same – Zig Zag is a premium brand that delivers more profit, with the extra margin passed down the line."

In addition to "dynamic" consumer advertising, Zig Zag invests in an ongoing trade press campaign. Furthermore, it has just introduced adverts on boxes of its regular cigarette papers and on boxes of most of its filter tips. These ads feature all of its products and mirror the trade campaign.

Armstrong adds: "In the last 10 years, the handrolling market has doubled and it is still growing, albeit more slowly. The image of handrolling has completely changed and it is now totally acceptable. Around one-and-a-half million women now roll their own cigarettes."

He points out that the filter tips category is expanding at a faster rate than the papers sector. "More and more people are smoking both factory

cigarettes and handrolled cigarettes on a daily basis, rather than one or the other. These are the people who are fuelling the growth, more so in filter tips than in papers."

The UK accounts for 30% of the total world market for cigarette papers, with at least 575 million booklets being sold every year. Zig Zag's own sales are growing by between 2% and 5%.

Zig Zag's filter tips are available in standard, slim, menthol slim and ultra slim styles, while its papers come in regular green, red, blue, classic, hologram and liquorice, as well as kingsize green, red, blue, classic, hologram and silver.

It also offers standard and kingsize rolling machines. Of the one million machines sold in a year, Zig Zag sells around 324,000.

Tel: Zig Zag (0800) 085 7836.



2004 EuroBOSS champion Scott Mansell – personal sponsor of Zig Zag.

New Dunhill



Premium cigarette brand Dunhill has been relaunched by **British American Tobacco (BAT)** with a new look and a new taste, following a two-year development.

Boasting a "modern and aspirational image", the brand is designed to appeal to 20–35 year-old smokers. A market test resulted in an uplift in sales for the entire Dunhill range.

"Smokers' attitudes at the premium end of the market are changing," says head of brand Claire Doyle. "They are

seeking alternatives and they want a high-quality product with a modern and desirable image, which Dunhill now offers."

The blend has also been updated with elements of both flue-cured Burley and Oriental tobacco to offer a "smoother, more flavoursome" taste. Blind taste tests have resulted in approval from smokers of Dunhill and other brands.

The relaunched range comprises: Dunhill Red, which replaces King Size; Dunhill Blue (replaces Filter); a reformulated Dunhill Menthol; and Dunhill International, which is unchanged. Packs have an rsp of £4.99.

Doyle comments: "Margins in the premium-priced sector are obviously greater, which in turn generate more profit for retailers."

Support for the launch includes pack inserts and onserts, a customer care helpline, a trade marketing campaign and a dedicated field team to advise retailers on stock rotation.

Specifically in London, cash & carries and delivered wholesalers will benefit from activity running until 22 August. Customers buying one king size Dunhill Red (200-pack) and one king size Dunhill Blue (200-pack) will receive a free 200-pack of Dunhill Menthol.

Furthermore, customers buying any Dunhill 200-pack will be entered into a draw to win tickets to the Ashes. For tobacco rooms, the company has produced posters, shelf wobblers and 6ft-square totems displaying the new pack imagery and details of the promotion.

Tel: British American Tobacco UK (01296) 335000.