

Tobacco Training for PHILIPP shop staff

August 2018

With Aleksandra Ivic & Jonas Harder



Imperial Tobacco

Overview

Основные факты



Over **100**
years of tobacco experience

35.000 employees

No. 4
Tobacco company

160 markets

No. 2 with Reemtsma
in Germany

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160 markets

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in Germany

Intro Imperial Tobacco

Brand Portfolio



Our most famous brands:



Intro Imperial Tobacco

Brand Portfolio

Our most famous brands:



Introduction

Please introduce yourself to the group



1. Name

2. Period of employment with Philipp

3. How would you rate your current
tobacco knowledge?

(1 = Very bad; 10 = Very good)



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Agenda

1 Introduction

2 History of Tobacco

3 Tobacco Types & Manufacturing

4 Cigarette Characteristics

5 Imperial Brands

6 P&S SSL Menthol

7 Summary

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Табак Введение

Tobacco Knowledge

The History of Tobacco



- 1 Ancient Times
- 2 16th Century
- 3 19th Century
- 4 20th Century
- 5 Today



In Ancient times tobacco was burned and inhaled. It was sometimes part of a religious ceremony or used to get in contacts with the gods (smoking of rolled or cut leaves in a pipe)

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Jean Nicot brought tobacco plants to Portugal – the plant group Nicotiana

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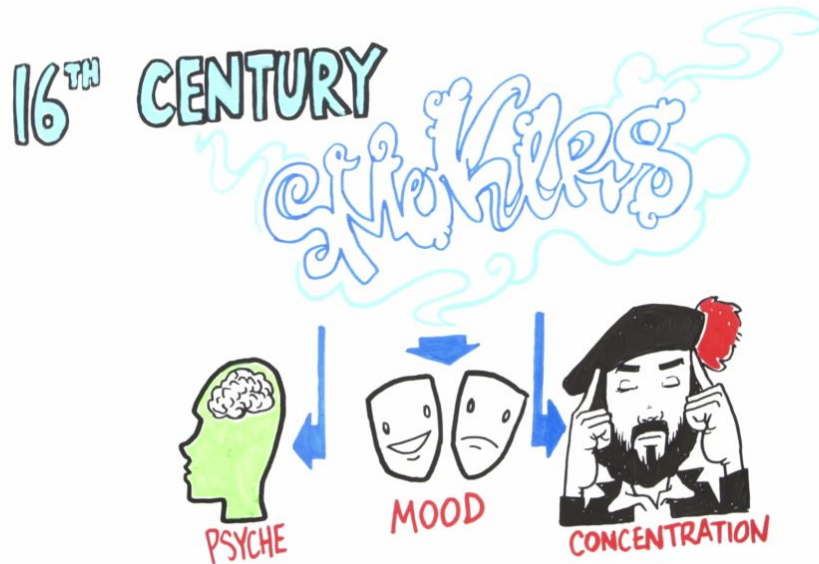


First British Colony was founded and named after the British Queen Elizabeth I also known as the “Virgin Queen”. Virginia tobacco is named after the US state of Virginia where the tobacco was first grown

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Tobacco smokers appreciated a stimulation in psyche, mood and concentration. Tobacco was also consumed for refreshment

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19TH CENTURY

CIGARETTES



invented



Female workers in a cigar factory invented cigarettes. They used waste products and rolled them into paper. For a long time cigarettes have been hand manufactured.

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First cigarette factories where built in the 1850's in France and Spain – producing 60 cigarettes per minute

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Cigarettes became more popular compared to other tobacco products.

Smoking was an expensive privilege of the wealthy, urban European society.

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Status changed when cigarettes were given to soldiers during both world wars. This is when Women started to smoke as part of the progressive emancipation.

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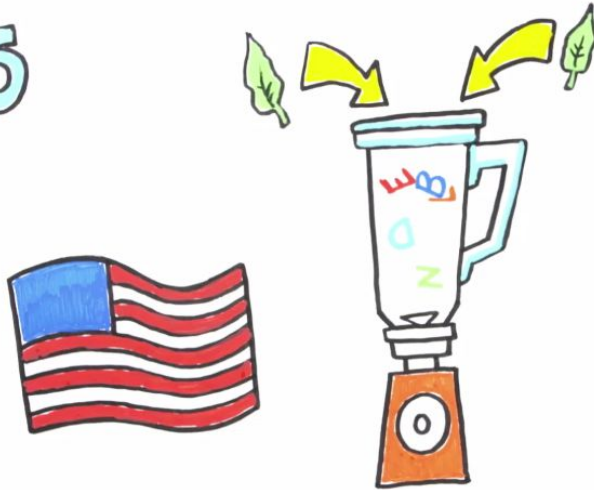
Tobacco Knowledge

The History of Tobacco



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1945



American Blend was created and is still the most popular blend worldwide

Tobacco Knowledge

The History of Tobacco

1 Ancient Times

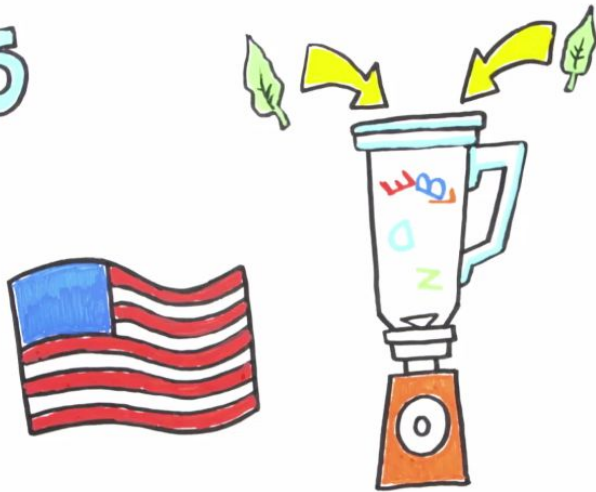
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4 20th Century

5 Today

1945



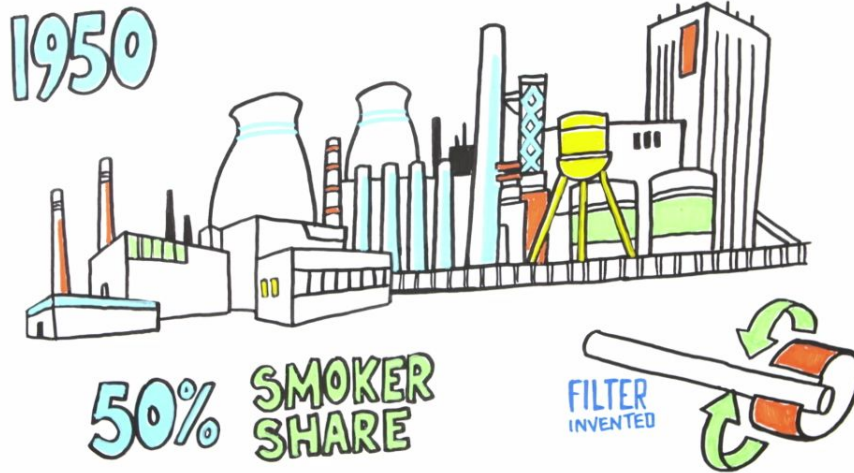
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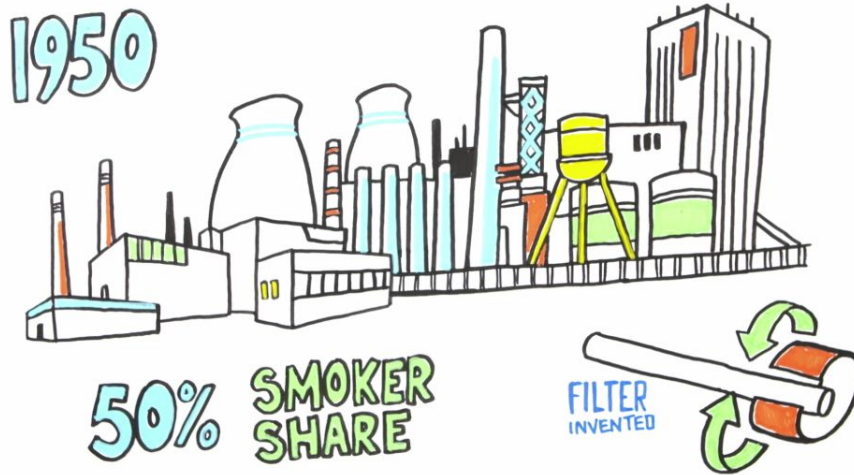
Almost half of the inhabitants in industrial countries were tobacco consumers.

During this time filter cigarettes were invented and got popular. Subsequent light and ultra light cigarettes were invented.

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TODAY



Today, ITG has a wide range of tobacco products in different formats, taste, values and strengths available to offer smokers the products of their personal choice.

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TODAY



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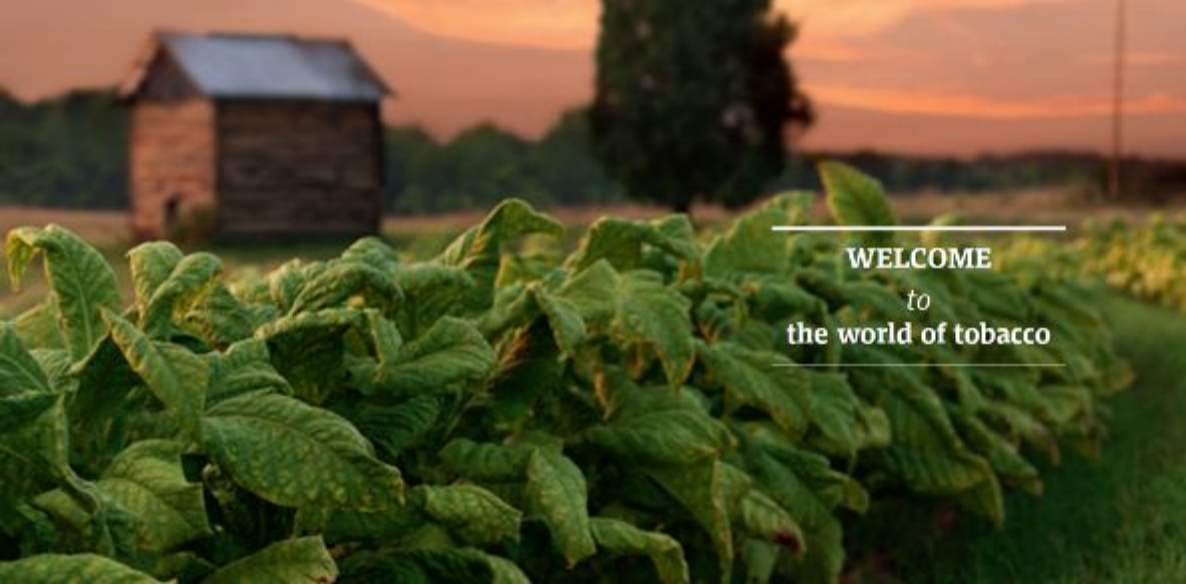
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WELCOME
to
the world of tobacco

Cultivation

Tobacco Manufacturing

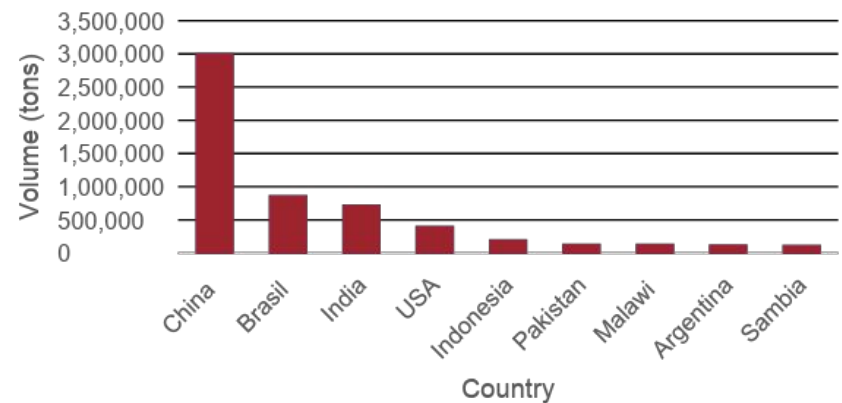


Planting information

- Planted in 100+ countries
- Also cultivated in Germany (e.g. Bavaria)
- Growing requirements: Humidity and heat
- Strong growth: 0,1mg to 2kg in 3 months
- Nicotine content and aroma rises with increase of sunlight



Main countries of tobacco cultivation



Cultivation

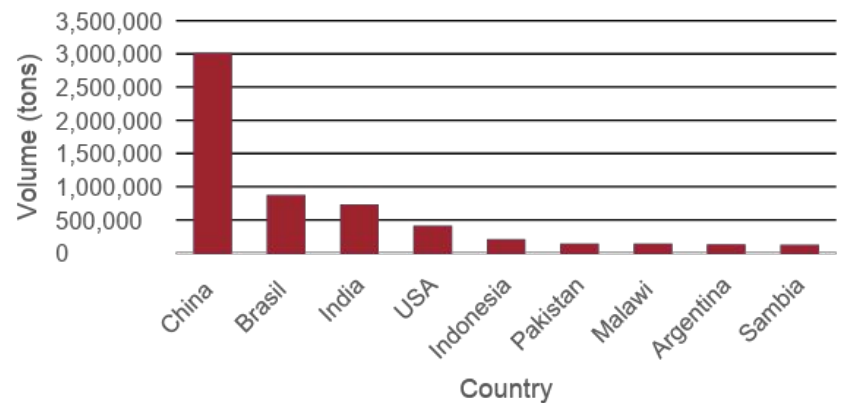
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Main countries of tobacco cultivation



Табачное растение

Знаете ли вы что 1 чайная ложка семян превращается в один гектар растений?



1 чайная ложка семян превращается в один гектар растений



Tobacco Knowledge

The Blends: The Tobacco Plant

Did you know that
1 tea spoon of
seeds turn into 1
hectare of plants?



1 tea spoon
seeds



Tobacco Knowledge

The Blends: The Tobacco Plant



The nicotine is concentrated in the top leaves which is why the nicotine degree increases from bottom to top as well as the aroma

Nicotine degree

Tobacco plant

Smoking characteristics



Tobacco Knowledge

The Blends: The Tobacco Plant

The nicotine is concentrated in the top leaves which is why the nicotine degree increases from bottom to top as well as the aroma

Nicotine degree

Tobacco plant

Smoking characteristics



Curings

Tobacco Manufacturing



Process:

Leaves hang next to each other on strings in open barn

Duration:

4 - 8 weeks



Air-Curing

Process:

Leaves hang next to each other on strings in sun

Duration:

2 - 4 weeks



Sun-Curing

Flue-Curing

Process:

Closed barn with ventilation in floor and roof; heated by wood fired oven

Duration:

1 week



Fire-Curing

Process:

3-5 days yellowing; Then smoldering fire lit for aroma

Duration:

1 week



Curings

Tobacco Manufacturing

Process:

Leaves hang next to each other on strings in open barn

Duration:

4 - 8 weeks



Air-Curing

Process:

Leaves hang next to each other on strings in sun

Duration:

2 - 4 weeks



Sun-Curing

Flue-Curing

Process:

Closed barn with ventilation in floor and roof; heated by wood fired oven

Duration:

1 week



Fire-Curing

Process:

3-5 days yellowing; Then smoldering fire lit for aroma

Duration:

1 week



Varieties

Tobacco Manufacturing



Virginia tobacco



Harvest

Every leaf separately by machines

Curing



Flue-cured

Leaves

Large;
Yellow-gold

Taste

Very sweet

Burley tobacco



Every leaf separately or whole plant by machines



Air-cured

Porous;
Light to dark brown

Cocoa like

Orient tobacco



Every leaf separately by hand



Sun-cured

Small;
Light to green yellow

Smooth and sweet

Kentucky tobacco



Whole plant by machines



Fire-cured

Large;
Dark brown

Strong and nutty

Varieties

Tobacco Manufacturing



Virginia tobacco



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Every leaf separately by machines

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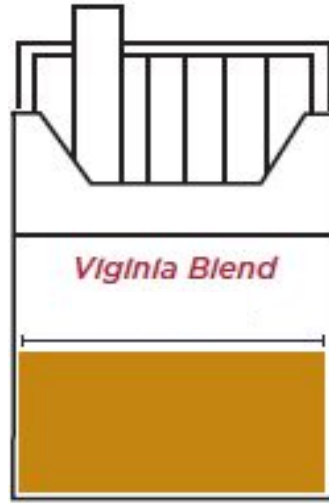
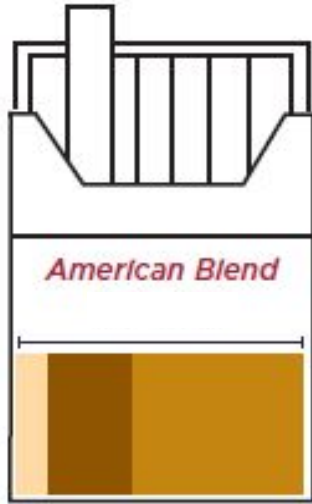
Fire-cured

Large;
Dark brown


Strong and nutty

Factory Made Cigarettes – Blends

Tobacco Products



 Virginia

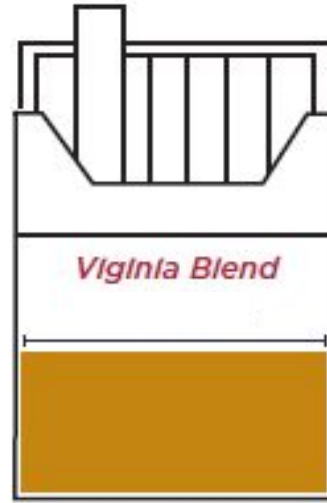
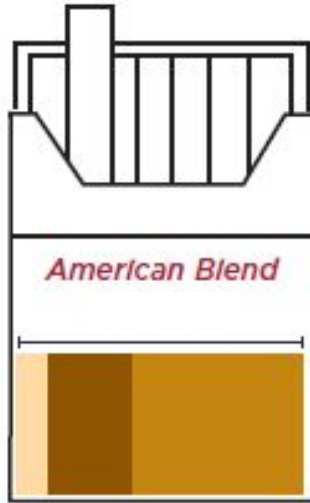
 Burley

 Dark Burley


 Orient

Factory Made Cigarettes – Blends

Tobacco Products



 Virginia

 Burley

 Dark Burley

 Orient

Процесс производства: основные этапы

1. Выращивание



2. Сбор



3. Сушка



4. Покупка



5. Хранение



6. Смешивание



Процесс производства: основные этапы

7. Обработка соусами (Casing)



Определение
Обработка табачных листов **водными ароматизированными** растворами, особенно с низкой летучестью. Синонимами являются обработка растворами **перед нарезкой и табачный соус** (к примеру, на основе сахара, какао, натуральных экстрактов фруктов)

8. Нарезка



9. Обработка ароматизаторами (Flavouring)



Определение
Обработка **спиртовыми ароматизированными** субстанциями, которые распыляются при помощи сжатого воздуха на нарезанный табак. Синонимами являются обработка спиртовыми высоко-ароматичными субстанциями резаного табака, обработка ароматизаторами с высокой летучестью и окончательная обработка.

10. Фильтр и Упаковка





ACTIVITY: True & false

Show green card for true & red card for false

When you are incorrect, sit down

- The Marlboro Cowboy brought tobacco to Europe.
- Female workers in a cigar factory invented cigarettes.
- American Blend is the most popular blend worldwide.
- American Blend consists out of Virginia, Burley and Orient tobacco.
- Tobacco grows up to 2 kg in one month.
- One tea cup of tobacco seeds turns into one hectare of plants.
- Virginia Tobacco is fire-cured.
- Tobacco blends are mainly used to keep consistency in the smoking taste.
- Orient tobacco is harvested as full plant by machines.



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Categories

Tobacco Products



Main categories



**Factory Made Cigarettes
(FMC)**



**Make Your Own
(MYO)**



**Roll Your Own
(RYO)**

Tobacco specialities



Snus



Cigars

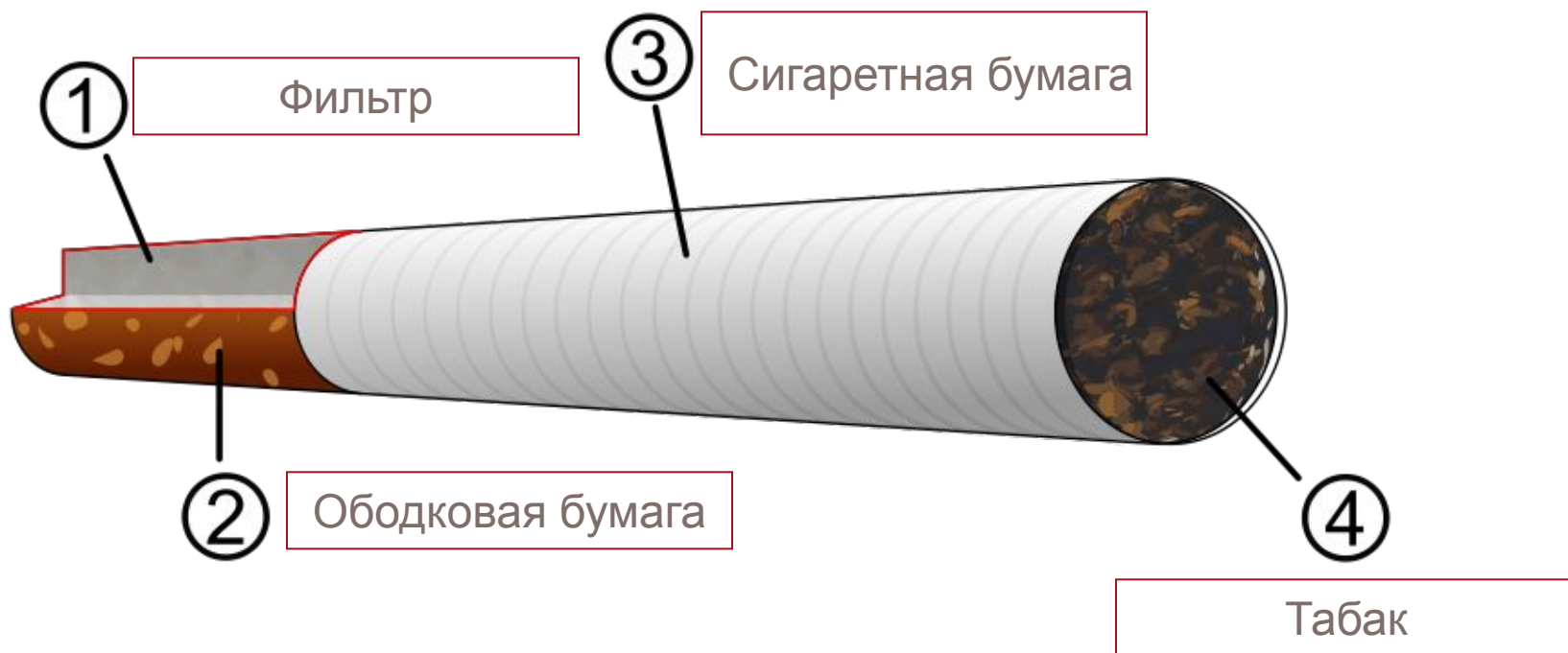


Pipe



Filter cigarillos

Компоненты сигареты



Factory Made Cigarettes - Composition

Tobacco Products

Filter:

- Cellulose
- Mono and double filter
- To reduce intensity or add aroma

Tobacco Blend



Tipping Paper:

- To attach filter to tobacco strand
- Perforation allows for additional air

Cigarette Paper:

- Surrounds tobacco
- Prevents falling of embers
- Low ignition propensity (LIP)

Стандартные форматы сигарет

Специальные форматы для брендов сигарет местного производства используются также.



Название	100s Super King	Super Slims	KS Super Slims	Slim	Magnum	Premium	KS	QS	Plain	74s
Длина, мм	99/100	99	83	97	94	93	83	83	77	74
Диаметр, мм	7.8	5.4	5.4	6.1	8.6	7.8	7.8	6.8	8.05	8.3

Factory Made Cigarettes – Sizes

Tobacco Products



Табачные знания: крепость



Крепость сигарет может быть различной в зависимости от названий на упаковке

7mg < FULL FLAVOUR < 10mg
4mg < LIGHT / GOLD < 8mg
3mg < SUPER LIGHT < 6mg
ULTRA LIGHT < 3 mg

Названия на упаковке

Rouge, Red, Classic
Bleu, Blue, Gold
Yellow
White

Примеры Брендов

Golden Gate Red, West Red, Davidoff Classic
Golden Gate Blue, West Silver, Davidoff Gold
Gauloises Yellow
R1

Factory Made Cigarettes – Strengths

The Strengths



The strength of cigarettes can be differentiated by the names on packs

	Guiding Descriptors <i>(Names on packs)</i>	Brand Examples
7mg < FULL FLAVOUR < 10mg	Rouge, Red, Classic	Golden Gate Red, West Red, Davidoff Classic
4mg < LIGHT / GOLD < 8mg	Bleu, Blue, Gold	Golden Gate Blue, West Silver, Davidoff Gold
3mg < SUPER LIGHT < 6mg	Yellow	Gauloises Yellow
ULTRA LIGHT < 3 mg	White	R1



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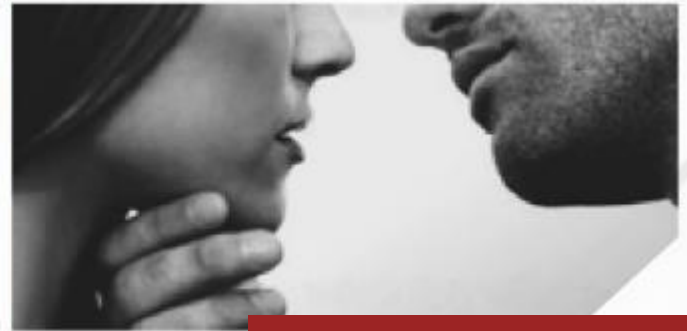
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Davidoff

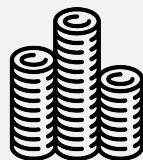
Davidoff

Основные факты



Ценовой сегмент

Премиум



Мешка

American Blend



Основные характеристики



- Премиальный бренд (упаковка, имидж, ортогональная форма, фильтр)
- Лучшее качество табака
- Произведено в Германии
- Безопасный выбор для подарка (Международное покрытие)

Davidoff

Key Facts



Price Segment

Premium



Main Shopper Nationalities

- Chinese/HK
- Taiwanese
- Saudi
- Greek
- Turkish
- GCC
- Italian
- Russian



Blend

American & Virginia Blend



Key characteristics

- Premium Brand (Packaging, Image, Octagonal Shape, Filter)
- Best tobacco quality
- Made in Germany
- Safe Choice for Gifting (Global Coverage)





1

Portfolio

Portfolio of Davidoff with Philipp

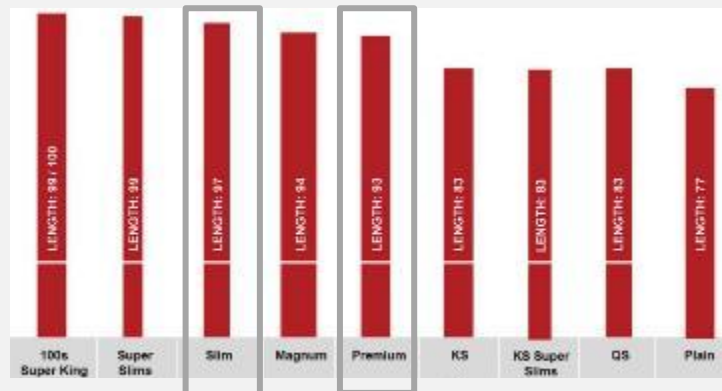


Gold



Gold Slim

- Мешка: American
- Варианты:
 - Gold □ Light
- In two sizes:
 - Premium
 - Slim



1

Portfolio

Portfolio of Davidoff with Philipp

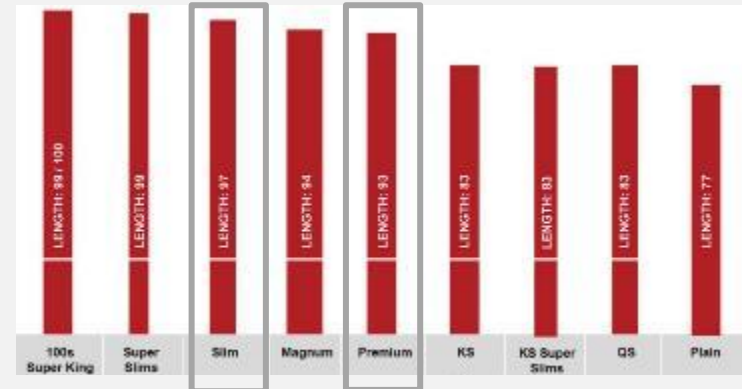


Gold



Gold Slim

- Мешка: American
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 - Gold □ Light
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 - Slim





West

West

Основные факты



Ценовой сегмент



Средне ценовой и доступный бренд

Мешка

American Blend



Основные характеристики



- Хорошо известный немецкий бренд для курильщиков всего мира
- Известен хорошим качеством благодаря своему немецкому наследию «Немецкое качество»
- Глобально известный как доступный бренд с хорошим качеством

West

Key Facts



Price Segment

Value for Money & Mid-Price



Main Shopper Nationalities

- Germans
- Chinese/HK
- Taiwanese
- Saudi
- Spanish
- Japanese



Blend

American Blend



Key characteristics

- A very well-known German brand for smokers around the world
- Known for high quality, due to its German heritage "German Quality"
- Globally seen as a down to earth and affordable brand with great quality



West

Sub-Family



1

Ассортимент

Ассортиментная линейка West



Red



Silver

Sub-Family	Tar	Nic
West Red	10 mg	0.8 mg
West Silver	7 mg	0.6 mg

West

Sub-Family



1

Core

Core line of West



Red

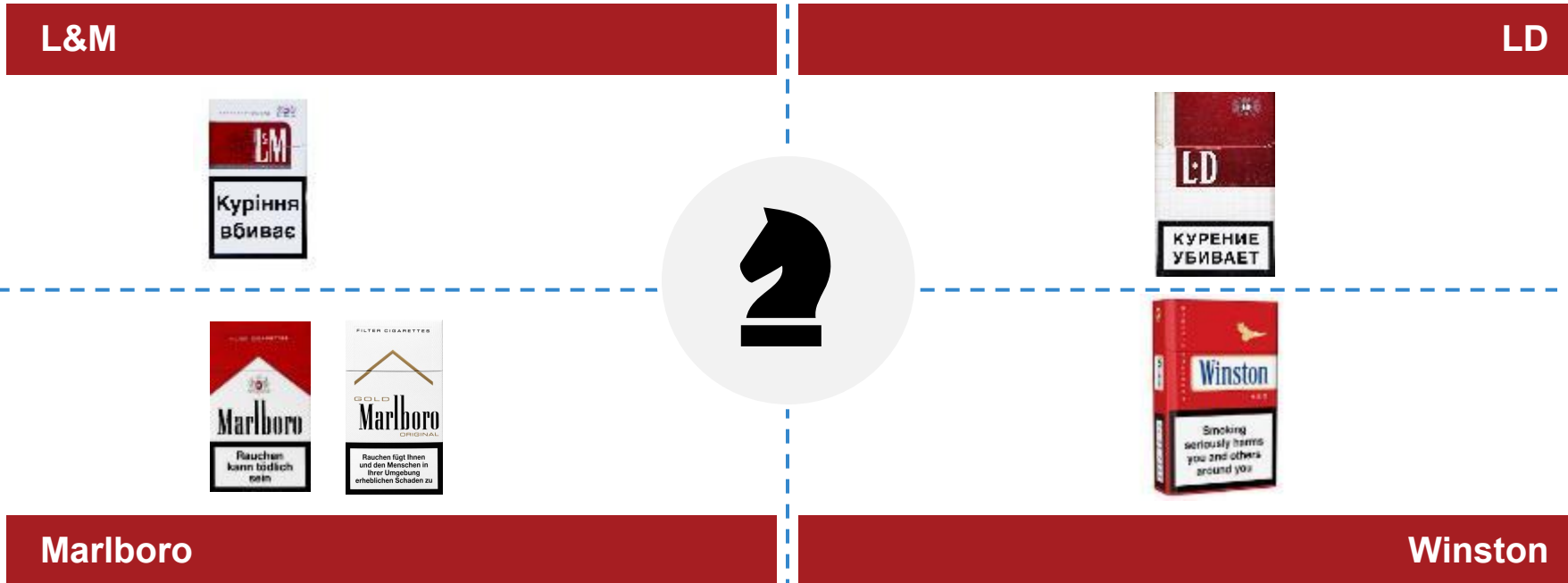


Silver

Sub-Family	Tar	Nic	Multipacks
West Red	10 mg	0.8 mg	400 & 600
West Silver	7 mg	0.6 mg	400 & 600

West

Конкуренты



West

Competitors



Chesterfield



LD



Marlboro

Winston



Golden Gate

Golden Gate

Key Facts



Price Segment

Value for Money



Main Shopper Nationalities

- Russian Border Shoppers



Blend

American Blend



Key characteristics

- **Made in Germany**
- International Brand
- Great Quality
- Safe Choice for Gifting



Golden Gate

Key Facts



Price Segment

Value for Money



Main Shopper Nationalities

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Blend

American Blend



Key characteristics

- **Made in Germany**
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Golden Gate



1

Core

Core line of Golden Gate

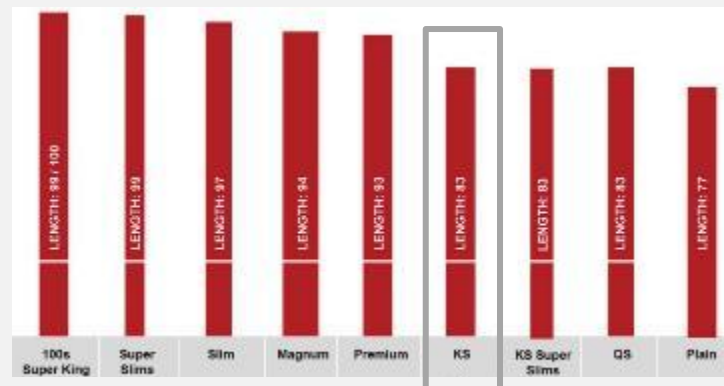


Red



Blue

- Мешка: American
- Варианты:
 - Red Full Flavour
 - Blue Light



Golden Gate

Sub-Family



1

Core

Core line of Golden Gate



Red



Blue

Sub-Family	Tar	Nic
Golden Gate Red	10 mg	0.8 mg
Golden Gate Blue	7 mg	0.6 mg

Golden Gate

Competitors



Burton (Russia)



Allure

Denim





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P&S Menthol Super Slims

Введение....

...новый доступный продукт высокого качества ...

Следующие по полярности:

- ✓ Superslims
- ✓ Menthol
- ✓ Parker & Simpson



PARKER **PS** SIMPSON
Make Your Day

Introducing....

...a new value for money product ...

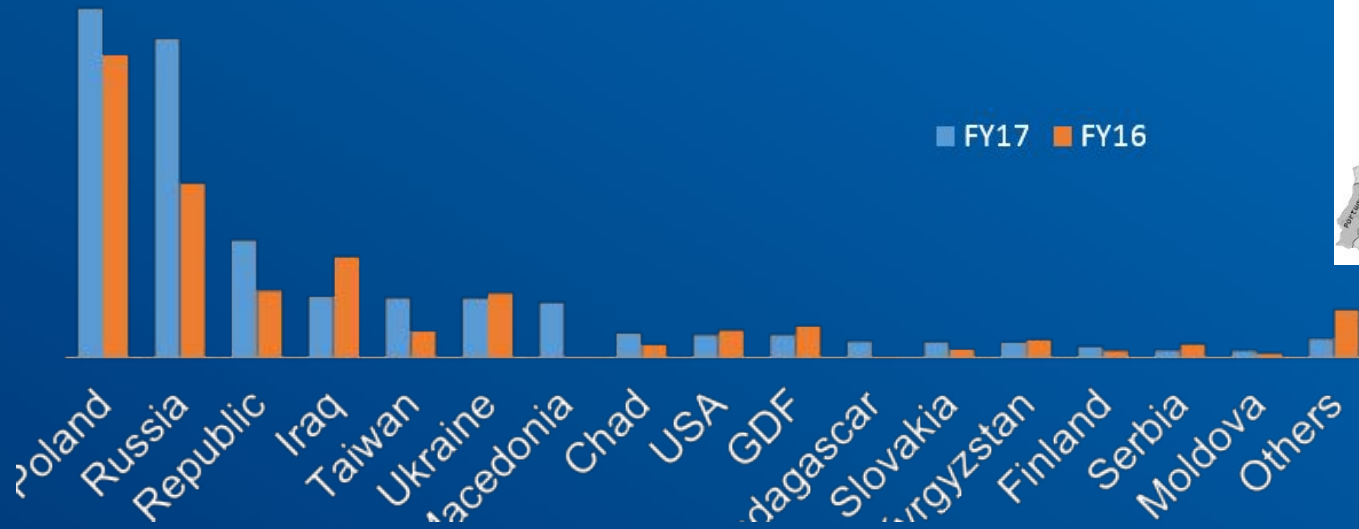
Following the popularity of:

- ✓ Superslims
- ✓ Menthol
- ✓ Parker & Simpson

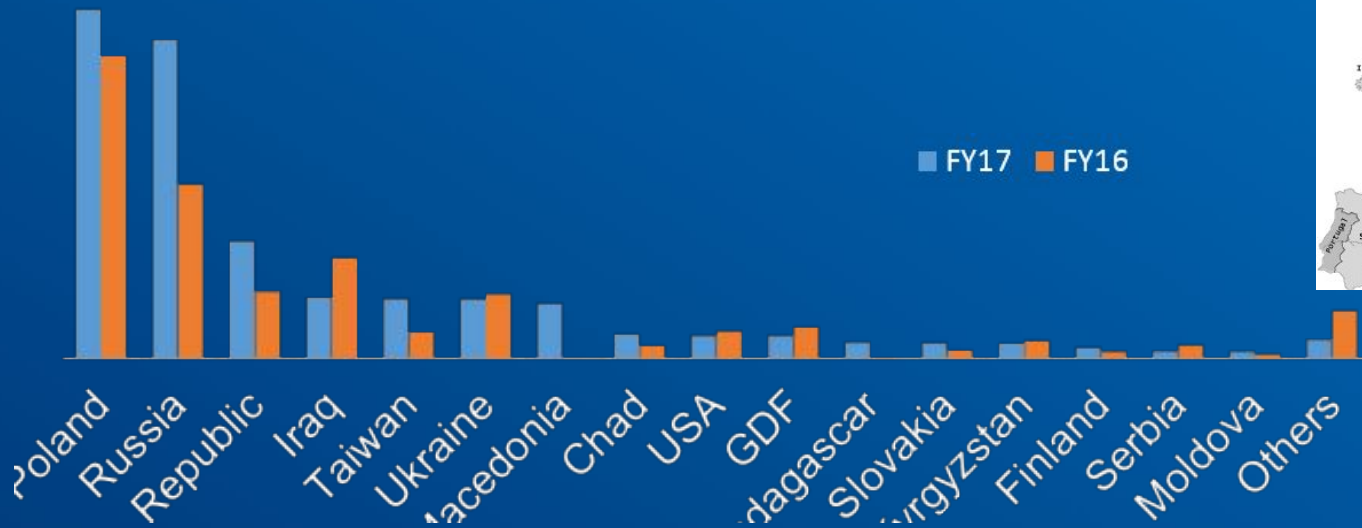


PARKER **PS** SIMPSON
Make Your Day

P&S результаты по рынкам:



P&S Performance





Superslims – лучший выбор:

- ✓ Сделано в Германии
- ✓ Самый дешевый международный бренд
- ✓ Великолепный вкус ментола



International Superslims

4,65 €

PARKER **PS** SIMPSON
Make Your Day



Superslims – best choice:

- ✓ Made in Germany
- ✓ Lowest priced International Brand
- ✓ Great Menthol Taste



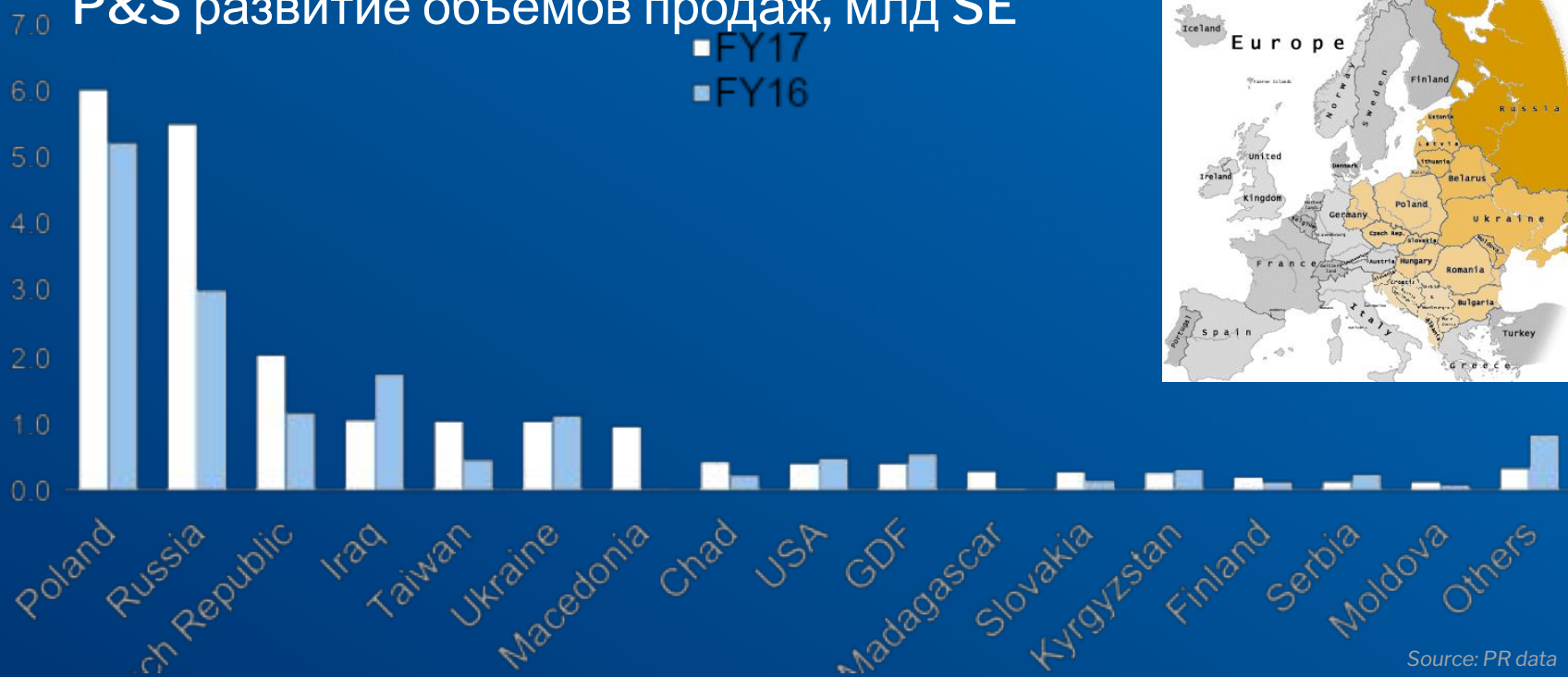
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PARKER **PS** SIMPSON
Make Your Day

Глобальный бренд, сфокусированный на 66% в RU/PL/CZ/UA

R&S развитие объемов продаж, млрд SE



Source: PR data

Драйверы роста

Польша

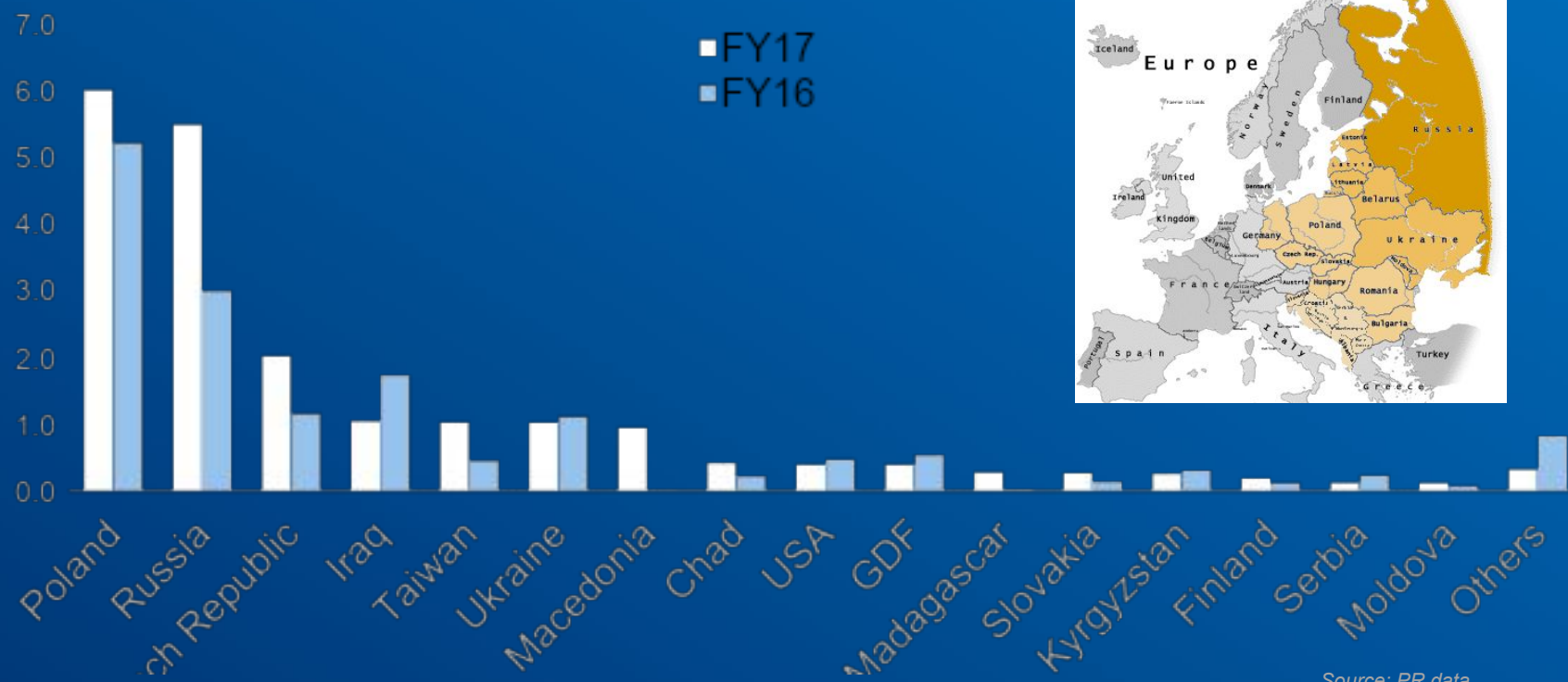
- Формат Superslims
- Доступное ценовое позиционирование
- Активности при миграции брендов

Россия

- Форматы Queensize and Crushball Menthol (капсула)
- Построение дистрибуции

Global Brand with clear focus: 66% in RU/PL/CZ/UA

P&S volume performance, bn SE



Source: PR data



Growth Drivers

Poland

- Superslims format
- Value Price Positioning
- Migration activities

Russia

- Queensize and Crushball Menthol in particular
- Distribution build up

ACTIVITY: Supporting P&S SSL Menthol



Exchange with your colleagues at your table:

How can more P&S SSL Menthol be sold to the shoppers?

Time:

5


min

1. Collect ideas on post its **1 idea – 1 post it**
2. Choose your favorite idea & prepare your presentation to the group
3. Present your idea to the group (max. 2 min per couple)

5

min

4. Give stickers (1-3) to the ideas you like the most.
You cannot vote for your own idea.



The
winner
will get a
prize!

Questions?





Agenda

1 Introduction

2 History of Tobacco

3 Tobacco Types & Manufacturing

4 Cigarette Characteristics

5 Imperial Brands

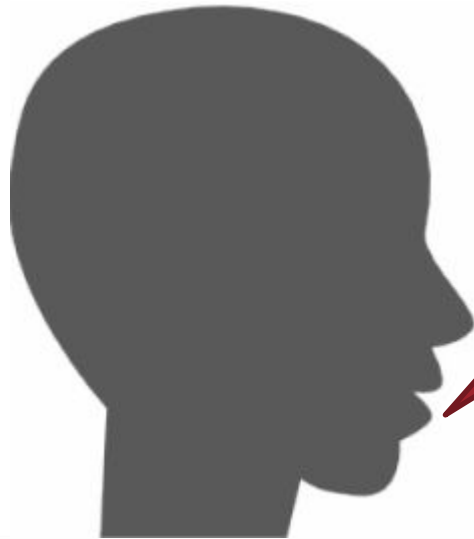
6 P&S SSL Menthol

7 Summary

Summary

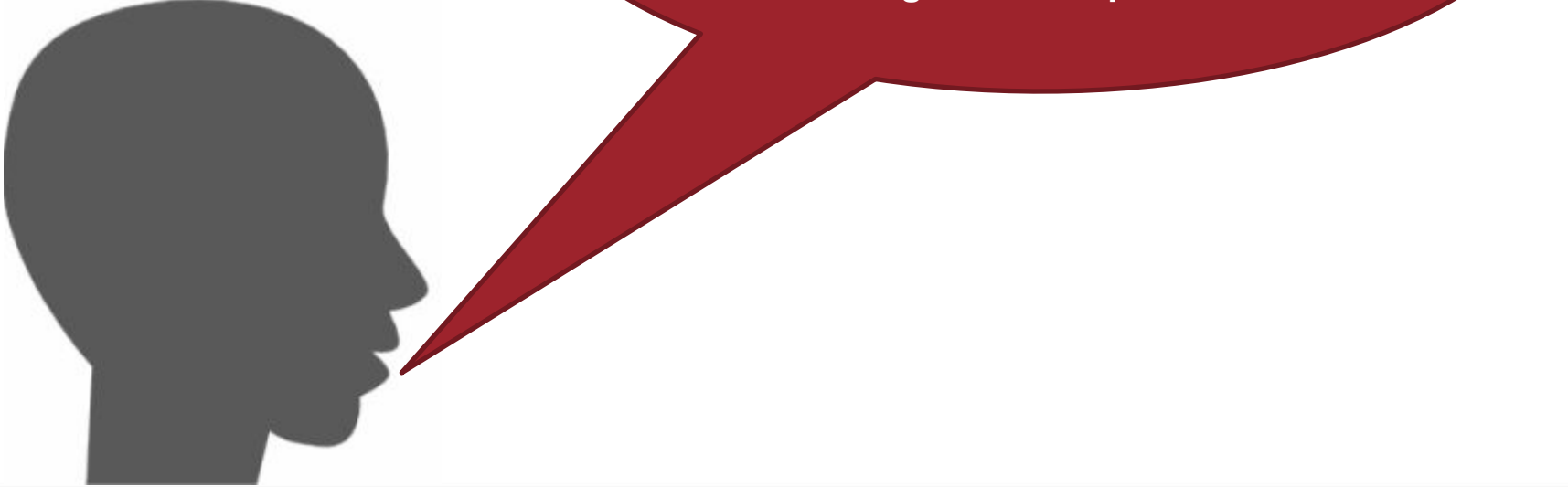


1. One tobacco fact that you did not know before *(and was not mentioned yet)*
2. How would you rate your tobacco knowledge after the presentation



Summary



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1. One tobacco fact that you did not know before (*and was not mentioned yet*)
 2. How would you rate your tobacco knowledge after the presentation

Summary



- Крепость сигарет может быть различной в зависимости от названий на упаковке
- Davidoff Cigarettes are a global Premium Product made in Germany
- Golden Gate is an affordable brand made in Germany
- Superslims – лучший выбор:
 - ✓ Сделано в Германии
 - ✓ Самый дешевый международный бренд
 - ✓ Великолепный вкус ментола
- You can make the difference on the shop floor!

Summary

- The strength of cigarettes can be differentiated by the names on packs
- Davidoff Cigarettes are a global Premium Product made in Germany
- Golden Gate is an affordable brand made in Germany
- P&S Menthol Superslims – best choice:
 - Made in Germany
 - Lowest priced International Brand
 - Great Menthol Taste

- You can make the difference on the shop floor!



Thank you!