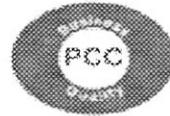




PIP - Product Introduction Process



Mainstream PID CONCEPT
- Project Initiation Document-

Project Co-ordinator: Jackson, Christopher R
[Redacted]
Project Category: New Product Launch Into Existing Market

PROJECT OVERVIEW

Region	Americas		
Market	United States (USA)		
Product Group	Pipe Tobacco		
Brand House	A		
Initiator	Parsly, Amy		
PID Status	Feasibility Phase	PCC Status	Open
		Confidential	No
Project Name	Bull Durham Pipe Tobacco - USA		

CONCEPT PROJECT APPROVAL

MarketDir	Name	Cox, Jonathan
	Approval Date	Tuesday, July 21, 2009
Marketing	Name	Jones, Tim
	Approval Date	Tuesday, July 21, 2009
ComDir	Name	Mercer, John
	Approval Date	Monday, July 27, 2009

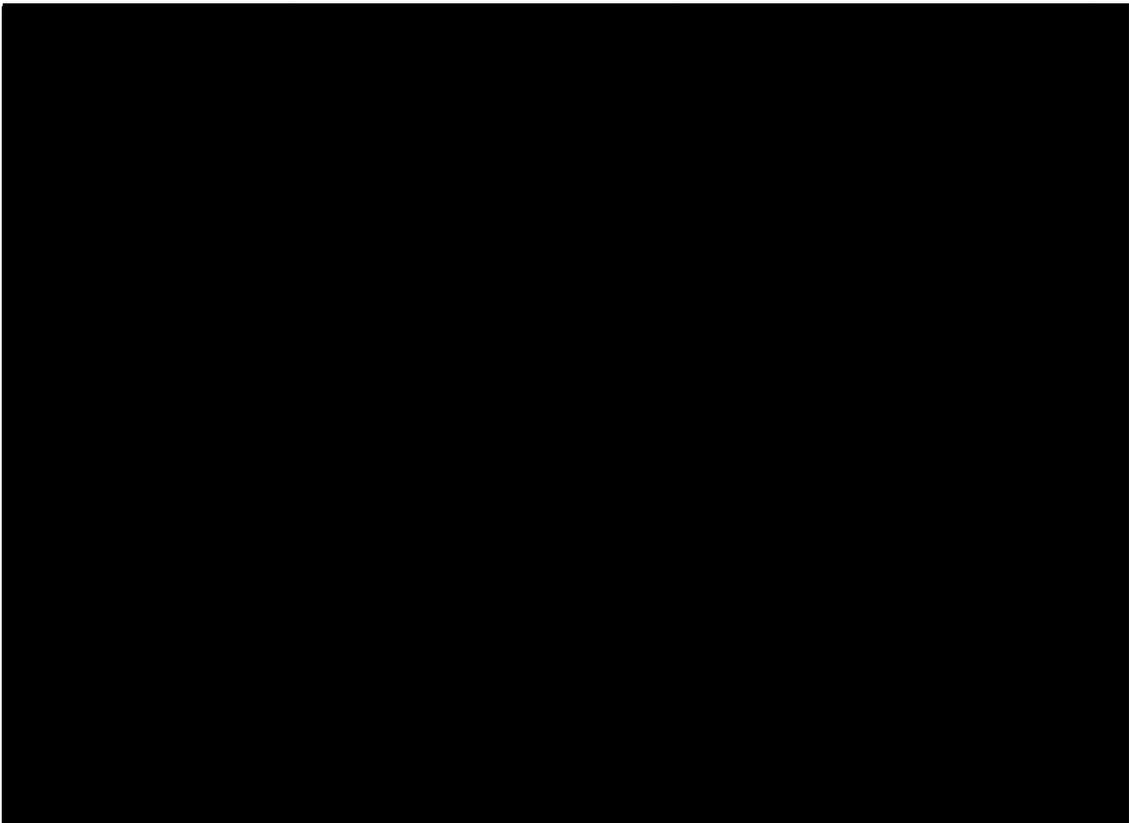
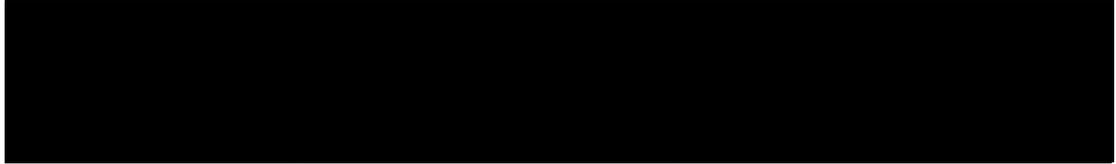
FINAL PROJECT APPROVAL



PROJECT DESCRIPTION

Project objectives and strategy

Post SCHIP, several companies have introduced new pipe tobaccos to take advantage of the savings on taxes. RYO tobacco is taxed at \$24.78/lb and pipe tobacco is taxed at \$2.83/lb. In order to remain competitive, CBI must launch a pipe tobacco brand into the market.



MARKETING DETAILS

Brand Idea

CBI needs to offer a tobacco product suitable for pipe smoking as well as for consumers who prefer to make their own cigarettes with pipe tobacco. CBI owns the trademark for Bull Durham - a brand that has been around since 1871 and was originally a smoking tobacco.

Strategic Intention

Remain competitive with other recently launched "smooth pipe tobaccos"



Market Context

Recently there have been several new pipe tobacco brands launched into the US market that benefit from the tax advantage offered compared to RYO. These brands are quickly gaining market share and threaten to take share away from current RYO brands because of consumers who use pipe tobacco as a RYO tobacco. It appears that the TTB will not make a ruling on specific distinctions between RYO and pipe tobaccos for a minimum of another 18-24 months.

Price

Price slightly below competitors' pipe tobaccos.

Consumer Benefit

Consumers get a great value for their money and purchase a trusted, recognized brand.

Price Rationale

Encourage consumers to try Bull Durham pipe tobacco instead of other pipe tobaccos they may have tried beforehand.

Competitor Status

Most competitors had already launched pipe tobaccos post SCHIP; within the past week CBI has learned that Republic tobacco will also soon be introducing a pipe tobacco.

Source of Business + Benchmarks

MARKET & PRODUCT RESEARCH

Type of Test to be conducted

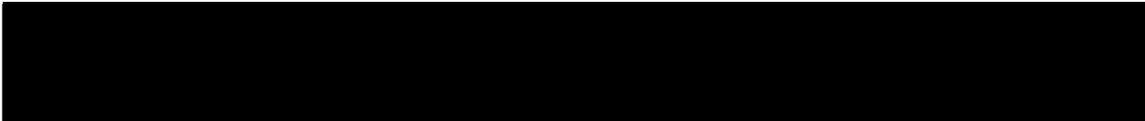


Distribution Information	
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IMPLEMENTATION DETAILS

Launch stock requirement	
TBD	

Launch volume rationale	
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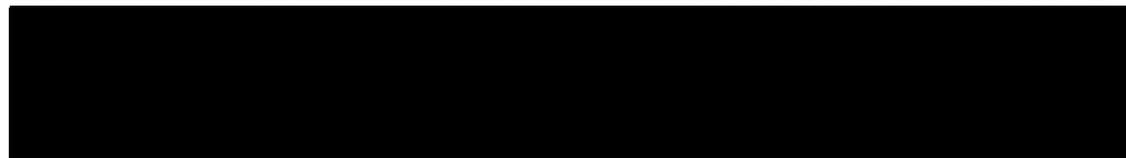


Delivery point(s) and date of first delivery	
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PRODUCT DESCRIPTION

Product description	
Bull Durham Pipe Tobacco	

Benchmark	
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Format	
Expanded tobacco 3 oz and 8 oz	

Tipping	
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Developments required	
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Others	
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Nic (mg)	
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Tar (mg)	
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CO (mg)	
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PACKAGING DESCRIPTION

Type / Content / Format

Pack	100 micron resealable zip bags (same sizes as currently used for McClintock)
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Outer carton or outer wrapper end label	N/A
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Shipping case	Medium Bag - 24 bags per case Larger Bag - 12 bags per case
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Mandatory Markings

Pack	CA Health Warning, Pipe Tobacco, Tax Class L, Underage Sale Prohibited, Standard Address
Outer carton or outer wrapper end label	
Shipping case	Pipe Tobacco, Tax Class L, Standard Address

Design Details

Pack	Separate Brief Given
Outer carton or outer wrapper end label	
Shipping case	TBD

Descriptor Details

Pack	Full Flavor, Blue, Menthol
Outer carton or outer wrapper end label	
Shipping case	Full Flavor, Blue, Menthol



