

SNUFF ENJOYS PRICE ADVANTAGE

A YEAR FOR AGGRESSIVE MARKETING

by Sonia Roberts

1981 is being seen by the trade as a very important year for snuff. It is a year, of course, when snuff's price advantage over other tobacco products has become even more marked as a result of the recent budget increases. Moreover, this comes at a time when the industry is still sunning itself in the light of the clean bill of health given to its products by last year's favourable report produced jointly by the Addiction Research Unit of the London Institute of Psychiatry and the New Cross Hospital Poisons Unit.

Mr David Whatley of Permafex probably summed up the feelings of the whole industry when he said this document had given his company a chance to 'seek new business from every sector of the consumer spectrum with a completely clear conscience.'

And aggressive marketing on a scale hitherto unseen in the industry will certainly be a key feature of Permafex's campaigns for the 1980s, culminating in the first ever use of commercial radio air time by a snuff company.

Elsewhere, plastic packaging, flavours and fragrances specifically geared to late 20th Century tastes and the use of computer-linked tele sales

From left to right;
Mrs Edith
Dakeyne Cannon
(chairman of
Samuel Gawith);
Vivian Rose
(G Smith & Sons);
R T Harrison
(general manager
J & H Wilson).



services for stockists are some of the methods which manufacturers are employing to make the most of the opportunity for extending business which the Chancellor has handed them.

The belief that this move to modern marketing can be achieved without loss of snuff's traditional elegant and "old world" image — also a powerful strand in sales motivation, especially for the better-end brands — is perhaps best epitomised by the new show card which has been issued by J & H Wilson to promote their new flip top, shake out pack for Kensington. The card shows five beautiful snuff boxes of the past (reproduced by courtesy of Mr M Halkin of the Royal Arcade), with the new plastic pack completing the "half dozen of elegance".

"We hope that in this new pack we've achieved a design which could be as important in its way as an example of late 20th century aesthetics as any of its showcard companions," commented Mr Reg T Harrison, the company's general manager.

"The purpose, however, of the pack was primarily practical, although we do believe that this more modern presentation will make a strong appeal to the young element of the market as well as to women."

Although when the new pack made its debut in November last year, distribution was confined to a few selected "up market" outlets, the plan is to go national very shortly, and Mr Harrison described the response to the launch as "most encouraging."

J & H Wilson believe that with a mild

menthol snuff in a streamlined, easy to use, pocket pack, they have a combination that will appeal to the all-important younger end of the market, a supposition borne out by the results of promotions for the pack already staged in conjunction with top tobacco wholesalers Palmer and Harvey.

Meanwhile, back at their Sheffield works, the company will have its new computer fully on-stream from 1 May this year, a move to improve internal efficiency which J & H Wilson are convinced will be to the advantage of all their customers too. All stockists are now linked up to tele sales so that re-ordering will be simpler and speedier than ever before.

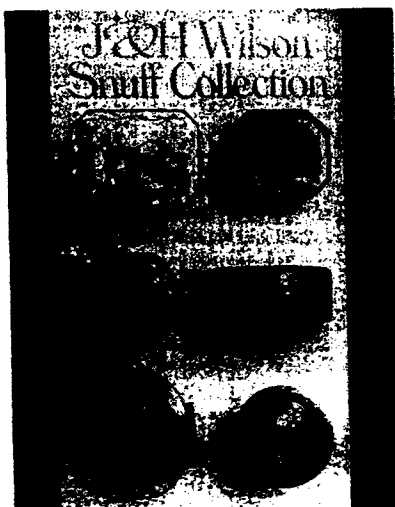
STEADY INCREASE

Increased business in 1981 is also expected at Gawith Hoggarth & Co Ltd. However, as Mr Gawith points out, that's nothing unusual for this long-established Kendal-based snuff firm. For the past five years their sales have shown steady increases each year.

Re-packing has also been very much in the mind of this house and considerable research was devoted to the design of the pack which will hold their new Apricot snuff line. This product is now on test in the UK market.

"Together with our aniseed flavoured President snuff we feel that apricot will offer a pleasant alternative range to our well established CM quality," Mr Gawith said.

"Both snuffs are lightly medicated but their main characteristic is the absence of any marked burning sen-



The new Kensington showcard from J & H Wilson.



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sation in the nose, while nevertheless retaining their pungency and tobacco flavour. We feel that these features will make the snuffs concerned acceptable not only over a wide range of existing snuff conscious customers, but also make these products particularly useful in opening up new home markets."

As well as their home sales, Gawith Hoggarth are now doing bigger-than-ever export business, especially with Germany. However in 1981 it is possible that they will be turning this trade into a two way traffic by taking up UK distribution rights for a number of German made lines. The milder quality of German snuffs is seen as having a potential for the new customer trade in the UK

In this context it is well worth noting that the wares of Alois Pöschl of Bavaria are already on sale in this country — ironically, Kendal, home of so many typically English snuff blends, is a town where there has been a particularly strong demand for these snuffs by retail tobacconists.

Exporting is also a key feature of the current trading patterns of Illingworth's Tobaccos Ltd. As the largest of the UK snuff exporters they have had some reverses as a result of the present "strong pound" situation, but nevertheless managed to finish 1980 with figures "well on target."

"The first eight months of trading during 1980 were well down on the previous year's figures, but this was compensated for by an exceptionally good last quarter," Mr Robert Cottam said.

"Exports to the USA are increasing steadily and we are definitely benefiting from the boom in all forms of non-smoking tobacco sales which is now taking place on the other side of the Atlantic."

On the home market, once again it's a story of energetic marketing helping to make the running. "We now have five representatives 'on the road' calling on wholesalers, multiples, cash and carry outlets, and most important of all, those specialist retailers who have already turned their premises into local

Now appearing on English counters, the Alois Pöschl range of packs for their home market is enormous and decorative. The trade is two way; among the brands displayed are those of Gawith Hoggarth who import from and export to Germany.



'snuff centres', " he said. "And, thanks to their efforts we believe that despite the difficulties of the recession we shall once again finish the year in 1981 with sales up on the previous year's figures."

At Wilsons & Co (Sharrow), Mr Mark Chaytor is also hopeful of what the budget's attack on cigarette smoking can do for snuff sales. He points to a similar situation in 1978 when the snuff industry benefited greatly from the elimination of duty, a situation which he believes could be paralleled in 1981 with the increasingly cheap price of snuff compared with cigarettes.

As in other UK snuff houses, sales to Germany are still considered an especially important feature of his export business, and the feeling is that UK retailers could do worse than study some of the techniques employed by their German equivalents in the promotion of snuffs.

"The need to stress at counter level that snuff is not subject to the price increases which are a feature of other post budget tobacco sales is a point to be particularly emphasised over coming months," according to McChrystals (Leicester) Ltd.

"We have found snuff sales have been enjoying a steady increase over the past twelve months — a trend which can only be accelerated by the present favourable price comparisons of snuff and other tobacco products. What must

be a depressing situation for the cigarette manufacturer must certainly be an advantage for snuff sales," Mr I D McChrystal said.

"We feel sure that with cigarettes being so expensive, especially in comparison to snuff, consumers, particularly consumers from those sectors of the population which are particularly under pressure due to the economic climate, will be turning to snuff."

"Due to our confidence in the future market we have now started to invest in the latest machinery, a development which we feel sure will be as beneficial to us in the future as the present."

GROWING INTEREST

Douglas Harris, managing director of Samuel Gawith & Co, noted for their flavoured snuffs, confirmed that there is a growing interest in snuff but is less sanguine about the effect on overall trading.

It is always possible that more snuff takers could be off-set by attempts by regular users to cut down on their consumption.

Mr Harris said that so far, trade this year is at about the same level as in 1980, and he added that any forecast for future sales would be difficult because so much depends on the economic situation.

He has found that the budget has not made any difference to trading so far.

However, for the most enthusiastic approach to snuff selling, one has to turn to Permaflex, now poised to launch one of the most dramatic publicity campaigns ever in this traditionally conservative industry.

"Ours is a commodity which began life as a prescription-only chemist's line, confined in its sales to a small sector of Birmingham, but which, within less than a decade of its inception had become a nationally distributed and a nationally demanded line, and which today is available in Woolworth and Tesco stores, in all the canteens operated by the National Coal Board, and which this year will, for the first time ever, be available from all the sales kiosks offering smokers' requisites at Butlin holiday camps" said



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TWS39

Permafex's Mr. David Whatley.

"However, the report's almost embarrassingly pro-snuff findings probably wouldn't come as a shock to anyone familiar with the history of our own L260 brand."

"Its, so often copied, numerical identification code is in fact the number of the original prescription for medical snuff put up by Mr Hedges, an ethical chemist operating in Birmingham at the end of the last century.

"His aid had been enlisted by the Birmingham Hospital to produce a palliative for the nasal congestions and the bronchial troubles which were so often encountered in the industrial workers of that city a century ago.

"However, just as the fame of Hedges L260 quickly spread beyond its home city, so the taste for this snuff was soon not confined to one sector of the population but spread throughout the community.

"That's the sort of background the



The Hedges L260 range.

product enjoys and the kind of situation I believe we can capitalise on today," Mr Whatley predicted.

"Last year we used bus sides very successfully to promote L260," he said. "This year, in the campaign which kicked off on 1 April, we've turned to taxis. Virtually every black cab serving Manchester now carries our advertising panel."

Even more revolutionary however is Mr Whatley's decision to take L260 on to commercial radio. The commercials will be featuring the sales slogan "have a pinch of fresh air" and will be designed to illustrate the appeal of snuff to sectors of the population not normally thought of as primary targets by the snuff industry.

CHANGING ACCENTS

The lifestyles of the potential users are cunningly implied by the changing accents of the actors. The businessman, for example, uses near standard English, but more regionally slanted voices portray the housewife, needing to clear her head after a harassed day of coping with an active young family, or the two young men bound for a disco type night on the town.

The five separate commercials will go out throughout the day and will be on the air for more than a month.

From left to right:
Robert Cottam
(managing
director
Illingworths); R G
Ling (Fribourg &
Treyer); David
Whatley (Hedges).



"Menthol snuffs already hold 64 per cent of total sales and are, we believe, the area with the most growth potential," Mr Whatley said.

Each of the new commercials explains that the snuffs are available at "good tobacconists everywhere", but despite this sop to the specialist stockist, one gets the impression that Permafex distributive horizons extend far beyond the traditional specialist, and that they indeed believe that growth is more likely to stem from areas outside traditional channels than from within them.

"The need to persuade CTNs especially to get snuff out from under the counter and on public display can't be too much emphasized as a means of expanding public interest in the pro-

duct," Mr Whatley claimed.

Meanwhile he himself is still seeking further possible outlets for snuff sales. One area where he believes the potential could be enormous is in the gift market. Speciality packs, which back up standard packs by linking them to snuff handkerchiefs or to the range of attractive pewter snuff boxes which are already marketed through Permafex, could be the next stage in the aggressive marketing of this brand which celebrates its centenary this year.



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