

FINAL APPROVED

Independent Sales Health Check – Powered by SalesOut

23 February 2010 – Cigarettes – Category Health Check

The column is based on data for:
11,000 independent stores
5,000 of which are symbol stores

The data shows:

Top 10 fastest growing products in the 100 best sellers in the Cigarettes category with % change year on year

Top 4 selling products in this category launched in the last year

Total category sales this year and last year (52 wks MAT to 23rd February) and % change

CIGARETTES	% CHANGE
JPS KS BLUE 10'S	1200.4%
JPS KS BLUE 20'S	1143.8%
JPS KS MENTHOL 20'S	958.0%
JPS SK MENTHOL 20'S	956.7%
JPS KS SILVER 20'S	921.1%
JPS SK BLUE 20'S	870.5%
STERLING SK MENTHOL 10'S	317.0%
AMBER LEAF 50G	132.3%
STERLING KS SMOOTH 20'S	113.0%
STERLING KINGSIZE 10'S	109.4%
TOTAL CATEGORY	9.2%

CIGARETTES	Current 52wk MAT
GOLDEN VIRGINIA YELLOW 12.5G	£1,538,579
PALL MALL SK BLUE 19'S	£1,358,444
GOLDEN VIRGINIA YELLOW 25G	£1,097,443
JPS KS SILVER 10'S	£685,773

	MAT 52 WKS	
	LY	TY
TOTAL CATEGORY	£1,405,361,724	£1,534,297,437

Steve Collins, Commercial Director, SalesOut

The tobacco category continues to be in very positive growth, outperforming the total independent growth figure (of 5.8%) at 9.2% with the 52 Week Moving Annual Total going up from £1.4billion to £1.53billion. In order to take advantage of an industry that is seeing more consumers switching back to duty-paid tobacco, SalesOut has looked at the biggest growing products in the last year to help maximise sales.

The top selling products remain largely unchanged but the notable exception to this is John Player Specials King Size Blue, which – having only launched in November 2008 – have now entered the top 30 products.

New products however, remain a vital factor in growing sales in the Tobacco category and it is essential that retailers recognise the impact of changing trends in the marketplace and reassess their

FINAL APPROVED

ranges accordingly. In particular there has been a trend towards economy brands such as John Players Special, Sterling and Pall Mall, with increasingly restricted household budgets forcing consumers to switch to these cheaper alternatives. What's particularly impressive about the data, is that the top 20 fastest growing products in the top 100 selling products account for 85% of the total growth across the category.

Roll your own (RYO) tobaccos such as new product Golden Virginia Yellow and Amber Leaf (+132% for 50g bags) also continue to enjoy disproportionate growth. Retailers should ensure sufficient choice is offered in these areas with larger pack sizes showing particularly encouraging signs of growth.

With the deadline for display ban looming on the not too distant horizon, it will be important for convenience stores to get to grips with their product range sooner rather than later. Staying on top of changing trends and pre-empting customers' needs will be key to maximising profits in the future, particularly with the further restrictions this category faces.

ENDS