

government strictly ban the selling cigarettes to under 18, the cigarettes vending machine will only be access in limited or private areas.

Change the scope of manufacturing, presently all local tobacco companies is only manufacturing and selling cigarettes, RJR Malaysia has started selling semi-finish product which is an enhanced of cigarette quality to other cigarettes manufacturer

Change the scope of product range, presently no product innovation by cigarettes companies. If RJR Malaysia could think about produce smokeless type of cigarettes, which able to eliminated the danger of secondary smoke, especially for children. And The Ministry of health has ban on smoking on public areas. The law requires that restaurant, and other public spaces set aside separate areas for smokers.

RJR Malaysia has always concentrate on marketing their brands. In this economic downturn, it would be better for RJR Malaysia of focus on a couple of brands and do it properly.

The current economic slowdown process will not give rise to new market because consumers have less disposable income. So, at this point of time, brand proliferation is not necessarily a smart use of intellectual and physical resources. It would be better for RJR Malaysia to focus, rather than diversification during the economic turmoil.

8. Implementation

- **Provide Enough Training**

RJRM is aware of the importance of providing the appropriate training to all the departments especially Marketing and Sales department. The recent growth in the needs for training stems from the need to adapt to rapid environmental change, improve the quality o services and increased

productivity to remain competitive. For example, RJRM has recently engaged a consultant from US to give a talk about Leadership and Managing specially for Sales and Marketing personnel. The topics discussed were first mover advantages, cost leadership strategy and differentiation strategy. Besides that, Products and Sales Managers are compulsory to conduct a case study on competitors to gain a better and complete insight on how value based competition can bring competitive advantage. Management team and CEO will have to be updated on current an innovative practices through continuous training and development programmes.

- **Communication of New Strategies**

The change in the management style means different ways in doing things and different in terms of customer expectation and product performance. New changes such as organisation or strategies change has to be communicated to all the new and long services staff. RJRM has developed internet access software in September 1999 so called Oasis in order to encourage all the staff to use and access to first hand information. By doing this, it will not hampered the achievement of RJRM goal and at the same time by informing them the type of behaviour to be expected and rewarded.

- **Restructuring of Organisation Chart**

This exercise was conducted in March 1999 in which a total of 250 workers were offered a special scheme called Voluntary Separation Scheme. This scheme is a specially tailored scheme for staff of all level who wish to consider voluntarily leaving the Company's in return for an enhanced compensation package. The main purposes are as follows:

- (1) To improve communication in which hierarchy level has been reduced or flattered
- (2) To eliminate the 'hard core' workers to enhance efficiency and productivity
To promote a leaning environment to all the workers. They are given more responsibilities and as well as motivate them.

CONTROLS

The following outlines the contingency plans of the RJRM in anticipation of the difficulties that might lie ahead.

Anticipated Difficulties / Problems	Contingency plans
<ul style="list-style-type: none"> • Price reduction in competitor's brand • Over budget • Ineffective Advertisement (Ad) 	<ul style="list-style-type: none"> • Follow the competitor's strategy in reducing the price. Despite the price reduction, the company will still be able to sustain and make profit. Cost-saving can be done via reduction in other area i.e. the promotion items. The company has anticipated and built in extra fund on promotion while estimating the budget • The priority will be on product improvement (e.g. new form, new packaging & new flavors). • Both pre-launch Ad Test Study and post-launch Ad Tracking Study will be carried out to identify the potential problems of the ad and its effectiveness. • The sales figures before and after the new ad campaign will be compared to determine the contribution of the new ad campaign

<ul style="list-style-type: none"> • The new product might not be well accepted by the consumers • New players enter this industry 	<ul style="list-style-type: none"> • Before the actual launch of these new products, a taste test on these products will be carried out to identify the consumers' acceptance on these products. • The company will allow for 6-9 months of consumers' adoption period on these products before deciding to withdraw them from the market. • The company will have economies of scale in this industry compared to the new entrants. This advantage enables the company to go for strategies such as more intensive A & P activities, new product innovation and etc. • In addition, the reputation of Salem and Winston brand in this market have won a high consumers' trust in the company products. It is therefore quite difficult for the new players to penetrate into this market. The threat from the new players will be very minimum.
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