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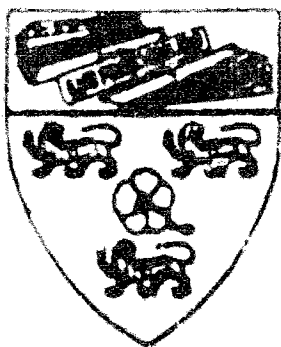
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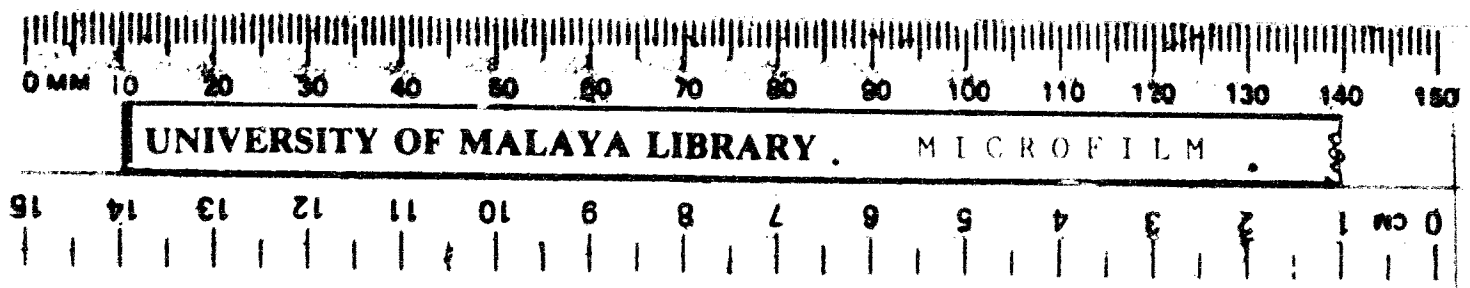


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A CASE STUDY OF THE  
PROMOTIONAL ACTIVITIES OF  
THE MALAYAN TOBACCO COMPANY LIMITED

by

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NOT TO BE

<sup>2012/4</sup>  
A Graduation Exercise presented to  
the University of Malaya in  
part fulfilment towards the  
Degree of Bachelor of Arts  
with Honours in Economics.

1966/67



## SYPNOSIS

This Graduation Exercise is based on an actual case study of the promotional activities of the Malayan Tobacco Company Limited. It breaks down the promotional activities into individual components and discusses the utilization of them by the Company in its efforts to promote its brands to increase sales and profits. The main focus is not on the mechanics of these promotional media, but rather on the strategy of such media and the role they play in achieving the promotional objectives of the Company as a whole. A general background on the cigarette production and industry is also included.

Several significant facts emerge from this Graduation Exercise one of which is how Rothmans is able to create a more effective impact on smokers than Malayan Tobacco Company, though the former is smaller in size than the latter. The fierce competition in the cigarette industry is shown up by the adopting of an expensive personal selling technique called Consumer Contact by Malayan Tobacco Company whereby it costs \$40.00 per consumer contact. Another deduction arrived at is that the Malayan Tobacco Company is not as progressive as it appears to be and is steeped in conservatism. Such conclusions are obtained by comparing and appraising the promotional activities of Malayan Tobacco Company and Rothmans.

# TABLE OF CONTENTS

Page

LIST OF TABLES .....	iv
LIST OF PHOTOGRAPHS.....	v
 Chapter	
I. INTRODUCTION.....	I
Objective of Study.....	I
Scope of Study.....	I
Research Methodology.....	2
Limitations of Study.....	2
Acknowledgements.....	3
II. DESCRIPTION OF THE MALAYAN TOBACCO COMPANY LIMITED. ....	4
The British American Tobacco.....	5
The Production of Cigarettes.....	5
The Distributionary System of the Malayan Tobacco Company.....	7
III. A BRIEF REVIEW OF THE CIGARETTE INDUSTRY.....	8
The Features of the Cigarette Industry....	10
Past and Present Trends in Smoking.....	11
The Degree of Competition.....	14
IV. THE ROLE AND IMPORTANCE OF PROMOTION IN SELLING.....	17
A General Breakdown of Malayan Tobacco Company's Promotional Activities.....	18
Advertising Department.....	19
Sales Department.....	19
Marketing Development Department.....	20
Public Relations Department.....	21
V. THE ADVERTISING PRACTICES OF THE MALAYAN TOBACCO COMPANY.....	22
Advertising Media.....	22
Press and Magazines.....	22
Rediffusion and Radio.....	23
Cinemas.....	24
Television.....	25
Outdoor Signs.....	25
Other Media.....	31
Campaign Advertising.....	39
Advertising Agency.....	40
International Campaign.....	46

<b>VI.</b>	<b>MALAYAN TOBACCO COMPANY SALES PROMOTION PRACTICES.....</b>	<b>49</b>
	Cigarette Sampling.....	49
	Sales Promotion Man.....	52
	Pacemaker.....	52
	Public Relations.....	54
	Sponsorship of Sports Events.....	55
	Factory Tours.....	50
<b>VII.</b>	<b>MALAYAN TOBACCO COMPANY PERSONAL SELLING PRACTICES.....</b>	<b>63</b>
	Consumer Contact.....	63
<b>VIII.</b>	<b>APPRAISAL AND CONCLUSION.....</b>	<b>71</b>
<b>Appendix</b>		
<b>4-1.</b>	<b>Definition of Promotion.....</b>	<b>75</b>
<b>5-1.</b>	<b>Examples of Newspaper and Magazine Advertisements.....</b>	<b>76</b>
<b>5-2.</b>	<b>Media Rates.....</b>	<b>77</b>
<b>5-3.</b>	<b>Position Report on Outdoor Signs.....</b>	<b>78</b>
<b>5-4.</b>	<b>A Benson &amp; Hedges Sticker Poster.....</b>	<b>79</b>
<b>5-5.</b>	<b>A Benson &amp; Hedges One Fold Brochure.....</b>	<b>80</b>
<b>5-6.</b>	<b>A Benson &amp; Hedges Two Fold Brochure.....</b>	<b>81</b>
<b>6-1.</b>	<b>Definition of Public Relations.....</b>	<b>75</b>
<b>6-2.</b>	<b>Pestabola Poster.....</b>	<b>82</b>
<b>6-3.</b>	<b>Welcoming Letter to the 1964 Malayan Open Golf Tournament.....</b>	<b>83</b>
<b>6-4.</b>	<b>Congratulatory Letter to Amateurs chosen to play in the Pro-Amateur Tournament.....</b>	<b>84</b>
<b>6-5.</b>	<b>1964 Malayan Open Golf Championship Comparative Expenditure 1963/1964.....</b>	<b>85</b>
<b>6-6.</b>	<b>Brochure on "Portrait of Prosperity".....</b>	<b>86</b>
<b>7-1.</b>	<b>Consumer Contact Report.....</b>	<b>87</b>
<b>7-2.</b>	<b>Consumer Contact Card.....</b>	<b>88</b>

## LIST OF TABLES

Table		Page
3-1	Malayan Tobacco Company's and Rothmans' Categories of Cigarettes.....	9
3-2	Production of Filter Tipped Cigarettes...	12
6-1	Paceemaker Targets for the Different States.....	54



# LIST OF PHOTOGRAPHS

Photo		Page
5-1	A Rothmans' Billhoarding.....	25
5-2	A Consulate's Billhoarding.....	26
5-3	A Peter Stuyvesant's Billhoarding.....	26
5-4	A State Express Sky Sign.....	28
5-5	A Player's Gold Leaf Sky Sign.....	28
5-6	A Gold Leaf Bus Panel.....	29
5-7	M.T.C. Perspex Roundel and Inn Sign.....	30
5-8	Benson & Hedges Frame Poster and Light Box.....	31
5-9	Life Poster and Light Box.and an Embassy Poster.....	32
5-10	Life Posters and P. O. S. Materials. ....	32
5-11	'Silent Salesman' and Calendars.....	34
5-12	Illustration of a Lucky Strike Ash Tray.....	35
5-13	Benson & Hedges Newspaper Advertisement.....	36
5-14	A Gold Leaf Hanging Mobil and Calendar.....	36
5-15	Lithograph Tins and A Light Dummy.....	38
5-16	A Cigarette Dispenser.....	40
5-17	Display of Cigarette Packages.....	41
5-18	Media Booking.....	42
5-19	Advertisement Layout Drawing.....	43
5-20	Checking of Printing Plate.....	44
5-21	International Campaign Advertisements...	47

Photo		Page
6-1	Arranging of Benson & Hedges Cigarettes by a Sampling Girl.....	50
6-2	Two Sampling Girls.....	51
6-3	A Sampling Girl at Work.....	51
6-4	A Golf Tournament Poster.....	55
6-5	Cigarette Kiosk at Golf Tournament.....	57
6-6	Cigarette Kiosk at Turf Club.....	57
6-7	A Benson & Hedges Promotional Gimicks at the Golf Tournament.....	58
6-8	Promotion at Work through Sports.....	58
6-9	Golf Exhibition Match.....	60
6-10	Mr. Lu Liang-Huan in Action.....	61
6-11	Mr. Ross Newdick in Action.....	61

## INTRODUCTION

The Malayan Tobacco Company Limited is one of the leading manufacturing companies in Malaysia with a progressive and modern outlook and being a member of the international British American Tobacco group of cigarette companies. It is the leader in the local cigarette industry and exerts a substantial amount of influence in the trade which is oligopolistic in nature. In such an oligopolistic situation where price rigidity is a characteristic feature, the dynamic competition of various firms is mainly the result of the manipulation of various variables like quality and promotion. It is the promotional variable that will be the main topic of this graduation exercise. The various segments of this variable will be examined and the way how the Company manipulates them in order to gain economic advantages over its rivals, will also be included.

Objective of Study

The main objective of this study is to examine and analyse the promotional activities of a leading Company in Malaysia as practised by Malayan Tobacco Company. This study attempts to show how promotional activities are applied in a business organisation, though what the Malayan Tobacco Company does in the promotional field need not represent the typical operations of other companies. However, since the cigarette industry is one of the most dynamic (its oligopolistic nature) in the promotional field, this will enable us to have a good look at fast and hard selling promotions at work. This will also relate economic theory to business practice showing how the manipulation of the promotional variable can contribute to the dynamic competition in an oligopolistic industry.

Scope of Study

The scope of this study will be focused on the promotional activities of the Malayan Tobacco Company which is one of the decisive variables in determining the competition between the Company and its competitors. In studying how the Company uses the different means of promotion in competing with its competitors it must be strongly stressed here that this will necessarily mean only the study of the use, effects, advantages and disadvantages of such components in the promotional field, and to keep within this area care must be taken not to wander off into the mechanics of the promotional media. In other words, the focus is on the strategic use of the means of promotion and not the



mechanics of them. To write on both the strategy and the mechanics of promotion would be too wide a field to cover. For instance, the intricacies of advertising alone will include layout, copy writing, psychological impact, artwork, illustration, sound and film productions which together will be sufficient to provide a topic for a long thesis and this does not include the other promotional areas like personal selling and sales promotion. Being so, this graduation exercise will be inclined to be a descriptive type of analysis. It is similar to planning where, and when to drop the bombs rather than what made the bombs. Geographically only the Malayan Tobacco Company (Malaya) will be taken in the study as distinct from its subsidiary in Singapore which cover the Borneo States as well.

### Research Methodology

In the writing of this exercise all the facts and figures are gathered from the Company's files and also from actual field work where the writer is given the opportunity of making on the spot inquiries and observations. The internal facts are obtained from the Company's records of operations and expenditures<sup>1</sup> which covers the various appendixes given. The external source of data come from actual market work with the Company's and distributors' salesmen from March 14th to May 14th 1966. By being out in the market, ranging from Kuala Lumpur to Malacca to Fraser's Hill to Tanjong Sepat, covering the rural as well as urban regions, it is possible to get first hand knowledge of the market work that is being done. With the information thus obtained it is possible to present a fair picture of the various aspects in the advertising, sales promotion and personal selling of the Company.

### Limitations of Study

Certain obstacles have been encountered in the writing of this graduation exercise. One of these can be traced to the main feature of the cigarette industry which is highly competitive between the different brands such as brands distributed by Malayan Tobacco Company and Rothmans and other imported brands like Philip Morris, Salem and others. This limits the amount of information that can be obtainable from the sales management of Malayan Tobacco Company for fear of leakage of information to its competitors. The management staff were rather willing to co-operate but the constant threat from Rothmans of Pall Mall overshadows this otherwise willing co-operation. Another obstacle is the reliance of

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<sup>1</sup>The references and sources of many of these data cannot be stated as in many cases they are taken from confidential files. This is to respect the wishes of the management which is understandably apprehensive about such things.



the salesmen for historical and other general data where official records are not kept or not obtainable. This introduces the element of approximation as regards the time of certain events due to memory failure of the sales staff. Another limitation is the lack of materials about competitive brands for comparison purposes. Information on the promotion of smaller local concerns like Chuan Hin and Joo Lan are difficult to obtain as most of them do not have any promotional activities. For imported brands like Edinburgh and Black and White, the advertising materials are all imported as the agents here are too small to undertake the promotional aspects of such brands. Besides the sales volume of such brands did not justify the complex promotional activities adopted by Malayan Tobacco Company. For Rothmans of Pall Mall, much of the information is considered private and confidential as there is the fear of leakage to Malayan Tobacco Company. Thus there is the difficulty of getting accurate promotion details of competition brands. This will necessitate the making of deductions from the available data.

### Acknowledgement

Despite the many obstacles and handicaps faced it can still be said that a number of the Company's executives especially Mr. Yeo Jui Mok (Sales Manager), Mr. R.M. Aitken (Advertising Co-ordinator), Mr. E. R. Biggadike (Marketing Development Manager), Mr. Eu Chow Teik (Task Force Representative) were very helpful in supplying whatever information that they deemed as not prejudicial to the security of the Company's operations. The various salesmen also contributed in no small way to the materials gathered particularly those small items that at times seemed trivial but nevertheless are rather informative. The writer would also like to extend his thanks to S. H. Benson Advertising Agency where he obtained valuable knowledge on the workings of the agency and its relationship to the Malayan Tobacco Company's advertising practices. The writer would also like to express his appreciation to Mr. Chong Sin Jee who has helped greatly in supervising the writing of this graduation exercise.

## DESCRIPTION OF THE MALAYAN TOBACCO COMPANY LIMITED

The Malayan Tobacco Company Limited in Malaya first started in 1951 when the British American Tobacco Company's headquarters in Singapore amalgamated with the Ardath Tobacco Company to become the Malayan Tobacco Distributor which through agents or depots had been engaged in the tobacco and cigar business in Malaya which until recent years the sales being almost exclusively of imported brands. In 1953 the Malayan Tobacco Distributor commenced manufacturing with a small factory in Kuala Lumpur and another in Singapore. The latter was then better equipped and was the first to start operations. With world wide increase in cigarette smoking the business of Malayan Tobacco Distributor Limited was taken over by the Malayan Tobacco Company Limited which was incorporated in the Federation of Malaya on September 1st 1956. The Malayan Tobacco Company then undertook to manufacture locally a number of brands under arrangement and which were previously imported. Due to the rising demand for cigarettes the Malayan Company expanded its operations steadily, and gradually replacing a number of brands previously imported, and by December 1956, 6.6% of the Malayan Tobacco Company's sales were locally manufactured but for December 1961 the comparative figure had risen to 87%. The brands of cigarettes currently manufactured by Malayan Tobacco Company include Wills Gold Flake, Capstan Medium, Rough Rider, and Double Ace, the goodwill in Malaya of all these being owned by the Malayan Tobacco Company and also Player's Medium and Matterhorn which are manufactured by agreement with the brands' owner on a royalty paying basis. Malayan Tobacco Company also enjoys the exclusive selling rights in Malaya of many world famous brands beyond those mentioned above including Player's Perfectos Finos, Garrick State Express 555, State Express 555 Filter Kings, Churchman's No.1, Player's No.3, Kool, Viceroy, Senior Service, and Lucky Strike cigarettes, and Player's No Name, 3 Muns, Gold Block, the 3 castles, Capstan Medium and Old English smoking tobaccos. In order to meet the growing acceptance of its product the Malayan Company since it started manufacturing in 1956 has increased its investment in fixed assets to the tune of \$12 million.

Though the two companies are legally separated entities they function more or less like a single company as both companies are under the same Chairman. Certain executives like the Advertising Co-ordinator commute between the two companies performing the same job. There is also only one Marketing Director for both companies and he is stationed in Singapore because of the centralised location, but he does have an office in the Kuala Lumpur factory which is kept for him when he is in Kuala Lumpur.

## The British American Tobacco

The Malayan Tobacco Company is a subsidiary of British American Tobacco which was formed in 1902 as the result of the truce between the invading American Tobacco Company and the British firms which had of course combined together into the Imperial Tobacco Company to give battle.<sup>1</sup> In the peace terms it was agreed that neither party would seek sales abroad. Thus British American Tobacco was jointly formed in partnership to handle both firms' overseas sales. The American Tobacco Company disposed of its interest in 1911 but the Imperial Tobacco Company is still a big stockholder in British American Tobacco although both companies operate completely independently.

With ownership of an estimated 20,000 trade marks' registrations British American Tobacco now operates over 100 factories in more than 50 countries and sells its brands in practically every country in the world.

The activities of the group fall into 2 main categories: the overseas companies manufacturing for their own local markets; and the factories in the United States of Brown and Williamson and of British American Tobacco in the United Kingdom manufacturing well known brands of tobacco for ship and air stores. Brown and Willisamson are also among the leading manufacturers for the domestic market in America.

### The Production of Cigarettes\*

When the imported tobacco leaves first arrived at the Kuala Lumpur factory they are stored in a humidity and temperature controlled warehouse which is one of the largest in S.E.Asia. When first arrived they are freeze-dried to kill any insects or weevil remaining in the leaves. They are then left to age for a period till it will be ready for use in the manufacture of cigarettes.

The Tobacco leaves arrived in bundles of 950 to 1000 lbs. each called hogshead and they are first despatched to the Primary Manufacturing Department after the warehouse where they undergo the stemming process. At the Primary Manufacturing Department the leaves are checked for temperature

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\*Refer 1) Richard B. Tennant. "The American Cigarette Industry" New Haven: Yale University Press, 1950. Chap.9

11) Article on Manufacturing Process, Public Relations Department, Philip Morris Incorporated, New York.

<sup>1</sup>Imps: - reorganisation for reality", Manager, November. 1964.



for excessive moisture in the tobacco creates spontaneous combustion, and the resulting heat will blacken the tobacco, a reaction called carbonization. Temperatures below 100°F are safe but above this point the hogshead must be opened and the tobacco dried out.

This tobacco must now be processed so that it may be stored and aged before use in the manufacture of cigarettes. Fed from the open hogshead onto a belt, the hands of tobacco are passed under a knife and the tips of the leaves cut and separated. These tips averaging eight to nine inches in length, are then fed through a revolving steam cylinder where the pads (tips that might be stuck together) are loosened, then through a line of air jets where they are separated.

The base of the hand, meanwhile, has been conveyed to the 'ordering room' where the tobacco is heated and the moisture content increased (to some 18%) to facilitate handling. The hands are then fed into stemming machines where the leaf which holds the hands together is removed and the stems pulled from the leaf. The leaf is then conveyed directly to the blending line. The stems, which at this stage have a certain amount of leaf on them, are moved to a thrashing line, where the remaining tobacco and the stems are separated, the leaf to the blending line and the stems shuttled to a separate area.

At the blending line, the tobacco from the three operations passed through a revolving cylinder, known as a sand screen, which removes all dirt and foreign bodies. From here the tobacco is fed into the re-drying machine, where the proper percent of moisture is added. This is the final and most important step in processing tobacco for aging and for storage.

- The re-drying machine consists of six sections. In the first three, the tobacco is dried to a uniform low moisture of 8%. It then passes through a cooling section, and then into the final phase where steam is applied under pressure to obtain correct moisture levels. For Bright tobacco, the range is from 10.5% to 11.5% for Burley tobacco, from 10.75% to 11.75%. The tobacco is then stored for a short period of 24 hours.

After the tobacco is stored it is ready for use in the manufacture of cigarettes. The tobacco is fed into machines which cut the tobacco to a uniform size to insure smooth and even smoking quality. The tobacco is then fed into the hopper of a 'making machine' from which tobacco is fed into cigarette paper in a continuous strip, uniformly packed and sealed. This strip is cut by special knives into the required cigarette

length. These machines turn out well over 1000 cigarettes per minute.

In making filter cigarettes there is the additional step of preparing and attaching the filter plug. The filter is made from cellulose - acetate, a material specially produced for filters and known in the trade as "tow". It is imported from England in bales and is fed in a continuous strip through rollers which spread it into a fine mash. The prepared tow is wrapped into tubes and cut into the desired length. This finished filter known as a plug is ready to be attached to the cigarette, which is done in the 'making machine' with special tipping paper which in some cigarettes is cork paper.

The finished cigarettes move on trays to a packing machine where they are wrapped in foil and packed. The pack is wrapped in cellophane and packed in cartons which are then sent to the distributors.

#### The Distributionary System of the Malayan Tobacco Company\*

The company defines distribution as the supply line which moves the right product in the right quantity at the right time to the right place where consumers can buy it at the right place.

The distribution of the cigarettes is through distributors and sub-distributors. The distributor is a wholesale trader who sells to other retailers at a fixed wholesale price, to sub-distributors and commissioned Stockists at the list price and who buys from the manufacturer at the invoice price, and who is paid a Deferred Discretionary Commission. The distributors are appointed by Malayan Tobacco Company and have a written agreement with the Company. The distributors are supplied the cigarettes by the company on cash and they in turn sell the cigarettes to the retailers through their own salesmen. The company's own salesmen will go out to the market and help and check the distributors' salesmen in ensuring that they do their jobs of selling cigarettes, rotating stocks and putting up advertising materials properly. It has been found that this system of distribution enables the widest possible dissemination of the products at the lowest cost and with the least disadvantages.

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\*Refer i) Goh Tien Eng "Malayan Tobacco Company Limited - Distribution", graduation exercise (unpublished) 1966, University of Malaya, Kuala Lumpur.

ii) Richard B. Tennant op. cit., chap.10

## CHAPTER III

### A BRIEF REVIEW OF THE CIGARETTE INDUSTRY

The cigarette industry in this country comprises mainly of the Malayan Tobacco Company and Rothmans, the two major cigarette manufacturers which together make up for 90% of the cigarette production in Malaysia while the remainder goes to much smaller local factories namely the Chuan Hin Tobacco Company and the Sin Chuan Seng Tobacco Company in Batu Pahat, the Joo Lan Tobacco Company and the

Sum Man Tobacco Company Limited in Ipoh and the Modern Tobacco Company in Sungei Siput. A number of factories have ceased to operate due to inability to compete successfully with the two giants of the cigarette industry which together have a monopoly on the production and sales of well known brands of cigarettes. These are Cheang Hin Choon Tobacco Company Taiping, Chuan Joo Hin Tobacco Company, Kuala Lumpur, Liew Sam Lee and Sons Tobacco Company, Kuala Lumpur, Yin Sing Tobacco Company, Kuala Lumpur, Moh Cheng Tobacco Company, Sungei Siput, Tai Hin Tobacco Lahat, Tiong Mah Tobacco Company, Malacca, Universal Tobacco Company Limited, Petaling Jaya. From the number of cigarette companies which have been forced to ceased operations it can be seen that the cigarette industry is a very dynamic industries where the competition is very keen edged, profit margins low, production highly technological and that only the fittest survive.

In the past when the Malayan Tobacco Company was known as the Malayan Tobacco Distributor with no manufacturing of cigarettes being carried out. Then the small factories were able to flourish due to the lack of strong competition but later when the Malayan Tobacco Distributor began manufacturing cigarettes under the new name of Malayan Tobacco Company the cigarette industry began to change. The birth of the Malayan Tobacco Company (1956) and later Rothmans (1961) initiated an era of big scale operations with modern and highly efficient production and administrative methods. This rang the death toll for the smaller tobacco companies. Malayan Tobacco Company and Rothmans being subsidiaries of world wide groups of tobacco companies (the British American Tobacco Group and the Rothmans Group) are able to draw on the latest innovations and researches being carried out in their sister companies. thus ensuring constant metamorphosis in production, marketing, finance and administrative operations from which emerges the agility and ability not only to survive but to consolidate their respective market shares usually at the expense of the small companies.

Cigarettes are classified by their prices (which reflects the quality) into 7 categories: - A to G (refer to table 3-1)



TABLE 3-1

MALAYAN TOBACCO COMPANY'S AND ROTHMANS' CATEGORIES  
OF CIGARETTES

Categories (1)	Price= (2)	Brands	
		Malayan Tobacco Company (3)	Rothmans (4)
A	50 ¢ & 55 ¢ .	Benson & Hedges Super Virginia, Benson & Hedges Special FCTK <sup>1</sup> , Player's Perfectos FCTK, Passing Clouds, Churchman's No.1, Senior Service, Kool, Du Maurier FCT <sup>2</sup> , Pall Mall, Viceroy, Lucky Strike, State Express 555.	Rothmans King Size, Peter Stuy- vascent, Rothmans Pall Mall.
B	45 ¢	State Express 555 FCTK, Life, Player's Medium.	Consulate.
C	40 ¢	Mattenhorn, Player's Gold Leaf, Capstan Medium.	Virginia Gold.
D	35 ¢	Embassy.	White Horse
E	30 ¢	Double Ace, Prince, Rough Rider.	
F	25 ¢ & 20 ¢	Signal Star.	

\*Packet of 10s except for Category A which is  
for a packet of 12s.

<sup>1</sup>FCTK stands for Filter Cork Tip King Size.

<sup>2</sup>PCT stands for Filter Cork Tip.

Malayan Tobacco Company manufactures brands from A to F while Rothmans from A to C but the smaller cigarette companies produced mainly in the F and G categories which means the lower income group market. The future implication here is clear, that is, with increasing prosperity the F and G smokers will gradually shift to the consumption of higher price range of cigarettes and that companies like Joo Ian and Chuan Hin must move up to the higher categories in their production in the years to come. In doing so they must also develop the capacity to survive in competing with Malayan Tobacco Company and Rothmans, failing which they will also be liquidated like those before them. The outlook for such small scale operations is dim as the lack of capital will hinder their ability to compete in the industry. It is probable that in future the cigarette trade may be dominated by Malayan Tobacco Company and Rothmans in the A to E categories with the local companies selling mainly to the F group of consumers. This will not happen if the local companies combine together like the British tobacco companies did in the 1920s to form the Imperial Tobacco Company or if some other international cigarette company move in and start manufacturing operations.

#### The Features of the Cigarette Industry.

The cigarette industry is unique in its own way and does not quite resemble any other trade. Its two main features are that it is a business where the term of sales is 100% cash and the very high degree of competition among the various brands. Other features include the fast changes in consumers' tastes and preferences and the very low profit margin.

In other business transactions between manufacturers and wholesalers and retailers to consumers, credit is given, the variation being in the length of credit allowed. However where the cigarette trade is concerned, it is unique in that the term of transaction is cash right from beginning to end. When the Malayan Tobacco Company places an order for tobacco leaves in Rhodesia, U.S.A., Canada or India, it must first made up a bank transfer for the required amount to a designated bank in the exporting country from which the leaf merchants can draw upon. Only when this is done will the leaves be sent to Malayan Tobacco Company where the tobacco leaves undergo the manufacturing process into cigarettes. The distributors in placing their order forms with the company do so with an accompanying transfer of money which is adequate to meet the quantities ordered. Thus it is strictly on a "no cash no goods" basis. In turn the distributors will only sell to the retailers for cash with the exceptions of a few cases like high class hotels and organisations (Malaysia Hotel, Federal Hotel, Cathay organisation) where one



month's credit is given. These exceptions happen because such retailers pay their sundry debts monthly.

One of the surprising aspects of this trade is the ability of the small roadside stalls to pay \$30/- to \$50/- cash for the cigarettes when the salesmen call upon them once a week. The ability for such stalls to pay such big amount of cash belies the dilapidated conditions of such stalls, but when the retailers do not have the money then they are forced to take less cigarettes much as they wanted to take more. The cash term is also applied when the retailers sell to the consumers except in situations where the regular customers get credit from the coffee shop, which however is not only confined to cigarettes but included drinks and light snacks. Some people would expect many retailers not to tie up a percentage of their small capital in stocking up a week's supply of cigarettes since no credit is given, but far from the obvious nearly all the retailers do stock up cigarettes for the week even on a cash basis as it has been generally accepted as a feature of the business. The reason for the cash term can be traced to the nature of tobacco as an agricultural crop which faces the many uncertainties of climate and insects thus forcing the leaf growers to sell on cash thereby causing the manufacturers to do likewise.

#### Past and Present Trends in Smoking

Smoking like other habits depend heavily on emotional and psychological whims of people, and as such are constantly undergoing changes. Just like clothings, shoes and sunglasses cigarettes have its own fashions. In the 18th century snuff was considered fashionable to pipe and cigars. The changes in trends and styles depended on the various cultures and countries. As late as 1930 Germany, Switzerland, Greece and the Union of South Africa consumed more pipe tobacco than cigarettes or cigars but data for 1938 showed that by that time cigarettes had taken the lead. The same development took place postwar in Canada, France, and Denmark. In 1938 Canada and France were still predominantly pipe smoking countries while Denmark was in the cigar smoking group. Belgium, the Netherlands, Norway have remained faithful to pipe smoking. On the other hand, the United States and Britain, Sweden, Portugal, Austria, Italy, Turkey and Japan were all in the predominantly cigarette smoking group in 1930 as well as in 1938 and 1950. The trend towards cigarettes has been clear in America since the early 20s, and was given a boost by the Second World War. When cigarettes have established itself as the main type of tobacco smoked the fashion trends then became centred on the type of tobacco used in the cigarettes for a cigarette can be made of 100% Virginia tobacco

or blend with various types of tobaccos. In Europe the switch to the blended cigarettes which was noticed after World War One has generally continued. In France where cigarette production has increased 77% since 1930, production of oriental cigarettes has fallen by 84%<sup>1</sup>. In Belgium the blended cigarettes dominated the market. The Straight Virginia and the oriental cigarettes represents only 10% of the total. In the Netherlands where the American blended type was much preferred in previous years the British type of Straight Virginia cigarettes now seems to dominate. The present demand in Europe is to blend cigarettes or else to strongly flavoured cigarettes of the dark type and this trend has been reflected in the Malaysian market a few years ago. A good example of cigarette changes is that of the mentholated cigarettes which were first marketed by Axton Fisher in 1928 in America under the brand name Spuds<sup>2</sup>. Though mentholated cigarettes have been on the market for a long time they have risen in popularity only around the beginning of 1960s when this world swing towards menthol was reflected in the local market by Matterhorn and Consulate both of which were top sellers in 1962 and 1963. Now only a few years later menthol cigarettes appeared to be in the dying stage with sales of Matterhorn and Consulate being a fraction of the sales of a few years. This quick change is in a way caused by medical reports stating that menthol if taken too much will result in males losing their potency.

TABLE 3-2

PRODUCTION OF FILTER TIPPED CIGARETTES  
(per cent of total cigarette production)

Countries (1)	Year 1955 (2)	Year 1962 (3)
West Germany	10.2	75.9
France	0.8	16.4
Italy	0.2	27.8
Belgium	16.0	38.0
Netherlands	(not available)	14.0
United Kingdom	1.7	26.0

Source: "Marketing in Europe", The Economist Intelligence Unite Ltd., London. No.17 March 1964, p.38

<sup>1</sup>Food & Agriculture Organisation, "Tobacco Manufacture and Trade", Rome, 1952.

<sup>2</sup>W.F.Nicholls. "Price Policies in the Cigarette Industry", Nashville, Vanderbilt University Press, 1957.

A more recent trend<sup>1</sup> is that of the filter cigarette which has gained popular acceptance recently. The rise of the filter tipped cigarette is illustrated by the following production figures in Europe as shown in Table 3-2. Manufacturers noted this trend and soon most cigarette brands offer a choice of filter and non-filter cigarettes like Benson & Hedges, Rothmans, Pall Mall, Player's Gold Leaf etc. In many of such brands the advertising copy harps on the theme of the filter like Benson & Hedges Special Filter, State Express Filter Kings and Philip Morris Charcoal filter. Like the menthol cigarettes the filter trend is also motivated by medical reasons which in this case is a misconception. Smokers are under the psychological impressions that filtered cigarettes protect them from the harmful effects of smoking. This is an inaccurate idea for what many smokers do not know is that the cigarette filters stop mainly tar and ashes which are the resultant product from the chemical combustion of the tobacco. Only a very small percentage of nicotine, the harmful element in smoking, is filtered and a large percentage of the drug enters the smokers' lungs. What the smokers do not realise is that if all the nicotine is filtered out then what they will be enjoying is just plain smoke minus the soothing effect that nicotine has on the nerves.

Such misconceptions, baseless or other wise are powerful enough to shift smoking trends. When the American medical reports<sup>2</sup> started to link cancer and cigarette smoking together the cigarette industry suffered a serious setback with the cigar and pipe manufacturers benefiting from it, but the habit of cigarette smoking has gained such a strong hold on many smokers with the subsequent result that setback in cigarette sales proved to be a temporary one.

Hence, smoking trends and fashions are greatly swayed by medical reports, rumours and psychological misconceptions. Under such circumstances, the manufacturer which first discern a potential trend that is going to last a few years and made plans to swing to it can profit at the expense of rivals which are not so alert or which backed the wrong trends. One illustration of this is the decision by Malayan Tobacco Company to market the famous Player's brand with a filtered cigarette when filter cigarettes are just introduced. The topping of the sales chart by Player's Gold Leaf which is a filtered cigarette proves the profitability of spotting the right trend at the right time.

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<sup>1</sup>For smoking trends in Europe refer to "Marketing in Europe", The Economist Intelligence Unit Ltd., London, No.9 July 1963, p.28.

<sup>2</sup>1) Report of the Advisory Committee to the Surgeon General of the Public Health Service, "Smoking & Health" U.S. Department of Health, Education and Welfare, 1964.

11) American Cancer Society, "Report on Smoking and Health", 1954.



## The Degree of Competition

The present cigarette market sphere in Malaysia can be approximately divided up into 63% for Malayan Tobacco Company, 10% for Rothmans, 27% for local companies and 3% for importing agents<sup>1</sup>.

The local companies are those with 100% local capital and not being subsidiaries of foreign organisation. Six such companies are Chuan Hin Tobacco Factory, (Batu Pahat) Joo Lan Tobacco Company Ltd. (Ipoh), Modern Tobacco Company (Sungei Siput), Sin Chuan Seng Tobacco Company, (Batu Pahat) Sun Man Tobacco Company Ltd., (Ipoh) and Tai Chong Tobacco Company (Chemor).

The importing agents are Shiro China Ltd. (L & M, Chesterfield and Lark), East Asiatic Company Ltd., (Black and White Virginia Kings, Abdullah 37. and King Abdullah), Anglo Thai Corporation (Paxton, Philip Morris and Malboro), Harper and Gilfillan & Company (Craven A) and Sime Larby for Peter Stuyvasent. The importing agencies pose little threat of any serious competition as their brands are little advertised except in international news media and their distribution is limited to a few selected outlets. They have become too exclusive in distribution (not by choice) to be able to be best sellers.

The local companies restrict their productions to E, F and G categories and advertising is virtually non-existent. Their main and only selling pitch is their low prices. The mentholated filter tip long size cigarettes under the brand name "winter" (Joo Lan Tobacco Co.) is selling for only 20 cents for 10 as compared with 40 cents for Matterhorn and 45 cents for Consulate. Malayan Tobacco Company is producing cigarettes up to the F category. It has Double Ace, Prince and Rough Rider in the E category and Signal and Star in the F category. All these brands can easily hold their own against the local brands like Scotland (Sun Man), United Nations (Joo Lan) and Satellite (Chuan Hin). Rough Rider is in fact the second best seller after Player's Gold Leaf, a fact widely unknown as advertisement on Rough Rider is non-existent. Double Ace is selling well in South Malaya and Signal is making advances in the East Coast. Therefore the local companies are mainly confined to a rather small segment of the cigarette market and there is little threat of stiff competition from them even in the lower price categories.

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<sup>1</sup>Sales Manager's Personal Estimation.

The real threat is posed by Rothmans which first entered the market in 1959 with the importation of Consulate by Harrison and Crossfields. Ltd., Rothmans King Size was also imported but the quantity was much smaller than that of Consulate. In 1963 Rothmans Company Ltd. opened a factory in Petaling Jaya producing Consulate and Rothmans cigarettes. When Rothmans entered the market it did so under very favourable conditions as a short time after its introduction in 1959 the Coffee Shop Owners' Association of Malaya had some disagreement with Malayan Tobacco Company over the profit margins of State Express 555 FCTK which led to its being boycotted by the coffee shop retailers. This gave Rothmans a golden opportunity of getting a foothold as State Express 555 FCTK is one of Malayan Tobacco Company's few brands which was suitable to compete with Rothmans King Size. Benson and Hedges was not introduced as yet at that time. Besides the trend of mentholated cigarettes was starting when Rothmans came into the market to the great advantage of Consulate.

Rothmans have another edge on Malayan Tobacco Company in that Australian Servicemen in Malaysia mostly smoked Rothmans King Size as the brand is a top seller in Australia besides being cheaper than Benson and Hedges over there. Rothmans spent heavily on intensive advertising and its sales reflected the result of such advertising but one fact is not very obvious to the general public. Few noted that when Rothmans advertised Rothmans King Size cigarettes it is also advertising the company's own name so achieving two objectives in its advertisements thus building up goodwill towards the company which can be very useful in future when the brand name Rothmans King Size died a natural death and another brand introduced.

Among the general public there is a vague confusion about cigarette brands. Some people think that Rothmans King Size belongs to Malayan Tobacco Company but mainly most people have the impression that Rothmans is a bigger concern than Malayan Tobacco Company. This wrong impression can be traced to the heavy impact that Rothmans intensive advertising have on the public. Why then is Malayan Tobacco Company so backward in conveying its impression to the public. Ironically the fact that Rothmans' advertisements are so intensive shows that it is a much smaller company with only 6 brand names hence enabling it to be able to concentrate more advertising capital on them. For Malayan Tobacco Company this is not possible because of its many brand names. For cigarettes alone it has 26 brand names excluding cigars and pipe tobaccos. When it advertises Benson & Hedges or State Express 555 FCTK it cannot advertise the company's name as they are not the same.

Rothmans is the only other cigarette company which belongs to an international group of associated companies in Malaysia. Its brands are famous world-wide and recently it has introduced Dunhill into the market but so far it concentrates mainly in the A & B categories. However with its world-wide reputation and connections with other sister companies in technical and administrative co-operations it is a rival company that though occupying 10% of the cigarette market is threatening enough to cause great unrest and caution in the conservative Malayan Tobacco Company.

The writing of this graduation exercise would be much easier if it had been done in 1958 or earlier before the entry of Rothmans for then Malayan Tobacco Company held virtual monopoly of the market and hence would not be so reluctant to furnish the required information but now everything is almost automatically labelled "private and confidential". Rothmans is such an unsavoury word that it is simply referred to as "R" inside Malayan Tobacco Company.

In 1963 Malayan Tobacco Company imported Benson & Hedges cigarettes and later began to manufacture the cigarettes here under licence. A packet of 20 of Benson & Hedges cost a dollar which is the same price as for Rothmans. There is also the same brand sophistication and quality image equivalent to that of Rothmans. Thus with the introduction of Benson & Hedges, Malayan Tobacco Company is vigorously pushing this brand to compete against Rothmans King Size and Malayan Tobacco Company is prepared to contest every cent of sales with Rothmans so much so that Malayan Tobacco Company has what is called Consumers' Contact whereby salesmen are sent to collect names of Rothmans smokers and to convert them to Benson & Hedges smokers. This Rothmans is also using this form of personal selling but on a much smaller scale. Instead of doing it person by person they go to places like the Employees' Provident Fund building where they distribute a stick of Rothmans to each smoker. This will be fully discussed in Chapter IV. This technique is so time consuming and expensive that it cost about \$40/- just to contact a single person. This gives a pretty good idea of the stiff competition between Malayan Tobacco Company and Rothmans.

In later chapters on advertising and sales promotion it will be seen how intensive and extensive Malayan Tobacco Company is trying to increase its sales and market shares through promotional means and since the objectives of increasing sales is to increase profits and cut out competitors, one can deduce a rough idea as to how keen the competition is among the two companies.



## CHAPTER IV

### THE ROLE AND IMPORTANCE OF PROMOTION IN SELLING

Promotion (see appendix 4-1 for definition) as a factor in the marketing mix has an important and great role to play in the nation's industrialization. In fact, promotion is the most neglected marketing function in the Malaysian marketing system, especially the local companies where the old maxim of having a good product is <sup>the</sup> paramount objective still persist. Many companies have yet to be convinced of the ultimate gain to be reaped from promotion and this slow transition in developing and integrating a dynamic promotion feature into the local business society is one of the obstacles in industrialization progress for many a local enterprise particularly the smaller businesses. There is a lamentable lack of advertising of local products and this absence of mass communications between the consumers and manufacturers tend to exaggerate the already smallness of the local market.

The foreign companies have been utilising modern promotional means to great advantage and at the expense of the small businesses. One comparison is that of Dunlop's Dunlopillo mattress and Wetex mattress. The latter's advertising is only a fraction of the former's and for many Malaysians the Wetex Company is more foreign than Dunlop and less known too. Hence it is very difficult for Wetex to compete with Dunlop in the long run as Wetex's products are rather unknown and lack that quality of popular recognition. A large number of Malaysian companies are now making good quality products which rather tragically are largely unheard of and unseen of. This in turn induces xenophobia in the minds of local consumers. There is the general and prevalent idea among manufacturers that promotion is only for the rich foreign companies, and that it is beyond the means of a small producer. This is entirely a wrong concept as certain advertisement media are relatively cheap. A column inch in the Straits Times costs only \$20/- and only \$8/- in the Malay Mail. Taking two column <sup>inches</sup> twice a week in the Straits Times will cost only \$320/- per month and only \$64/- per month for the Malay Mail.

Fortunately promotion has earned a better place now than it did a few years before as evidenced by the number of companies promoting their brands. Lam Soon, Selangor Pewter, and Yong Kam Kook Plastic Company are a few of the companies that are actively promoting their brands thus enabling them to compete on a better footing with other firms. But much has yet to be done especially in the other various fields of promotion like publicity and sales promotion.

It takes time, experience and practice to build up a tradition of progressive and hard-selling promotion as an incorporated feature in the local business scene. The local companies are still young but the penetration of established firms from overseas into the local market will hasten this trend for in a competitive environment those which do not learn, change and adapt themselves to changing times will face obliteration. Given a few more decades promotion in this country will have the vitality, efficiency and ruthlessness of those in the developed nations as it is certain that the strewd business tycoons in this country will not pass into oblivion so easily. They have centuries of traditions behind them from China to Malacca to India so it is certain that they will continue to survive and progress into the modern era.

#### A General Breakdown of Malayan Tobacco Company's promotional Activities\*

The word 'promotion' in its theoretical sense is meant to be a term comprising advertising, personnel selling, and sales promotion. These 3 variables form the different aspects of promotion whereby a commercial organisation utilises all three or separate aspects of promotion to boost its sales, build up goodwill and to create a 'reputation' for its products. To promote is to increase, no matter it be goodwill or profit. However, a promotion campaign sounds easier in planning than in its execution for in this field there are a lot of intangibles and too many human factors are involved.

The personal selling primarily comes under the Sales Manager; the advertising under the advertising Co-ordinator and the sales promotion under the Marketing Development Manager and the Public Relations Officer. Though these different people liase together and co-operate with each other the promotional activities are still carried out not on a basis of a whole but as separate divisions, this being reflected by the fact that each division has its own budget including the Task Force which comes under the Marketing Development Manager. There is no general budget for all the promotional activities and each different project is financed and handed by the appropriate people concerned. In this way there is a lot of unnecessary confusion and administrative

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\*For a full discussion<sup>on</sup> advertising and promotion in United Kingdom refer to "Retail Business" - Issues 73 March 1964 and Issue 74, The Economist Intelligence Unit. London.



inefficiency in deciding whether a certain promotional project must be financed by which budget, the three aspects of promotion are so divided that they cannot possibly come under the general heading of promotion.

### Advertising Department

The first division is that of advertising which is under the Advertising Co-ordinator, who also doubles up for the same job for the Singapore Tobacco Company. Under him is the Advertising Manager, a post which is now vacant with the resignation of the last Manager in February this year. The next man is the personal assistant to the Advertising Co-ordinator and who unofficially is doing the job of the Advertising Manager. The next in line is the Assistant Advertising Manager who has a Senior Designer and two artists for planning job in the studio. This comprises the Advertising department which in conjunction with the S.H. Benson Advertising Agency are responsible for some of the Malayan Tobacco Company cigarette advertisements.

### Sales Department

In the Sales Department there are eight salesmen and two trainee salesmen working in the Selangor Area alone. These salesmen are different from the distributors' salesmen and do very little selling of cigarettes to the retailers. The main objective of the company's salesmen is to check on the market and to inspect the work of the distributors' salesmen. They are concerned with sales promotion in that they are instructed to sell to the retailers on the value of counter displays and to arrange them conspicuously. They are also required to place bar posters, contact stickers, shelf strips and other advertising materials in the best locations. Besides the salesmen are to always seize every opportunity to sample, sell and convert competition smokers to their own brands. They must also remember to tell the retailers about the heavy advertising or any other promotional activity which will cause their own brands to move more quickly from his stocks.

These salesmen have a retail call schedule which is based on a grouping of four weeks whereby three weeks are spent on retail calls, and one week is termed as non-assignment week when they are to do whatever things the sales manager deems top priority, but for the past four months and for the immediate future the non-assignment weeks will be devoted to consumers' contact which is defined as the method used to convert consumers from one product to another, and to confirm present consumers of a product in their choice.

## Marketing Development Department

The Marketing Development Manager works closely with the Sales Manager and is in charge of research on the different factors affecting cigarette smoking like brand name, price, habit and quality, and also the development of new cigarettes. The Marketing Development Manager has the control of the Task Force Salesmen to assist him in the course of his work, though the Task Force is mainly utilised in promotional activities like Consumers' Contact and personal selling at events sponsored by Malayan Tobacco Company like Golf and Football Tournaments.

The research part is left to the specialised research agencies like Far East Research Organisation and Survey Research, Malaysia both of which are used by Malayan Tobacco Company. The Survey Research, Malaysia is more often used as it is a better organisation than Far East Research Organisation.

Apart from Consumers' Contact the other important promotional work of the Marketing Development Manager is to organise the strategy and plans of advertisements to launch a new brand that is either being introduced from abroad or which is being developed locally. The four aspects of developing a new brand take the form of blend, name, package and advertising. After the new cigarette is decided on the advertising campaign must be right in order to give the new brand a chance of succeeding. For introduction of international brands the advertising job is easier as usually the advertising campaign is based on materials and strategy that is supplied by London and which is used internationally; but for locally developed brands it is much more difficult. However up to the present the only locally developed cigarette is Signal which is a category F cigarette, which does not require such expensive promotional means like that for Benson & Hedges. Since the brand is usually sold in the rural areas the main advertising media is poster advertising.

It costs around \$1 million to launch a new brand during the initial stages which last for about 9 months and expenditure is spent more heavily on research and advertising both of which are in a way connected, the research showing which kind of advertising is more likely to succeed! In Malaysia where the society is multi-lingual and multi-racial, Market Research is indispensable for advertising. A point in fact is that of the King Size Solent which was introduced in 1962 and which had since been withdrawn due to unpromising sales which were below expectations and which did not justify the continuation of the sales of the brand. The Solent cigarettes come in a packing of 20s in a blue hinge-lid box with

a sailing boat as a trade mark. Through research by the Marketing Development department it was found rather late that the blue colour of the package received very poor psychological response from the public especially the Chinese to whom blue is a colour of mourning. This shows up the value of the research in the Marketing Development Department and thus its invaluable integrations with the promotional activities of the company as a whole.

#### Public Relations Department.

The last department in the company that has a vital role to play in the company's promotion is that of the Public Relations Department which is made up of the Public Relations Officer who works under the General Manager. As the post suggest his job in general is to deal with the public to inform them of the company's products and to build up and convey to the smoking public a favourable image of the Malayan Tobacco Company and the cigarettes it sells. In other words his obligation is to attach an air of reputability to Malayan Tobacco Company brand names. In detail his job also engages in promotional work that build up goodwill like contributing prizes of cigarettes or money to social charitable functions and organisation. The supply of costumes for the stage show "Student Prince" is one very recent example.



## THE ADVERTISING PRACTICES OF THE MALAYAN TOBACCO COMPANY.

The Malayan Tobacco Company defines advertising as the communication of information about a product or service with the objective of stimulating demand.

The Company devotes about \$4 million annually on advertising its brands.<sup>1</sup> The advertising departments work is rather stretched due to its being under staffed and the competitiveness of the cigarette industry. Apart from communicating information to the public there is also the underlying motive of countering opposition advertising campaigns which is very difficult considering that Malayan Tobacco Company's advertising has to cover over 20 brand names as opposed to Rothmans of Pall Mall's six brand names. As such it can be noted that Malayan Tobacco Company's advertising is not so dynamic and hard as that of Rothmans of Pall Mall.

Advertising Media

Generally the media employed by Malayan Tobacco Company for the promotion of its cigarettes is listed as

- a) Press and magazines.
- b) Rediffusion and radio.
- c) Cinemas.
- d) Television.
- e) Outdoor signs.
- f) Others.

a) Press and Magazines.

The advertisements appearing in the press and magazines attempt to achieve only one basic purpose - that of reminding the consumers of the brand names. The nature of the cigarette trade is such that consumers need no persuasion or urging to try the product for the buyers are smokers who smoke through habit or for psychological reasons. As such the advertisements can only harp on a very few themes which in a highly competitive market seems even less. The basic emphasis is either on the tobacco, filter or price but whatever it is the advertisements attempt to constantly remind the smokers of its brands. Malayan Tobacco Company

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\*For an idea on advertising practices done by cigarette companies in America refer to Richard B. Tennant op.cit. p. 81 and W.H. Nicholls op.cit. chap. 15.

For reference to the mechanics of advertising consult A.W. Prey "Advertising" - Ronald Press Co., New York 1961 and C.J. Dirksen and A. Kroeger "Advertising Principles and Problems", Richard D. Irwin, Illinois 1964.

<sup>1</sup>Malayan Tobacco Company's Instruction Manual to the Task Force Salesmen.

puts advertisements in the newspapers as well as in magazines (one of which is the Asia Magazine) and publications of charitable and public organisations. The company also conducts split run of its newspapers advertisements an example of which was the Nanyang Siang Po. The Singapore edition of 15th April 1966 carried an advertisement on Benson & Hedges whereas the Malaysian edition of the same date had the Life advertisement both which were of the same size and in the same position.

Since there are so many brands and the fact that most of the advertisement copies and lay-out come from London it is very difficult to give an account of the various advertisement copies and layout here. For an illustrations of some of the magazines and newspapers advertisements refer to the appendix 5-1.

The procedure here is that the advertising approach is first decided by the advertising agency after which the pencil or colour roughs are then produced. When these are approved, the finished artwork is commissioned whereupon printing blocks are then made from the finished art and sent to the media owners. The rates can be seen in appendix 5-2.

#### b) Rediffusion and Radio

In Malaysia there is a government-owned radio broadcasting system and a commercial broadcasting service, Rediffusion which operates in Singapore, Kuala Lumpur, Ipoh, Penang and Butterworth. Since the latter is a commercial organisation its entire broadcasting time is commercial but Radio Malaysia have only 50% commercial time on the air. Both these media go on the air in English, Tamil and several Chinese dialects and 20 and 40 second spots as well as quarter- and half- hour sponsored programmes can be bought. There are special rated preferred spots which are the periods just before and after the news and during the peak hours that is, when most people are listening like to the news and popular programmes. In Malaysia and Singapore there are about 400,000 radio licences taken out but it is estimated that an equal amount of radio sets is not licenced and in addition there are 80,000 Rediffusion sets.<sup>1</sup>

The radio is an economical media which is useful for reminder type of advertisements and hence is suitable for cigarette advertisements. Since visual presentation is not as important as for other products the radio media is rather effective particularly so when the advertisement

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<sup>1</sup>S.H.Benson & Advertising Agency, Kuala Lumpur.

jingle is catchy like that of Lucky Strikes or if the advertising message is impressive enough like that of Gold Leaf, State Express 555 FCTK and Benson & Hedges. In all instances the radio advertisements of Malayan Tobacco Company cigarettes follow the theme copy in the posters and billboards. For example, the copy in the State Express 555 FCTK press advertisements and posters exclaimed "Cigarette of International Success" and the same message is read out in the radio thus there is a consistency in the advertising message in all the media including Television and the cinemas.

For the sound advertisements the script is first thought up and after finalization sent to a recording studio to be taped. Should the tape be approved it will then be cut into discs for broadcasting. The rates for commercial can be referred to appendix 5-2.

### c) Cinemas

The cinema is the media where Malayan Tobacco Company concentrates in advertising its prestige brands like Benson & Hedges and State Express 555 FCTK though occasionally it also advertises the best seller brands like Player's Gold Leaf and at one time Matterhorn. The cinema offers audio cum vision with the option of having multi-colours. It also reaches a cross section of the populace and in connections with premier shows draw out a high percentage of the upper crust of society thus making it suitable for advertising luxury or prestige products. Since to many smokers cigarette is a product for pleasure, relaxation and style, the cinema with its connotations of entertainment and glamour offer another advantage.

This media is relatively expensive and as such, Malayan Tobacco Company usually advertises its premier brands on the screen for such ads require the colour, wide-screen and visual presentation of the screen to build up in the minds of the viewers a reputation of quality and international sophistication for the advertised brands. Good examples of such brand names are Benson & Hedges, State Express 555 FCTK. The advertisement on Benson & Hedges illustrates clearly the attempt in image and reputation building to give it the status symbol that will enable it to compete successfully with Rothmans which has captured a large portion of the market for the category A cigarettes.

Due to the limited facilities available in this country for the production of advertising films, most of the company's requirements are imported from Malayan Tobacco Company's associated companies overseas. In this way it pays only for the cost of the prints it requires and a pro rata contribution towards the cost of making the film. This is usually for international brands like Benson & Hedges and State Express 555 FCTK.



d) Television

Television Malaysia turned commercial on the 1st December 1965 and it is estimated that there are 75,000 sets in the country mostly concentrated in the urban areas. A television set is still something of a luxury for the masses and has yet to gain popularity as a means of mass media. Malayan Tobacco Company is rather cautious about advertising on Television because it cannot advertise its high class brands without damaging the brand image as black and white advertisements are unsuitable for conveying sophistication and class. Similarly, to advertise its cheaper brands would not be advantageous as most Television sets are found in urban houses in upper class residential districts. As such Malayan Tobacco Company is at present advertising only State Express 555 FCK with an occasional insert of Player's Gold Leaf.

e) Outdoor Signs.

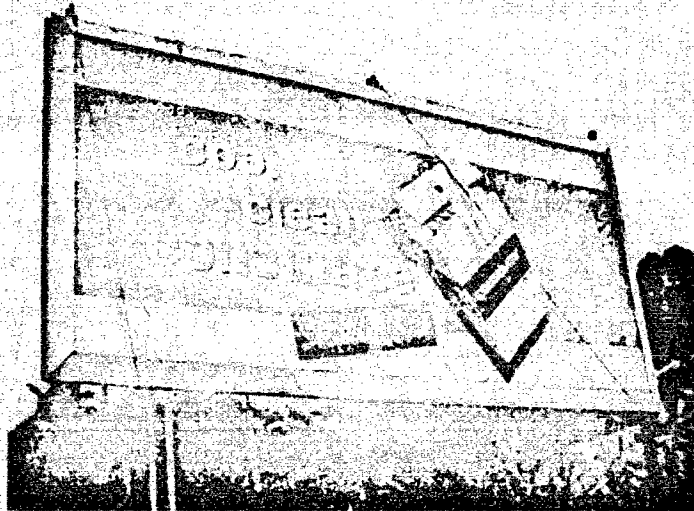
Outdoor advertisements are wall hoardings, bill hoardings and Sky Signs. Until recently this form of media especially the bill hoardings have been dominated by Rothmans' brands along the inter-state highways. (Refer photos 5-1, 5-2, and 5-3).

Photo 5-1



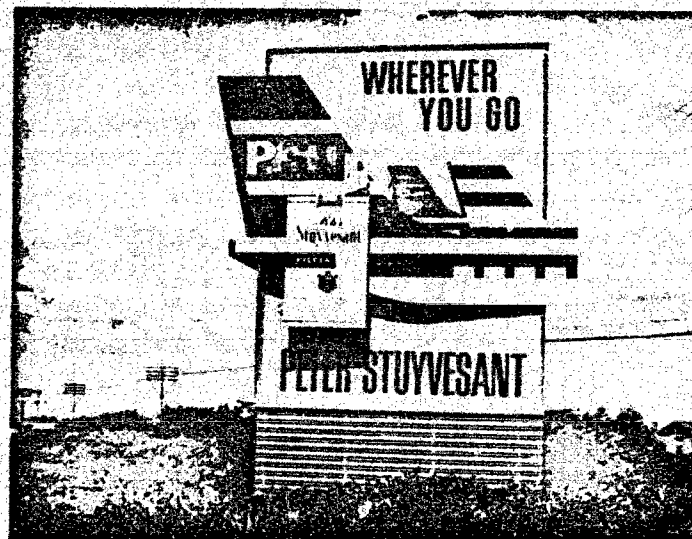
A billhoarding advertising rival's product.

Photo 5-2



A Consulate billhoarding in  
Malacca state.

Photo 5-3



A Peter Stuyvesant advertisement  
greet motorists on the new Klang  
Road to the airport.

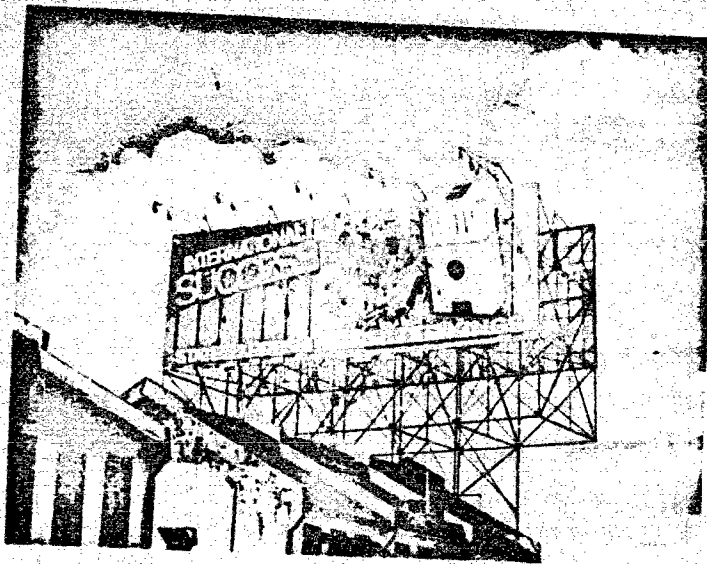


It is only recently that permits have been obtained for the putting up of some Malayan Tobacco Company brands on bill hoardings particularly those of Benson & Hedges. This late entry into bill hoarding advertisements by Malayan Tobacco Company is due to its inability to get the necessary permits required. Rothmans put up its hoardings before the permits are received but in most cases the permits somehow or other managed to be passed and though this is illegal few officials seemed to be aware of it. Malayan Tobacco Company being more cautious in practice follow the policy of getting the permits first before putting up the hoardings. The apparent success of Rothmans in getting such permits as compared to Malayan Tobacco Company's inability to get such permits on such a big scale had brought up a certain connotation with the composition of the board of directors and shareholders of Rothmans. A few of such people are prominent members of Parliament and influential civil servants. Whatever the possibilities the fact remains that Rothmans' hoardings are up much earlier than Malayan Tobacco Company's, a peculiar situation in a highly competitive industry where advertising is so vital. Such billhoardings which are silk-screened cost \$511/- each. For rental fees refer to appendix 5-3 on position report about existing outdoor signs.

Sky signs (photos 5-4 and 5-5) are easier to erect as the company has to deal mainly with the site owner and there are less legislative obstacles in putting such signs as this usually entails only painting on the wall of a house. These are usually in town and the main value of these signs is the capacity to remind those who see it. The rates for such signs are based on the number of people who might have the opportunity to see it, the general environment of the pass way and the traffic density of the road passing it. The cost is generally high (refer to appendix 5-3) and coverage on a national basis with such signs can be expensive. Normally such signs have an unobstructed view, of 150 yards.

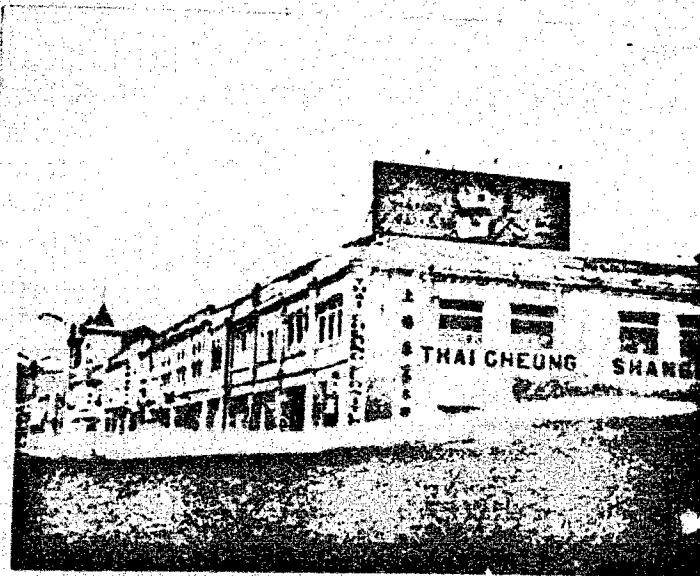
Under the heading of outdoor signs are included bus panels (photo 5-6) which cost \$40/- to \$70/- per month in rental fee on the buses. The cost of the panel itself is \$50/- each. With over 20 companies operating 2,000 buses in Malaya and Singapore and the high mobility of buses such bus panels serve as good reminders to passer-by and other users of the roads. The most common bus panels are for the Player's Gold Leaf and Capstan Medium brands, both of which are of the C category and are the more popular brands smoked by the average income consumers. As such it is appropriate that this kind of mass media be used. The higher categories

Photo 5-4



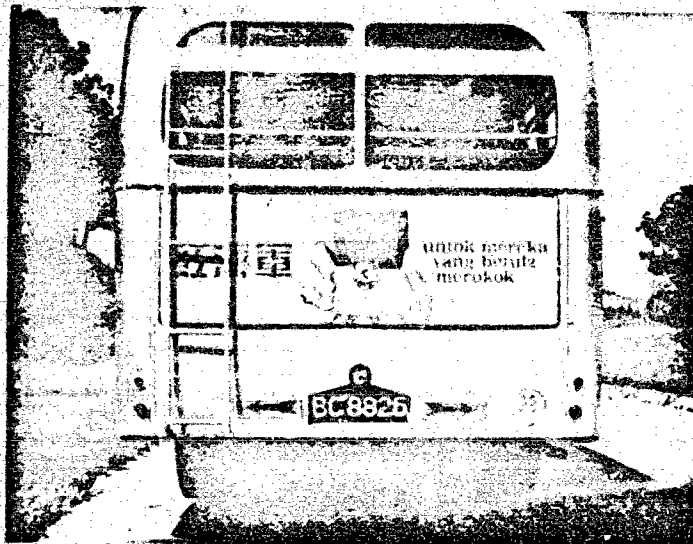
The formula for International Success as seen when approaching Petaling Jaya along the new Klang Road.

Photo 5-5



A Player's Gold Leaf sky sign in Seremban.

cigarettes cannot be advertised by this media because the prestige image of those brands have to be considered and the lower categories brands are little advertised. The Player's Gold Leaf bus panel can be seen on the buses of the Klang Bus Company. Similar to the bus panels are those found on top of lorries.

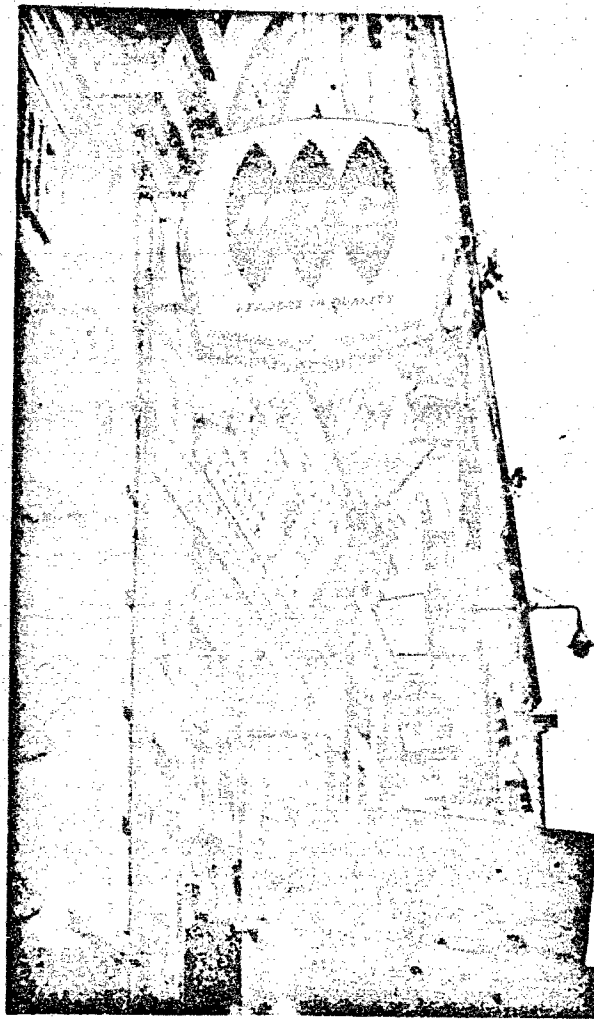


A Gold Leaf Bus Panel. (Klang Bus Company).

Other outdoor signs are inn signs, light dummies and Perspex Roundel Plates. The inn signs (photo 5-7) are rectangular metal plates which are painted on both sides with the advertisement copy which is mainly of Player's Gold Leaf brand and are hung outside shophouses like tavern signs. These signs are rather durable and maintenance is usually on repainting after a certain period. As far as possible they are hung up in a consecutive row for greater impact.

Lighted dummies and the Perspex Roundel Plates (refer photo 5-8) are almost the same form of out door advertisements. The light dummies are similar to the light boxes but much bigger and are hung outside coffee shops. They are lighted at night by two fluorescent lamps inside the box which illuminate the two perspex sides of the box on which the advertisement copies are printed by a special process. The brands advertised are State Express 555 FCTK and Matterhorn. The Perspex Roundel Plate is the same as the lighted boxes but only round in shape. The only brand advertised with this is Lucky Strike.

The company have some criteria whereby shops are chosen for placing such outdoor illuminated signs. These criteria are the shop's locality, its rating, its clientele, attraction factor and availability. Having found the sites, the company will then negotiate with the shop owner as to the payment of the electricity supplied for the illumination of the dummies but the entire cost of putting up the signs will be borne by the company. The usual payment for the electricity is two cartons per month of the cigarettes of



This photograph shows the M.T.C. Perspex Roundel in the top foreground and a Player's Gold Leaf Inn Sign in the bottom background. Both are hanging outside one of M.T.C.'s distributor's shop in Kuala Lumpur.

the brand advertised. Thus if the lighted dummy is for Matterhorn then the shop owner will receive two cartons of Matterhorn each month which will be worth \$16/- according to the retail price. This sum is definitely more than the electricity used. In certain instances where the site is not really good the shop owner may only get one carton. This is negotiable and rather flexible.





Seen in the photograph are some point of sale materials. In the centre is a framed poster of Benson & Hedges, and on the right is a light box. On the left is a box showing dummy packets of Benson & Hedges.

f) Other Media.

The group of advertising materials that is grouped under "others" take in Indoor Advertising, Point-of-Sale materials and Giveaways and some 80% of all the correspondence received from the Field Staff concern one way or another these three items.

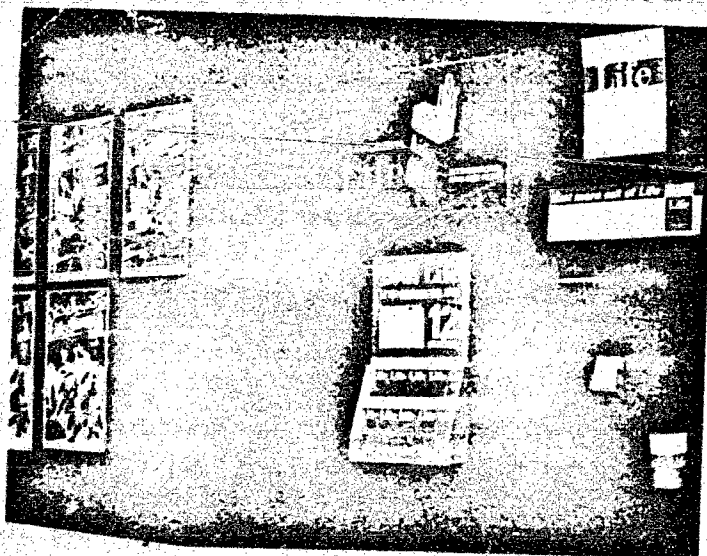
Indoor advertising and Point-of-Sale materials are generally identical and shall be treated as such. The most common of such materials is the poster advertisement (photos 5-9 and 5-10) which is fixed up on walls with a staple gun or tape or they may be put in a simple wooden frame and hung up. The wooden frames are made in a way that posters can be changed easily. Most of these posters are printed by the relief printing method by which the printing surface in relief is inked and then transferred to the surface to be printed. However a few posters are printed by the planographic or litho method. By this method the printing plates are so treated that only the design to be printed will accept the greasy ink. This is then transferred onto a rubber blanket which in turn transfers the desired impression onto the receiving surface. The Life and Lucky Strike posters are printed in this way. Some of the presses here are able to print such posters of the very highest quality so all such posters are printed locally.

Photo 5-9



The Life and Embassy framed posters are shown in the above photograph. On the bottom left is a Life light box and on the right is an old type metal cigarette dispenser.

Photo 5-10



Shown are some Life posters, a Life card-board display stand and a Life perspex cover for use in light boxes. Also shown is a Life ball pen and 2 Life strip posters.

One such press is the Tien Wah Press in Petaling Jaya which prints the Lucky Strike posters.

These coloured posters are put up or changed by the distributors' salesmen though the company's salesmen, also put up some whenever necessary and possible. The posters are difficult to put up as they must be in a position that all customers can see them but not too low as to be within reach of children who may tear or dirty the posters nor must they be so high as to be obscure. Sometimes retailers forbid the putting up of such posters as they leave the wall unevenly coloured when removed. The salesmen are instructed to put up as much posters as possible whenever there are spaces and permission so as to deprive opposition brands of potential advertising space. The cost of such posters vary according to the method of printing, the type of paper used and the number of colours. The Gold Leaf posters cost 34 cents each.

In all the airline offices and travel agencies are wooden cigarette boxes which are given by the company. Each week a salesman will visit such offices and fill these boxes (divided into three compartments) with three different packets of cigarettes (Benson & Hedges, Life and Player's Medium). These cigarettes are to be offered free to customers and there is a small metal plate on the inside of the lid with the inscription, "With the compliments of the Malayan Tobacco Company".

Together with the cigarettes Malayan Tobacco Company also supply a Benson table lighter encased in a small plastic dummy of a packet of Gold Leaf. Since these indoor advertisements are not found in coffee-shops and other retail outlets they are not so commonly noticed.

The next item is called a hanging mobil display (refer to photo 5-14) which is a long triangular box and is hung from the ceiling. Only Gold Leaf is advertised on such mobil displays which are rather limited in their uses as they are difficult to hang from ceilings and gather dust rather quickly.

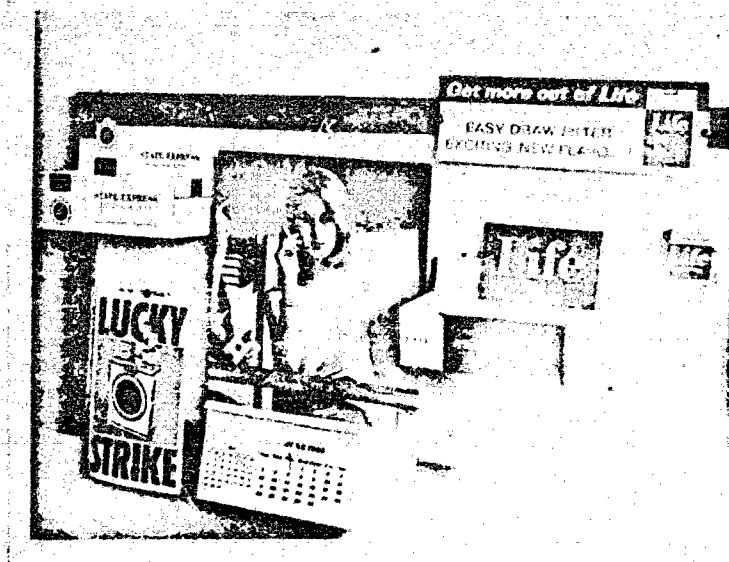
Light boxes (refer to photos 5-8 and 5-9) are used primarily to attract smokers' attention during the night time when the other advertising displays become a little obscure. The arrangement for payment of the electricity of such light boxes is the same as that for lighted dummies, but here the payment is usually a carton of cigarettes of the advertised brand. An interesting exception is the light box in the Tavern Club in Fraser's Hill where the secretary insisted on payment of \$40/- per month instead of the carton of cigarettes. As the Tavern Club is considered a high class club frequented by Europeans and professional people the company considered it

worthwhile to pay the amount asked for.

A common sight in coffee shops is the Lucky Strike tins containing matches. These tins are welded with an aluminum sheet by the side so that an empty box can be stuck into it, thereby allowing customers to light their cigarettes with the match sticks inside the tin.

In the rural and outskirt areas where the coffee shops supply a kerosene lamp and paper strips for customers to light their cigarettes instead of matches then a 'silent salesman' is used instead of the Lucky Strike tins. A 'silent salesman' (photo 5-11) is made from an empty carton box by pressing out the cut out section of the lid which will thus turn the carton box into a container with the brand name being displayed prominently. The kerosene lamp and the paper strips

Photo 5-11



This photograph shows a State Express and a Life "Silent Salesman". Included are also a State Express Calendar, a Life strip poster and a Lucky Strike Decal poster.

are then placed into it and as it is constantly reminding smokers of the brand it is termed as a 'silent salesman'.

In certain classy establishments like Selangor Club, Malaysia Hotel and Federal Hotel, Lucky ash trays with stands are provided. These ash trays (see figure 5-12) are given free and have the Lucky Strike brand clearly displayed on the front. They are placed in a prominent position like the entrance to the Malaysia Hotel's Imperial Room and because of its usefulness there is little objections to such ash-trays.

Window stickers, decals and transfers come in a





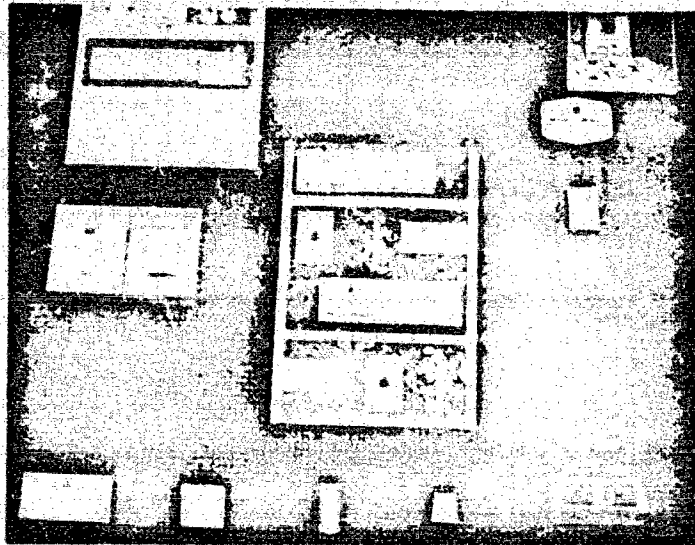
An illustration of a Lucky Strike ash tray.

wide variety all of which are imported from Australia, Europe and America. They come in strips<sup>or</sup> square sizes with embossed or flat letterings. (Refer to appendix 5-4). The Benson & Hedges Special filter are rather expensive as they cost about \$1.50 each due to the metallic quality of the paper and the special processes of producing them. Such stickers are usually more expensive than posters but the former are more attractive and more convenient to put up. Besides retailers prefer them as there are no nails, staples or tape used in putting them up. One disadvantage is that they leave behind dirty smudges of glue which are very difficult to remove as they can only be scrapped by a small pen knife. It is expected of the salesmen to scrap off such patches of glue for otherwise the retailers will refuse any such advertising materials to be put up in future.

Paper and metal dispenser strips or 'towers' (see photo 5-13) are also used but not readily noticable as they cover a long and narrow area which when placed among other goods become insignificant. Sometimes retailers refuse to use them as it is too troublesome to put the cigarette packets in and take them out again and as a result they become dirty very quickly with rust and dirt which are difficult to remove.

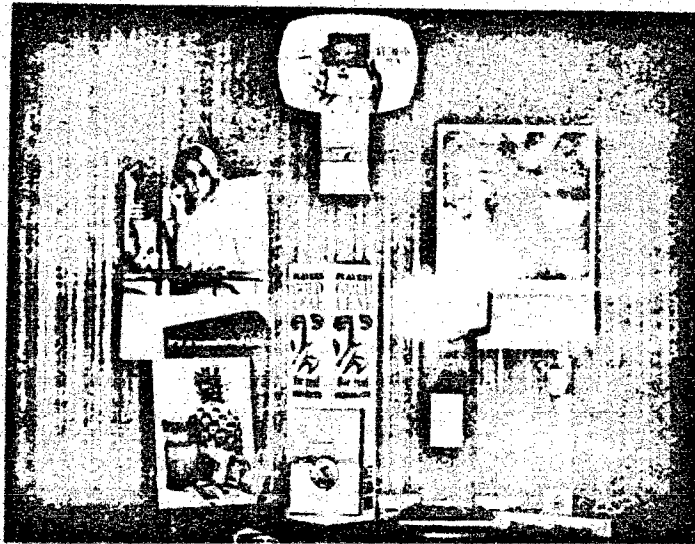
Malayan Tobacco Company gives out calenders to the distributors and retailers annually and 51,000 was ordered last year (the Gold Leaf general daily calendar) which is the most common one. This calendar costs \$1.01 each. Besides this they also give out monthly calendar advertising Benson & Hedges (5,000 ordered) and State Express 555 FCTK brands each costing about \$1.70. (see photo 5-14) These advertisings calendars offer perhaps the most useful advertising displays to customers and its utilitarian nature serves the advertising purpose rather well.

Photo 5-13



On the right is a Benson & Hedges dispenser tower and in the centre is a Benson & Hedges Christmas advertisement in the Straits Times. The other newspaper advertisement copy is for the Chinese New Year and the Hari Raya.

Photo 5-14



At the top is the Gold leaf general daily calendar flanked on the left by the State Express monthly calendar and on the right by Benson & Hedges monthly calendar. In the centre is the Gold Leaf hanging mobil to the left which is a Life cardboard poster and to the right are two Benson & Hedges dispenser towers.

The last advertising item under the category 'others' is the Giveaway materials some of which can be called sales promotion materials.

The first on the list is the common drip mat which are given out to coffee shops. The drip mat is a round piece of thick absorbant paper for putting ice-drinks on so as to prevent water from the glass from wetting the table. Lucky Strike is advertised on such drip mats and this is mainly due to the fact that the round trade mark of Lucky Strike can be laid out nicely on the round drip mat.

Plastic cigarette cases or tupper cases are useful gifts to smokers who use them to delay the opened cigarette pack from getting soft with moisture. The cost of such case is 32 cents for the Lucky Strike tupper case and 35 cents for the Life type which is longer.

Life ball point pens come in white and red colours but are not widely given as many that are supplied to be distributed are instead kept by the distributors.

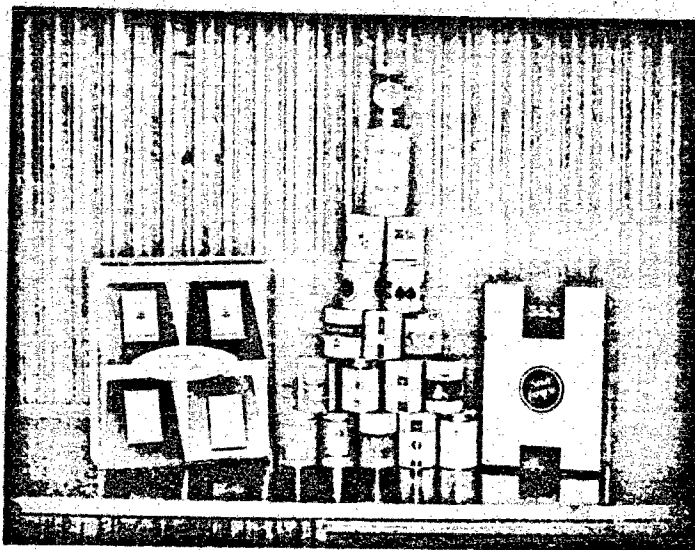
Pottery ash bowls are the commonest giveaway and are seen the most by the public. They come in difficult sizes and shapes depending on the brand. For prestige brands like Benson & Hedges and State Express 555 FCTK they come in bigger sizes than those for Capstan or Player's Medium. These ash bowls are made locally and the Malayan Tobacco Company buys them by asking for quotations for contracts from local pottery works. The Benson & Hedges ash bowl costs \$4.30 each.

Book matches and match boxes are popular items especially the book matches which are slim and convenient to use for gents as they are not bulky and can be easily put in shirt pockets. Gold Leaf and State Express 555 FCTK are advertised on such book matches but for Benson & Hedges small match boxes made of gold metallic paper are given and even the sulphur head of the match stick is white in colour so as to maintain the sophistication of the name. Most of such matches are given away at functions like weddings, dinners and receptions where Malayan Tobacco Company is doing cigarette sampling or donating free cigarettes. The Benson & Hedges match box costs 0.04 cents each for an order of 100,000 and the bookmatches cost 0.04 cents each for an order of 24,000.

Small round metal plates or coasters with diameter of about four inches and on which are printed the sailor trade mark of Player's Gold Leaf are distributed to coffee shop retailers. Such coasters are rather common and one can see them when one orders a few sticks of cigarettes. For usually the cigarettes will be brought to the table on such a coaster though Craven A issued some many years ago.

A very common sight in the coffee shops is the lithograph tins (photo 5-15) given to retailers who also sell "loose" cigarettes, that is, in sticks rather than in packets. Such tins are given free to the retailers and are changed frequently whenever they are scratched, dented or dirty. One of the jobs of the assignment salesman is to wipe any such tins that are dusty with a damp cloth whenever he calls on a retailer. He is also to arrange such tins in the most prominent manner in the cupboard or shelf.

Photo 5-15



Some of the lithograph tins are shown in the photograph. On the right is a State Express light dummy.

Special files made specially to keep Asia Magazines are given to diplomatic missions and personnel. These files have an advertisement copy on the inside front cover but the outside covers are plain with only the words "Asia Magazine" on the front cover. The advertisement copy inside the file is one of those that regularly appear in the Asia Magazines.

Big rectangular paper clips is another item that are given free to retailers. Only Player's Gold Leaf, Player's Medium, Lucky Strike and Rough Rider are seen on these clips.

A giveaway that is seldom seen is the Player's Medium letter opener. The advertising value of these letter-openers is rather small and because of the expensiveness of these items explain why they are given away in small numbers.

One fold brochure of Benson & Hedges (refer to appendix 5-5) is freely distributed to publicise the new brand a couple of years ago. These brochures are mainly used to herald the introduction of new brands. The second type of



brochure (refer to appendix 5-6) also of Benson & Hedges is put into each copy of shareholder's report in 1963. and Extra copies are printed and the picture half of the brochure is cut out and framed in numbers of four thus making an attractive framed advertisement.

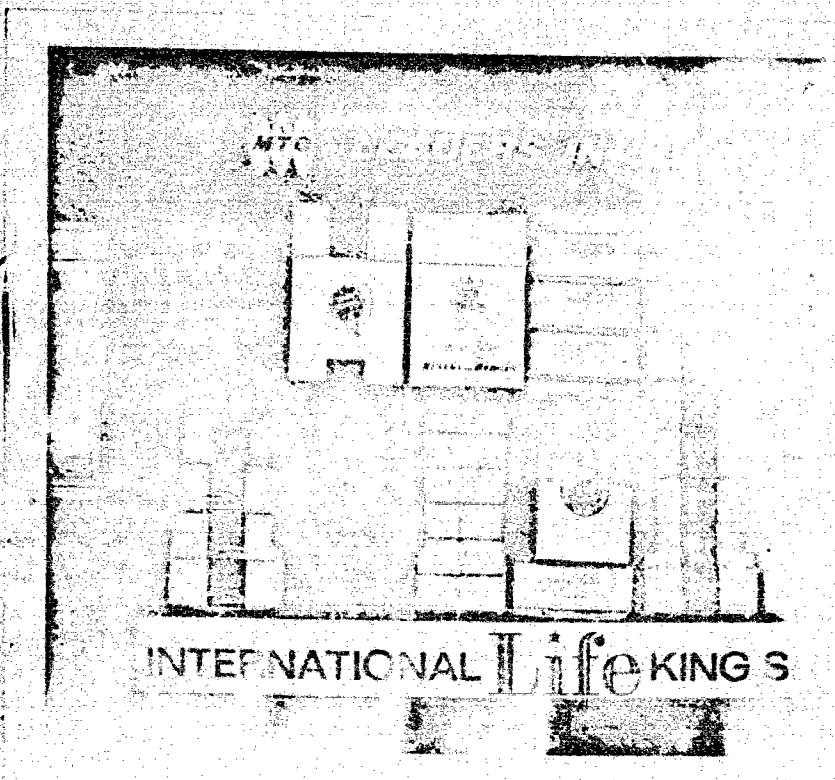
### Campaign Advertising

Malayan Tobacco Company has well, <sup>over</sup> 26 cigarette brands excluding 22 others for tobacco and cigars. This poses a problem in the planning of advertising as to advertise all brands simultaneously is too colossal a task to be achieved with any effectiveness and within any reasonable budget. In contrast Rothmans is able to keep blasting away at the smoking public with its advertisements as it has only 6 brand names.

The Malayan Tobacco Company overcome this difficulty by advertising in stages or campaigns, that is, advertising one brand at a time. A campaign usually lasts for six weeks and costs between \$25,000 to \$50,000 each. Therefore from the cost point of view Malayan Tobacco Company is cautious not to have spent too much money on any one brand. This explains why filmlets and radio's announcements for Benson & Hedges, State Express, Life and Lucky Strikes etc appear on and off regularly as contrasted with Rothmans continuous announcements which is mostly concentrated on Television now. When one campaign is on then the smoking public will be confronted with the brand's advertisements from all forms of media excluding those like bill boardings and posters.

Light boxes are made of a metal frame with two open ends by which plastic plates can be slipped into place. Inside the boxes are two fluorescent lamps which when switched on will illuminate the plastic cover (with the advertisement copy printed on it) thus attracting the eye to its advertising message (see photo 5-8 and 5-9). Such light boxes are similar to the light dummies except that the advertisements on a light box can be changed. As these covers are interchangeable they are changed according to the brand that is currently advertised.

In conjunction with this campaign advertisement is the Point of Sale cigarette dispenser which is supplied to the better retailers. Each dispensers have two plastic strips one of which shows the Company's name and the other advertising a brand name. The latter strip is changed regularly according to the campaigns. (photo 5-16)



Part of a cigarette dispenser is shown.  
Notice the two plastic strips at the  
top and bottom of the dispenser.

### Advertising Agency

The Malayan Tobacco Company has an advertising department which though performing an important function inside the company is still not sufficiently staffed or equipped to do a full scale advertising work. It is possible to provide an advertising department fully capable of handling all the advertising requirements of the Company from the initial planning to the ultimate execution of advertisements but the costs would not justify the expenditure expended on the maintenance of the department's staff and equipments. In view of this the Malayan Tobacco Company finds it most convenient and economical to use an advertising agency.

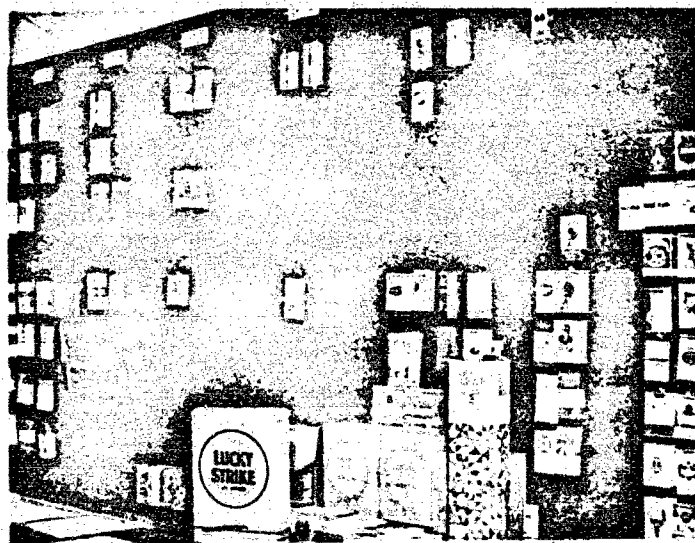
Besides the cost issue, employing an advertising agency means having access to a wider experience of advertising and also the agency is a specialist in its field. The combination of the company's advertising department and an agency allows a cross-fertilization of ideas and as the agency is not deeply involved in the company's organization, it is able to introduce a fresh approach to any problems.

In the past, between 1960 and 1961 Malayan Tobacco Company was giving its advertising accounts to Grant Agency but in 1964 a switch was made to S.H.Benson Advertising Agency which happens to be the biggest in Malaysia. The change-over was due to the fact that Grant did not have sufficient staff and facilities and there was no account

executive in charge of Malayan Tobacco Company's affairs. In early 1964 Malayan Tobacco Company was contemplating on a change in the package design of the Capstan cigarettes and it asked Cathay and Grant Advertising Agencies to make a report on the contemplated change. It was found that the Grant's report was of a lower quality as compared to Cathay's. However Cathay was not subsequently given Malayan Tobacco Company's account as it <sup>was</sup> rather a new agency then and the organisation was rather small so S.H. Benson was chosen instead.

For each of its clients S.H. Benson has an account executive who is personally in charge of the particular client's affairs. He will work very closely with the client's advertising man <sup>who</sup> is the Advertising Co-ordinator in Malayan Tobacco Company. The account executive is the agency's liaison man with the client and is ~~in charge of the client's~~ <sup>responsible for</sup> the client's business. In other words he should know the cigarette trade as well as if he were actually working in the cigarette company.

Photo 5-17

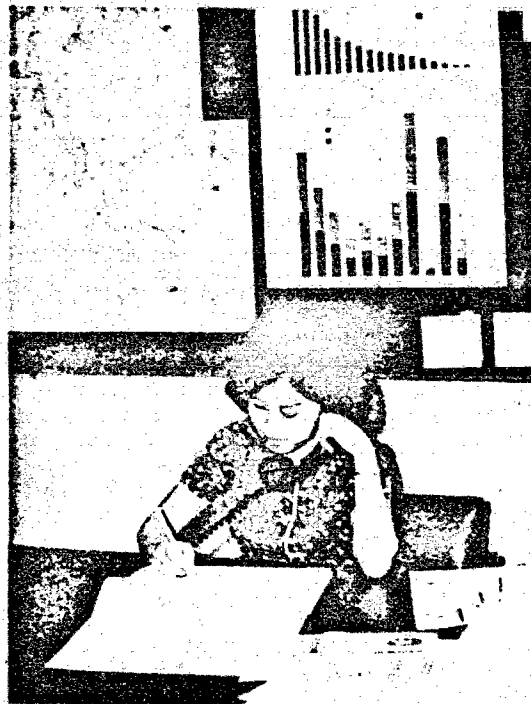


A display of cigarette packages in the office of the account executive for Malayan Tobacco Company in S.H. Benson Advertising Agency.

The birth of an advertising theme or copy is conceived first by the Advertising Co-ordinator in close conjunction with the Sales and Marketing Development people. The advertising theme here means the words and visual presentation of an advertising campaign which are consistent in all media and designed to create a simple brand image. For some international brands the themes are planned in London headquarters. Having all the requirements, objectives

and general details the advertising Co-ordinator will then hold a briefing with S.M. Benson Agency's account executive in charge of Malayan Tobacco Company's account. A contact report or a conference report is taken of the details discussed in the briefing and copies sent to the client. Should the proposed advertisement's size have been first decided then the account executive will instruct the media department (photo 5-18) to book in advance a space in the newspaper or time on the radio or Television

Photo 5-18



The media booking clerk making a media booking in the media department.

or cinema as the case may be. After this an instruction order will then be sent out to the various departments involved and dependent on the size of the job will call a meeting with the creative department in order to give them a verbal briefing. Resultant from this meeting and the instruction sheet, a copy for the advertisement will be produced by the copy department which will then be passed onto the studio for the layout combining the copy and any required illustration. (photo 5-19) This layout is a draft copy of what the actual copy will be like and will be delivered to the account executive for presentation to the client for approval and alterations. The approved copy layout with corrections and suggestions will be sent back to the Studio for the finalised artwork. The next step is for the typographer to recommend suitable type faces for the headline and body copy and if necessary,



a photo of the subject depicted in the layout will be taken. When the photo and the type setting is available the finished artwork will be sent to the client for approval subject to which the finished artwork is delivered to the print production department for block making. The agency does not make the blocks itself as well as other aspect of production work like photography, printing, recording, filming, making and putting up of outdoor materials all of which are specialised jobs in themselves. The volume of business in advertising is not sufficiently high enough at present for the advertising agencies to incorporate such facilities into their structure so such jobs are usually sub-contracted to the suppliers as such industries serving the advertising agencies are called. Hence the making of the block is done by outside blockmakers. Proofs of the block are sent for the client's acceptance pending which the block will be forwarded to the newspaper concerned by the copy/despatch department. The newspaper will hand the Agency further proofs from the plate (photo 5-20) which are intended to confirm receipt of the plate and show the quality of the block in print. If the

Photo 5-19



An artist at work on a advertisement layout for M.T.C. in S.H. Benson.

newspaper proofs are acceptable the agency will then instruct the newspapers to inspect the advertisement on the day booked.

This is a resume of the stages whereby an Malayan Tobacco Company advertisement goes through from its beginning to its execution. This applies to other production work like



Checking a printing plate of  
a Life advertisement in the  
copy/despatch department.

bar posters and bill hoardings except that instead of media bookings the agency have to apply to obtain permits from various town councils or governing bodies to set up the hoardings as required under the various legislations in each state. Sound advertisements work in the same manner but the advertising message is sub-contracted to a specialized and independent sound studio for recording.

For filmlets advertising the Company relies entirely on London-produced materials largely because of the cost advantage. For example, a quality two-minute cinema commercial will cost anywhere between £5,000 and £8,000. At present, there is an arrangement whereby an associated company contributes towards the cost of production of a film based on the expenditure incurred in exposing it. Hence the Associated companies are obtaining high quality materials at a fraction of the cost that would be incurred if they themselves produced this or similar materials to a comparable standard. Locally produced filmlets cost from \$1,500/- to \$8,000/- to produce but the quality cannot match the European productions so from the cost and quality point of view it is better not to produce filmlets locally.

The Advertising Agency charges the company on the cost of the advertisement. For production work like block engraving or the production of a hoarding the agency gets 17.65% of the total cost of the production work from the supplier. When the finished artwork is ready for a bill hoarding, the Agency will call for three quotations for the contract work from the outdoor suppliers. The lowest quotation will be accepted though the Company has the power to reject any quotations taken by the Agency. The Agency thus gets 17.65% of the cost of producing the hoarding from the outdoor suppliers and in this way Malayan Tobacco Company pays no service charges to the Agency which means that the remuneration for the Agency in helping the Company to plan the advertisement is only the 17.65% commission.

However should the Agency conduct some planning and eventually produce an advertisement copy which the Company has decided not to use after all, then a service fee will be charged, the amount depending on the nature and size of the service rendered.

This commission basis is only for production work, and for media bookings the Agency will get 15% discount from the media owners. Such discount will not be given should the Company decide to book direct with the media owners for there is an arrangement whereby media owners will give discount to advertising agencies only. Therefore it saves the Company the trouble and time by booking through an agency.

Besides doing advertising work for Malayan Tobacco Company the agency also carries out a certain amount of market and advertising research. In fact the Agency had done a survey which was co-sponsored by Dunlop, Shell, Malayan Tobacco Company, Nestle and I.C.I. The survey showed that group of people watch the various types of advertising media and at what time and frequency. This is but a general survey on which more detailed research can be based on. If a particular research is too big an assignment for the Agency to handle then it will be done by specialised research organisations like the Far East Research Organisation and Survey Research. The result of these researches are a few voluminous books kept by the Sales Department one of which is titled Media Research where all the relevant information relating to the different media is methodically classified and recorded. Unfortunately it is regarded so confidential that the request to flip through it was refused. Such advertising researches are also instituted by the Marketing Development Department especially when a new brand name is going to be introduced or when package designs are changed like that for Capstan

Medium. The Cathay Advertising Limited submitted in this case to the Company on 11th April 1964 a document entitled "Advertising proposals for the introduction to Malaya of the new Capstan Pack." Below is the marketing brief reproduced:

Marketing Brief:

Advertising Budget....	\$160,000.00
Period	.... 3 months
Timing	.... 1st July 1964
Pack	.... New pack for Tens and Fifties.
Price	.... Unchanged at 35 cents for 10, \$1.85 for 50.

Reason for pack change: - To modernise and rekindle interest in Capstan Virginia Plain cigarettes in the face of increasing market trend towards filter cigarettes and new packs and loss of ground by Capstan to other brands in similar category.

The proposals went on to suggest various advertising strategy and recommendations to be carried out in conjunction with the pack change. This proposal came into the writer's notice accidentally and as some of the suggestions have yet to be instituted it would be indiscreet to quote them much as the writer likes to do so.

This and other kind of advertising researches are being done for the Company by outside organisations and they greatly aid the Advertising Development Department in formulating advertising strategies.

International Campaign\*

Though Malayan Tobacco Company has in conjunction with advertising agencies produced quite a number of advertising materials over the years none the less these are mainly confined to the categories C and below cigarettes. For the category A and B brands the company utilises International Campaigns which are defined as the result of creative material being exposed through international media. (photo 5-21)

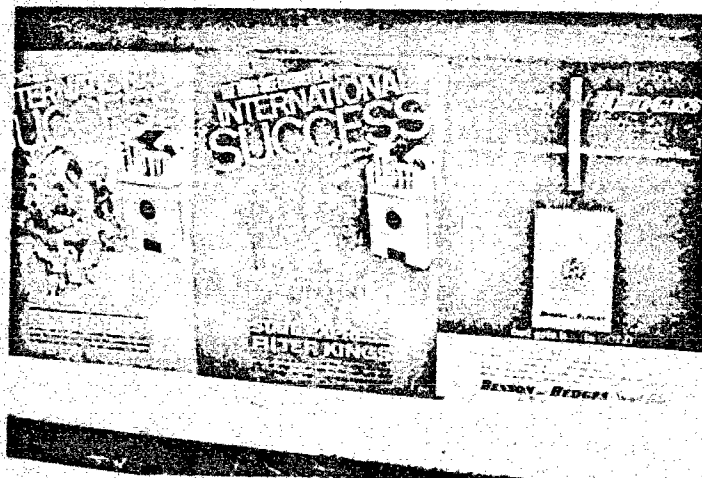
It is also a campaign in which basically similar creative materials are exposed in more than one territory. This can be done in two ways:

- 1) by using international media (Time, Life, Newsweek etc) where the circulation covers more than one region.

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\*British American Tobacco's newsletter.





Examples of International Campaign advertising material printed in the Asia Magazine.

- 11) by exposing basically similar creative material in a number of territories utilising local media facilities.

The advantage of the first method is that prestige international publications can be used which enhance the international prestige image of the brand. The readership quality is high in that the readers are rich and well-educated, top of the market and are possible 'trend-setters'. In small markets like the Borneo States the limited circulation of international magazines gives coverage to potential smokers where a local campaign cannot be justified on grounds of insufficient consumers. The disadvantage lies in the fact that it is very difficult to coordinate international campaigns with local campaigns at difficult times of the year, and there is always the possibility that the local copy platforms may be different from those of the international campaigns. Another disadvantage is that since a large number of cigarette brands are advertised in these international magazines, it is difficult to achieve a reasonable impact for one brand by taking a small number of insertions per year. It is also extremely difficult to obtain positions, cover positions being impossible to book unless the full editions of the publications are used.

For the second method the creative material made available by London is placed in local media by the advertising department of the associated company.

Uniformity is one benefit derived from international campaigns. This uniformity is desirable for international brands and can be obtained when local campaigns for brands concerned are related without any radical change of copy platform to the international campaign. Another important aspect is the cost advantage mentioned earlier. If individual campaigns are to be tailor made for each specific market the cost would be fantastically high. Reproduction is a third advantage for the quality of material originating from London can be expected to be of a higher standard than that which can be expected in local markets.

When an British American Tobacco Association Company like Malayan Tobacco Company decides to market an international brand, it is taking not only the product itself in terms of packaging, name, blend, physical characteristics etc but it is also taking the image of the brand which inevitably is part of the product. In the licensing agreement which Malayan Tobacco Company signs with British American Tobacco when marketing an international brand, there is a clause stipulating that "before advertising the said good in whatever manner, the User shall first submit proofs of any advertising matter to the proprietor for its approval and the User shall not display an advertisement of any nature in respect of the said goods until the Proprietor has given written consent with regard to it to the User". Since Malayan Tobacco Company is buying the image as part of the product, it must also buy the advertising which to a great creates the image in the first place. If Malayan Tobacco Company wishes to opt out of one particular aspect of an international brand, be it name, pack, blend or advertising then it can be said that the local market requires not an international brand at all, but a local or national brand which can be developed precisely to the market's need. This last fact is an important reason for Malayan Tobacco Company using international campaigns, though all in all it stands to gain because of the advantages of such a system of advertising.

## CHAPTER VI

### MALAYAN TOBACCO COMPANY SALES PROMOTION PRACTICES\*

The Malayan Tobacco Company defines Sales Promotion as the methods used to convert consumers from one product to another, and to confirm present consumers of a product in their choice.

Sales promotion is concerned with the creation, application and dissemination of materials and techniques that supplement advertising and personal selling. Its purpose is to increase the desire of salesmen, distributors and dealers to sell a certain brand and to make consumers more eager to buy that brand. Sales promotion provide extra stimulus to the effects of advertising and personal selling. The company's sales promotion makes use of samples, window displays and trade shows. Since many of the techniques of sales promotion are specialized applications of personal selling and advertising there may be some overlapping.

#### Cigarette Sampling

To begin with, cigarette sampling will be discussed. The Malayan Tobacco Company have many cigarette sampling where sticks of cigarettes of a particular brand are given out free by the Company's receptionists to guests at social functions. In the Public Relations Department there are five receptionists who work under the Public Relation Officer. (Here again there is no clear cut division between Publicity and Sales Promotion). These girls in the day time works as receptionists in the Malayan Tobacco Company office in Sungei Besi but should there be any social functions at night then they may be required to sample cigarettes at such functions. These girls are paid an overtime allowance of \$30/- each time they do such sampling duties. Normally the functions would include notable weddings, charitable dances, cocktail parties and dinners. On Saturday 16th April 1966 a Malay executive of Malayan Tobacco Company attached to the Kelantan Leaf Station got married to the daughter of a departmental head of Television Malaysia. At night a dinner was given and two sampling girls were

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\*For the working of Sales Promotion refer to The Dartnell Sales Promotion Handbook, Dartnell Corporation, Chicago 1964, and

W.J. Stanton and R.H. Buskirk, "Management of the Sales Force", Richard D. Irwin, Illinois 1959, Part 4.

present with six cartons of Benson & Hedges 20s and Benson & Hedges match boxes. The girls were smartly attired in the Company's uniforms of white kebaya and blue sarong. They were present a bit earlier whereby they started to arrange open packets of the cigarettes and matches on the various tables. (photo 6-1) When the function started they went round

Photo 6-1



Arranging of Benson & Hedges cigarettes and cardboard ash-tray at a wedding dinner.

with a silver tray each (see photo 6-2) on which were arranged five open packets of Benson & Hedges. The cigarettes were offered to the guests with the girls helping to light the cigarettes with a Ronson Lighter (photo 6-3). At regular intervals the girls mixed with the guest offering the cigarette. They did not sell any cigarettes but should one or two guests wanted to buy them then they would be given a packet of cigarettes free. The number of girls and cartons of cigarettes sampled will depend on the functions. For example two girls were present to sample cigarettes after the conclusion of the H.M.S. Trophy Rugby Match on January 8th 1966 where 6 cartons of Filter Kings 555 were sampled. On this occasion cigarettes were sold during the match and sampling was done during the dinner. The sampling was arranged by the Task Force Manager. On 29th January, 1966 no girls were sent for sampling work at the Federation Military College Sergeant's Mess Hari Raya and Chinese New Year Dance though 6 cartons of Benson & Hedges were sampled by a salesman. The Indian National Day celebrations held at the Indian Embassy had two girls sampling 7 cartons of Benson & Hedges.



Photo 6-2



Two M.T.C. receptionists  
doing sampling work at  
a wedding. Note the  
silver tray.

Photo 6-3



A guest at a wedding dinner  
having his Benson & Hedges  
cigarette being lighted  
by a sampling girl.

Such sampling of cigarettes do not give a competition smoker a real chance of evaluating the cigarettes as a few sticks of cigarettes smoked between interval for one night are insufficient to let a person appreciate the flavour and taste of the sampled cigarettes but the people usually do notice the girls and incidentally the cigarettes' name and this projected an image of 'bigness' as the guests will unconsciously realise that it costs a lot to provide free cigarettes and girls at the function. The cost of sampling for the Indian National Day dinner was \$123.63 and that for the Sergeants' Mess dance was \$54.54. These figures include the overtime allowances of the girls or salesmen present.

### Sales Promotion Man

In relation to this post there is a salesman in the sales department whose official designation is Promotion Man whose duty is to be a man about town and collecting information of coming social functions whereby it is possible for Malayan Tobacco Company to promote its brands. He also gives out giveaways and gifts to his numerous friends whom in his opinion are in a position to use the giveaways with the best advantages, for example, giving Lucky Strike drip mats to a Malay announcer with Radio Malaysia who will then distribute them among his office-mates thus indirectly advertising the brand. When the New Paris night club (formerly the Cosmos Club) held a cocktail party on the official opening day on May 7th 1966 Malayan Tobacco Company was there sampling cigarettes. This was due to the fact that the Promotion Man knows the proprietor and had reserved the sampling rights long before the renovations were carried out.

As Sales Promotion is more or less a cross between advertising and personal selling it is very difficult to discuss Sales Promotion without overlapping on advertising or personal selling but one Sales Promotion technique that is clearly defined from the other two is the Pacemaker method.

### Pacemaker

Every community, big or small, has its group of 'leaders' in all phases of community life and in all income groups. The pacemakers (variously known as 'opinion leaders' and 'ambassadors') are those unofficially accepted leaders of opinion or fashion within their own community. Who they are will depend on the stratum or sector of society to which they belong. They may be bank manager or doctors; actors or presidents of unions, foremen, charge hands or section heads, (appropriate brand) sporting personalities, teachers, towkays and so forth. Whatever their precise job, the important thing is they will have influence among those they meet in daily life. Their job as pacemakers is to promote

a particular brand among those they meet in everyday life. Those chosen for a particular brand should, of course be selected in relation to the sector at which that brand is aimed.

Apart from the obvious advantage of ensuring a wider representation amongst consumers, the pacemaker starts with two very important factors in his favour.

i) His (or her) 'promotion' is usually carried out in an atmosphere of relaxed discussion and informality.

ii) His (or her) recommendation, as disinterested third parties, is frequently more effective than that of the Malayan Tobacco Company's sales staff.

The pacemaker unconsciously accomplish his 'objective' by setting an example. It follows therefore that he (or she) must or become a confined smoker of the brand being promoted. To assist the pacemaker it is necessary to supply samples, which should not be excessive as there is the risk that the pacemaker may give packets away, especially to his friends explaining that they are free samples. This would reduce the value of the pacemaker's efforts by suggesting a motive for smoking the brand other than that of personal preference.

A pacemaker is effectively and conveniently selected from amongst the friends of the Company's personnel - covering all walks of life and a wide range of income groups. In some instances, it may be necessary to cultivate friendship with selected persons with the sole objective of enrolling them as pacemakers. This latter method requires tact and patience if it is to be fruitful. The selection of a pacemaker is done carefully for a wrong choice can do a brand more harm than good. It is also very necessary that the individual selected is discreet so as not to disclose that he (or she) is working on behalf of the Company. The main difficulty encountered is the correct selection of pacemakers and in assessing their usefulness to an overall sales effort. It has been decided at the time being to confine pacemakers to two brands only, namely Benson & Hedges Special Filter and Life both of which are under active campaign. Below is a revised pacemaker targets for the different states:(refer to Table 6-1)

TABLE 6-1

## PACEMAKER TARGETS FOR THE DIFFERENT STATES

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States (1)	Benson & Hedges Special Filter 20s Number (2)	Life 20s Number (3)
Penang/Kedah	12	12
North Perak/P.Wellesley	5	10
South Perak	10	12
East Coast	5	8
Selangor	20	15
Malacca/Negri Sembilan	8	10
Johore	10	12
Pahang	5	6
Malayan Total	75	85

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Public Relations\*

The subject of Public Relations (appendix 6-1) will be treated under the same heading as Sales Promotion. Publicity though important as a vehicle of promotion is best treated here as it can be classified as a form of Sales Promotion in that publicity disseminated by a firm is a form of promotional effort that seeks to make potential buyers aware of a product and to develop a favourable attitude towards that product. It may take the form of Company news releases, public appearances of Company officials, and sponsorship of sporting events. It is distinct from personal selling and advertising in that it can be less easily controlled. Thus, a news release may be sent to newspapers and magazines but these may not be published.

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\*Readings on the intricacies of Public Relations can be referred to C.S. Steinberg, "The Mass Communicators", Harper & Brothers, New York 1958, and

J.E. Marston, "The Nature of Public Relations", McGraw-Hill, New York, 1963.



## Sponsorship of Sports Events

Publicity through sponsorships of sport events or tournaments is one of the important publicity media used by Malayan Tobacco Company. Currently it is sponsoring a Pestabola with Singapore Tobacco Company (see appendix 6-2) The Pestabola is a series of ten football games between the Asian All Stars, Fulham and Sheffield Wednesday held in different towns of Malaysia. The football players are gathered here from England and other Asian countries by Malayan Tobacco Company and Singapore Tobacco Company both of which contributed to underwrite tour expenses of the event which is \$280,000.00. Malayan Tobacco Company had also brought out a famous cricket team to play in Malaysia and for the past few years had been one of the co-sponsors of the Malayan Open Golf Tournament.

The 1964 Malayan Open Golf Tournament (11-15 March) was co-sponsored by Dunlop Malayan Industries, the Straits Times Press, Shell Malaysia Limited and Malayan Tobacco Company Limited.

For this tournament Malayan Tobacco Company carried out a number of promotional activities which though mainly were advertising activities could as a whole still be termed as a publicity event.

Photo 6-4



A poster showing a M.T.C.-  
sponsored Golf Tournament.

Briefly the following are the promotional events carried out by Malayan Tobacco Company during the tournament. (This does not include the efforts of other Sponsors):-

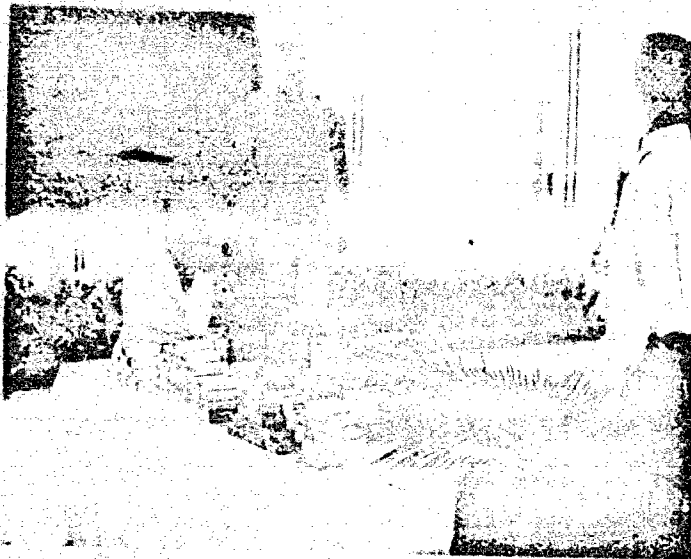
a) On Course Advertising

- 1) Supply of caddies' shirts and caps - 555 Filter Kings motif.
- ii) Supply of number cloths for tying on all competitors' golf bags - 555 Filter Kings colours.
- iii) Provision of 100 spectator control stakes carrying 555 Filter Kings metal flags.
- iv) Supply of eight banners (two large ones - 50 feet in length) - 555 Filter Kings motif and bearing the "Cigarette of International Success" theme.
- v) Supply of 40 crowd control "Keep quiet" signs for use by Stewards at critical moments of play - 555 Filter Kings colours and wordings.
- vi) Provision of 20 "Out of Bounds" stakes with Malayan Tobacco Company symbol.
- vii) Provision of 36 pyramid shaped tee markers with 555 Filter Kings advertising.
- viii) Supply of 9 direction indicators (Practice Area, First Tee etc.) with 555 Filter Kings.
- ix) The provision of 4 cigarette kiosks, of umbrella design, selling a comprehensive range of Malayan Tobacco Company brands. (see photo 6-5)

b) Sundry Advertising Activities.

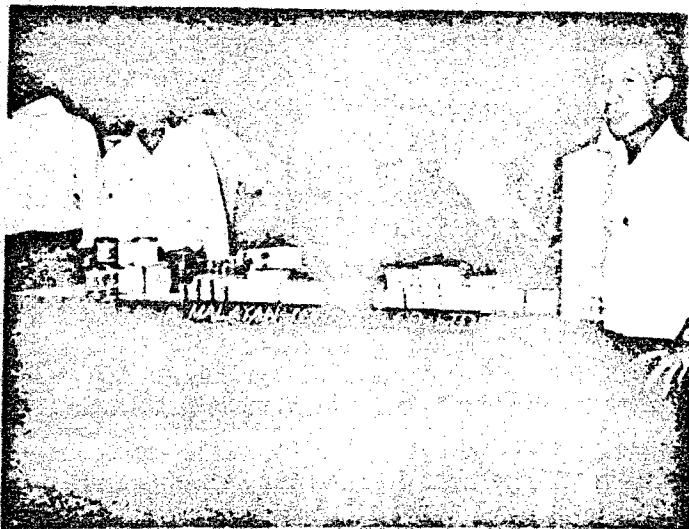
- i) Supply of all entrance tickets, on the reverse side of which will be printed the 555 Filter Kings packet facsimile and "Cigarette of International Success" theme. This was an excellent advertising platform, since all spectators were obliged to wear their tickets on every day of play.
- ii) Provision of six road banners in conjunction with the other three sponsors.

Photo 6-5



M.T.C. kiosk selling cigarettes  
at the Golf Tournament.

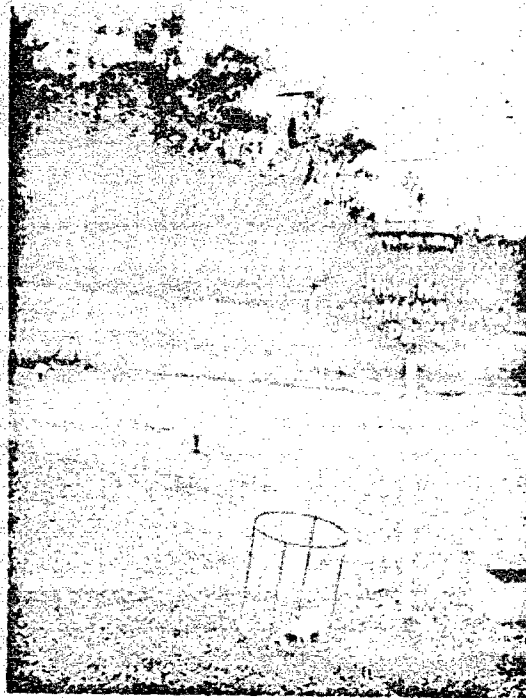
Photo 6-6



A similar kiosk selling at  
the Turf Club in Kuala Lumpur.

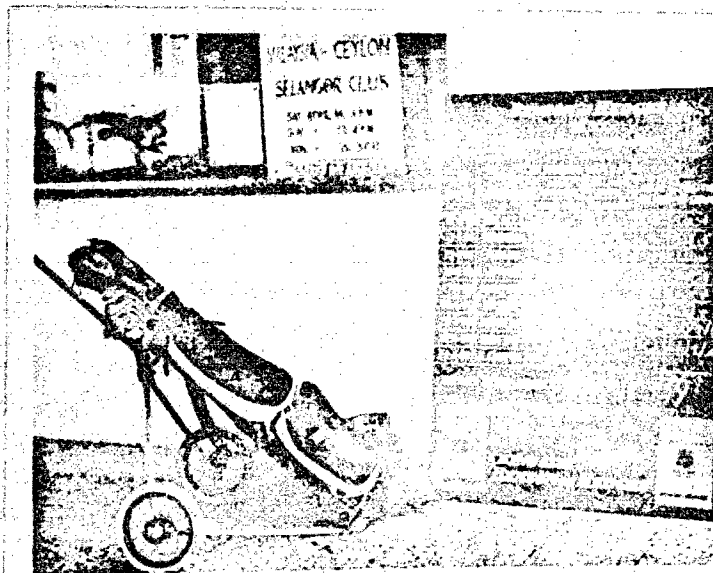
- 111) Press insertion on day following championship. A half page insertion appeared in the national press on the day following the championships carrying a congratulatory message to the winner and incorporating a standard 555 Filter Kings advertisement.

Photo 6-7



One of the Benson & Hedges promotional gimmicks at the Golf Tournament.

Photo 6-8



Promotion at work through Sports.



o) Other Promotional Activities.

- i) Six vehicles were made permanently available to the Golf Club from the moment of arrival of the competitors to their departure at the end of the championships. They were much appreciated by both officials and competitors. and when not in use provided a striking line-up directly in front of the main club House.
- ii) The Company provided the first five prizes in the Pro-Amateur Tournament comprising a silver cigarette box and silver cigarette case and three silver ash trays all suitably engraved.
- iii) Welcoming letter (appendix 6-3) accompanied by a carton of 555 Filter Kings were sent to all competitors and a congratulatory letter (appendix 6-4) and a carton of 555 Filter Kings to those Amateurs selected to play in the Pro-Amateur Tournament.
- iv) Three girls were on hand to sample at the cocktail party held by the Golf Club to welcome competitors on their arrival. The services of the three girls were much appreciated by the club and exclusive representation was given to Malayan Tobacco Company's brands.
- v) Each ticket holder, on entry to the main Club House was presented with a complimentary packet of 555 Filter Kings 10s by the salesgirls who in addition assisted in the operation of the cigarette kiosks.
- vi) Six members of the Task Force were made available for the duration of the Tournament.

The 1964 Golf Champions proved to be a great success with an estimated 6,000 people attending during the five days of play. Undoubtedly the ever increasing popularity of Golf in Malaya has been inspired by the great interest in this sport that is shown by both leading politicians and national figures of importance. In terms, therefore of the national prestige and importance that has and is likely to centre on this annual sporting fixture the Company's sponsorship appear well merited. However the real value of the expenditure (see appendix 6-5) this year cannot be measured in terms of the promotion of a single brand, particularly as this is the third successive year that the brand 555 Filter Kings has been selected, but more in relation to the Company's 'image' in the public eye.

After the 1964 tournament it was suggested that the promotion of 555 Filter Kings should be abandoned and that such activities be concentrated on Benson & Hedges Filter instead. The Company felt that as Benson & Hedges was then their prestige brand and thus should be used in conjunction with a sporting fixture attracting such eminent support and active participation. Hence for the 1965 and 1966 Malayan Open Tournament the brand promoted was Benson & Hedges Special Filter and the photographs showed the brand being advertised in some of the ways mentioned earlier at this year's tournament.

Photo 6-9



The start of a Golf Exhibition  
Match sponsored by M. T. C.

Recently the Malaysian Film Unit in conjunction with the Ministry of Commerce and Industry finished filming a film titled "Portrait of Prosperity", costing \$60,000.00 which is sponsored by the Company. (see appendix 6-6) The film is in colour and gives a documentary look at the industrial progress of the country (including Singapore) by showing a tour around the various factories and estates. The Malayan Tobacco Company factory was one of the factories featured. The technicalities of the film shooting was done by the Malaysian Film Unit and the Malayan Tobacco Company foot the bill. A small press release was printed in the Straits Times about the film which will also be despatched to Malaysian missions abroad for showing in order to attract foreign capital.

#### Factory Tours

Goodwill publicity is also done through the arrangements of factory tours for members of the public. Members of the public including contacts called upon by the salesmen doing Consumer Contact work are invited to see for themselves how

Photo 6-10



Mr. Lu Liang-Hsien, 1966 Formosan Champion and  
1965 Philippines Champion, teeing off.

Photo 6-11



Ross Newdick, 1966 New Zealand and Singapore  
Champion, teeing off.

cigarettes are made. At one time there was a rumour circulating that papaya leaves and small pieces of wood are put into the process of manufacturing cigarettes by the Company. This was what made the Company decide to open the factory to the public so that they can see for themselves and be impressed by the modern set up of the factory. Previously printed cards are given to respondents contacted by the salesmen on which it is printed:-

The Directors of  
Malayan Tobacco Co. Ltd.,  
Cordially invites

Mr./Mrs./Miss \_\_\_\_\_

to visit their modern factory at Jalan  
Sungei Besi.

Please confirm this invitation by completing  
the attached slip and sending it to the  
Company at least 48 hours before you wish  
to make a visit.

These cards are postage free, the postage being paid by the Company but now the Company has stopped printing such cards as an economy measure and the invitation is simply verbal giving the telephone number and address to contact the Publicity Officer and arranging with him the visit. In this way sales propaganda is achieved.

Any visitors to the factory will be conducted round by the receptionists who will give a commentary on the different stages of cigarette manufacturing. After the tour the guests will be taken to the canteen for tea and presented with a packet of Gold Leaf 10s. In this way the guests are induced to look upon the Company in a favourable manner.



## CHAPTER VII

### MALAYAN TOBACCO COMPANY PERSONAL SELLING PRACTICES

The task of effectively stimulating demand through the appropriate direction and allocation of personal selling effort is clearly one of the Marketing Manager's responsibilities. In the Malayan Tobacco Company this function is both carried out by the Marketing Development Department and the Sales Department.

Personal selling is termed as Consumer Contact which is defined as the seeking of consumers of a competitive product with the view to obtaining information about them and the product they smoke and/or with a view of converting them to a product of your own. It can be also to confirm own consumers in their choice of your product. The elements that are found in any personal selling jobs are found here. These elements represent what can be called the steps of a sale and include:

- i) Making the Contact.
- ii) The presentation.
- iii) Handling Objections.
- iv) Closing.
- v) Following-up.

#### Consumer Contact

Malayan Tobacco Company is one of the first companies to start Consumer Contact operations in the British American Tobacco Group and it was first started as a pilot scheme in a few major town centres like Ipoh, Kuala Lumpur, Malacca and along the western coastal areas. Consumer Contact is now being carried out intensively in more and more areas as it seems that the result of the pilot scheme justified the extension to a national basis.

It has been emphasised by the sales Manager that Consumer Contact is being done by everyone connected with the Company from the directors down to the distributors but mainly it is being done by the Company's salesmen and the Task Force boys.

The Task Force was started on May 1st 1963 with only two salesmen and gradually increasing to five members. The basic nucleus of the Force is five or six salesmen but at times this number may be increased with the attachment of territorial salesmen to the Task Force for six week training. The Task Force is under the control of the Marketing Development Manager and has a Senior Task Force Representative and a head salesman.

The personal selling done by the territorial and Task Force salesmen are the same except that the territorial salesmen do Consumer Contact in their own assigned territories but the Task Force boys are sent throughout Malaya to do Consumer Contact work.

Two periods where actual Consumer Contact work were done will be referred to during the remainder of the discussion. The first period was from the 4th to 8th April 1966 in Klang and the other from 25th to 29th April 1966 in Malacca. All these cases can be seen in appendix 7-1.

The first step in Consumer Contact is collection of names of competition smokers (Rothmans). These names are collected by distributors, their salesmen and the Company's salesmen from places like clubs registers, coffee shops, parties and commercial houses. In places like banks, government offices and clubs, the salesmen will discreetly asked the barboys, office boys and peons as to who are the smokers and what they smoke. They also approach the secretaries like in the University of Malaya where such names are obtained through the departmental secretaries though there is a difficulty in finding out the brands smoked by the lecturers.

After obtaining the names, occupations and addresses of Rothmans smokers, the details are recorded in the Consumer Contact cards (appendix 7-2) which are arranged systematically according to office area and occupations. When there is a sufficient number of names to last a week then they are forwarded to the salesmen who would then contact these people. However names of directors of companies or other V.I.P. are not given to the salesmen. Instead they are the responsibility of the company's directors, managers and sales representatives. This is to ensure that there is a chance of successful contact because a busy director would be less likely to entertain a salesman and hear his sales story than he would be a fellow director or somebody of his own status.

One defect of Consumer Contact is initiated at this early stage of name collecting for many mistakes are made here. It is not common to discover after hours of hunting down a name to find that he is not a smoker at all or that he is smoking the Company's brands or a pipe smoker. Occasionally the names turn out to be fictitious. This would mean a wastage of labour and money. Referring to the Consumer Contact report for Klang (4th to 8th April 1966) there were four such cases of wrong information out of 13 names, namely Dr. Mohd Yusoff (smoke Senior Service), Dr. Leong Yoke Meng (non-smoker), Mr. B. C. Riches (pipe), Dr. R. Kozusnick (non-smoker). In Malacca (25th to 29th April 1966) there were two fictitious names (Mr. Jimmy Yan

and Mr. Charlie Fong) out of 17 names. There are also incidents where a same contact's name have been given a few times. Such errors can occur in many ways some of which are outside the control of those getting the names. It can be that the people supplying the information are misinformed or mistaken like the barboys and peons or the inefficiencies of the salesmen or mistaken identities.

Another defect of Consumer Contact is that apart from wrong informations given there are also names that are not contactable like those on leave and gone overseas. In Klang, Dr. Viswalingam and Mr. G.S. Bager were not contacted because the former was in Petaling Jaya Assunta hospital and was home only late at night and the latter on leave. In Malacca where there were a lot of names connected with the armed services the number of unsuccessful contacts was even higher. Looking through the Consumer Contact report seven such cases can be seen of such people being away on military duties or exercises in other parts of Malaysia.

The next step when the salesmen managed to contact the people is the approach. The official directive and selling story to the salesman is reproduced here:-

**Personal Consumer Contact - FIRST VISIT.<sup>1</sup>**

Good morning, my name is \_\_\_\_\_ from the Malayan Tobacco Company, Kuala Lumpur. We are conducting a smoking survey, and I would like to ask you a few questions.

- i) Do you smoke?
- ii) Have you seen or heard any cigarette advertising during the past few days?
- iii) What do you look for in a cigarette?

N.B. It is essential to get the Consumer talking here. Does he look for a mild, medium or strong cigarette; a filter; a refreshing or cooling cigarette; King, long or regular size; blended or Virginia and so on.

Record the words he uses to describe what he looks for in a cigarette.

During his answer, he may state the name of his present brand; make a mental note of it. Avoid asking his present brand unless absolutely necessary.

Once you know his brand, continue with questions.

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<sup>1</sup>Malayan Tobacco Company's Instruction Manual to the Task Force and Territorial Salesmen.

- iv) How long have you been smoking that brand?
- v) Have you tried any other brands similar to your present brand?
- vi) What did you smoke before?
- vii) Would you mind telling me why you changed?
- viii) Approximately how many cigarettes do you smoke per day?
- ix) How do you usually buy your cigarettes? Loose? Packets? 10/20s?
- x) From where do you usually buy your cigarettes?
- xi) Does your wife/husband smoke?

You now have all the necessary facts about this consumer to start converting him to one of our own brands.

Decide on the brand you are going to convert him to and then:

- 1st - Summarise the points that he looks for in a cigarette - using his own words.
- 2nd - Continue with "from what you have told me...." and present him with our brand to him. Follow the selling story but varying it where necessary so that you can use his words given in his answer to question iii.
- 3rd - After the selling proposition, finish by saying: "\_\_\_\_\_ cigarettes are available in \_\_\_\_\_ (or "the type of retailers") where you buy your cigarettes and I would like you to buy \_\_\_\_\_ when you have smoked these complimentary cigarettes. I will return in a few days' time to ensure that you have found that \_\_\_\_\_ suit your taste".

Consumer Story - 2nd visit.

Good morning, remember me sir, the man that offered you the opportunity to get more out of Life?

I am sure you appreciated the fuller flavour and get milder smoke of Life King Size Filter cigarettes.

If the answer is yes, continue:

I thought you would, because several other experienced smokers have already told me that Life suits their taste ideally. It is the blend, you know, that makes it. The four tobaccos of Burley, Virginia, Maryland and Turkish are all extra aged to their peak of mildness. And look at this packet, (here hold up pack and show to consumer) Life's pack is really attractive and smart, isn't it? Designed by Johnny Gianoto of New York, generally considered as the top package designer of the U.S.A. He does a lot of work for Brown and Williamson.



And these three tobacco leaves here that is Brown and Williamson crest and the motto in Latin "Life is Great" - "Vita Magna Est". Life is certainly great with Life King Size Filter cigarettes.

There is something else about Life cigarettes you have noticed the full flavoured aroma; it really gives you total smoking satisfaction. If you walk into a room full of Virginia smokers, they will immediately notice the wonderful Life aroma. Makes them really envious, and they all want to know what you smoking; in fact, I have made a lot of supporters in that way.

You have now smoked three complimentary packets and found that Life is wonderful. I would like you to get more out of Life by offering you the opportunity to buy a carton at \$9/-; I'll present you with two free packets; this cannot be repeated and is given now as a special introductory offer to you, and in appreciation of your assistance.

Thank you, Life is great, hope to see you again!

N.B. The forgoing provides you with additional selling proposition and you can bring these into your story to dissatisfied consumers. I cannot possibly predict all likely consumers' comments, but I list a few and your answers below:

These may all come up in reply to question 1.

Consumer: "Yes, but I found them a bit strong."  
(Virginia smokers)

Answer: "Ah! What you have discovered is Life's different flavour. Not strength sir, but flavour and taste. Life's extra aged tobaccos give you a flavour-full but mild smoke. And if you had carried on smoking Life, you would have found them even milder - true?"

Then continue on the lines of blend of four extra-aged tobaccos, beautiful package, wonder aroma and conclude with a carton sale.

Consumer: "Yes, but I found them harsh"

Answer: Same answer but substitute harshness for strength.

Consumer: "I just don't like blended cigarettes. I prefer the good old English cigarettes."

Answer: As you know, English-type cigarettes are almost entirely made from Bright Virginia tobacco. This means they have flavour only. They do not have the other important features: slow-burning, full body and pleasant aroma. They cannot, of course, because English-type cigarettes are mainly made from just one type of tobacco. But Life cigarettes are made from Burley tobacco which gives body; Virginia tobacco which gives outstanding flavour,



Maryland which gives extra firmness and finally Turkish which is responsible for the wonderful aroma. Continue on lines that Life is a mild, yet full-flavoured smoke. Mild because tobaccos are extra-aged to their peak of mildness, extra length and efficient filter.

Consumer: "I like them but I just cannot get them".

Answer: "That will be corrected right now. Where do you normally buy your cigarettes sir?" (If outlet is a reasonable outlet for a 90 cents brand and a 20s only pack, then state that the brand will be placed there for him. If outlet is unreasonable, then offer direct supply).

Consumer: "I like the cigarettes but I don't like the soft packings; I prefer the hard box".

Answer: "Yes, sir, but the soft cup is more convenient, less bulky. The packet gets smaller as you smoke.

The above is the selling story for the Life cigarettes and included are also a few pointers to salesmen to answering questions which are most likely to encounter. Though the sales story and approach have been nicely written out in practice it has been found that the salesmen more often than not produce their own variations which in most cases are much shorter for in reality the salesmen are not given so much time to complete the sales story. Most of the contacts are done in offices with professional people who are rather busy people as a whole so though the sales story may be ideal from a theoretical and psychological point of view it is may not be so from the practical view point. Thus the poor salesmen who have to do almost everything to please everybody have to compromise and present a summarised precise of what they think is necessary to make a sale. Here the success of the Consumer Contact hinges partly on the salesmens' ability and judgement to say what is necessary in the short time given and in many cases the salesmen are just not trained in such things. Some salesmen said that they are doing a sampling survey of cigarettes and would like the person's opinion and others gave the impression that Consumer Contact is a sales campaign to boost particular brand while still others did not mention anything at all but just say plainly that they are selling cigarettes.

On the first visit the salesmen would give three packets of the cigarettes campaigned to the potential consumer after the initial approach, but for directors five packets may be given and for clerks sometimes only two are given, so

the number of packets may range from one to five depending on the status and smoking habit of the contact. Apparently there would be no point giving three packets to a person who tells the salesman that he smokes only one stick a day or more at all like Dr. Chan Yuet Loon of Klang.

Failure comes in the second call when the contacts complained truthfully or otherwise that their throats develop phlegm when they smoke the cigarettes or that it is too harsh or too hot. (Mrs. Camehan and Mr. Siow Goh Boo) Sometimes when they say that they like the cigarettes it can be observed that they are not sincere about it and still prefers Rothmans. This means that such people are "wash-out" and there is no possibility of persuading them to buy a carton of the cigarettes and that the samples are more or less wasted. Some like Mrs. Saunder of Malacca were not in a position to buy even though they have no objections to the cigarettes. Then there are smokers like Captain Bassan and Zakaria bin Abu Roaf of Klang who do not like to stick to a particular brand.

For those who are likely to buy cigarettes the salesmen will either offer the carton at an introductory offer of \$9.10 instead of the usual \$10.00 or they may attract a sale by selling at \$10.00 and offering three packets free, and some selling at \$9.10 with two packets free, each variations depending on the individual salesman and the particular contact. Some prefer to sell at \$10.00 because there are instances where the retailers got to know about their selling at \$9.10 and complained that the Company was trying to undercut their sales with lower prices and directly selling to the customers.

Referring to the Consumer Contact report for Malacca it will be noted that out of a total of 17 names, 10 are abortive calls, 1 doubtful, 2 converts and only 4 are classified as converted thus the success of one week's work amount to only 23.5% which hardly justifies the cost which amounted to \$680/- for the whole operation taking into account salesmens' salary, outstation allowances, van maintenance and petrol for the five days.

In Klang which is a different market from Malacca, out of a total of 13 names, 7 are abortive calls, 1 doubtful, 2 non-converts and only 3 converted which gives a 23.7% success which is only slightly higher than that for Malacca. The cost here is \$520/p.

Thus on the whole, combining the two weeks' Consumer Contact work the success percentage is only 23.3% which is less than a quarter at a total cost of \$1,200/-. Though there are other salesmen doing the same job in the same place

at the same time their figures did not vary much from the reports shown.

The Malayan Tobacco Company had spent \$1,200/- two weeks' and a lot of effort to get seven converts to Benson & Hedges. In the opinion of the Sales Manager this is worth the effort, time and expense and plans are under way to do Consumer Contact throughout the country.

## CHAPTER VIII

### APPRAISAL AND CONCLUSION

In any organisation, system or practice, appraisal is necessary and valuable to act as a means of evaluating performance. Any evaluation carried out must be based on results whereupon it can be ascertained as to how far the desired objectives are achieved. In this case such an appraisal is very difficult as so many abstract variables are involved in shaping the result from the performance of the various promotional activities executed. Here the result can be sales figure, increase in market share and Company's and brands' images in the public eye.

Though no sales figures are obtainable it is a fact that Rothmans King Size far outsell that of Benson & Hedges Special Filter the brand which Malayan Tobacco Company has put up to compete against Rothmans. True, Player's Gold Leaf and Rough Rider are top sellers but this does not mean that the Malayan Tobacco Company's promotion for these brands are good as the competitors has no similar cigarettes in this category so no comparison could be made. For Rough Rider and to a certain extent, Gold Leaf, they are cigarettes which sell by themselves thus such brands cannot be used in the evaluation of the Company's promotional activities particularly so when gauging its effectiveness as against that of another rival company.

The promotional efforts of Rothmans especially on the advertising front are so intensive and effective that in the market for King Size Filter cigarettes, Rothmans is riding high on the crest of popularity. The smoking public is so indoctrinated with the Rothmans' advertisements that when a consumer asks for a King size cigarettes he will most probably be handed a pack of Rothmans. The significance here is that King size has nothing to do with any brand name at all; it is just the cigarette trade classification for certain cigarettes of the length of 83-87 millimetres\*. This is identical to people thinking about a Mini-Minor when talking about small cars. This ability to connect the brand name Rothmans to the term 'king size' is a concrete result of Rothmans' advertisements even though allowing for the fact that the cigarette is called Rothmans King Size. Malayan Tobacco Company's Benson & Hedges Special Filter cigarettes does not possess this favourable brand-cigarette connotation.

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\*For small cigarettes the length is less than 68 mm, regular is 68 to 74 mm and for long size it is 78 to 82 mm.



As far as the public image of the Company is concerned the name Malayan Tobacco Company is nowhere as compared with that of Rothmans. Though Malayan Tobacco Company is a much bigger organisation and has a much bigger factory than Rothmans, 75% of the public has the idea that Rothmans is the giant and Malayan Tobacco Company the baby when it should be the other way round<sup>1</sup>. A look at the telephone directory would show the difference between the two companies. Thanks to the constant, frequent and bigness of Rothmans' advertisements, this image of 'King size' operations persist in the public mind at the expense of Malayan Tobacco Company.

Though both Rothmans and Benson & Hedges are identical cigarettes in terms of price and quality, Rothmans managed to have an edge on Benson & Hedges in the promotional areas. Rothmans has achieved much more 'reputation' sophistication and snob appeal than Benson & Hedges. However all this while it must be borne in mind that Rothmans has the advantage of being in the market a couple of years before Benson & Hedges.

Rothmans' great success in the promotional field is due in no small measure to its ability to act quickly and effectively. Here it is helped indirectly by the fact that its main rival is of a very cautious and conservative nature; testing three steps for every one step taken. The Malayan Tobacco Company lacked the apparent dynamic and vitalic quality of Rothmans which seems to grab at every opportunity possible in promoting its brands. A few examples can point this out. Both Malayan Tobacco Company and Rothmans sent their sales staff to the Outward Bound School for training but Malayan Tobacco Company did it quietly whereas Rothmans issued press release announcing the training of their sales staff at the Outward Bound. It also grabs the opportunity of having joint advertisements with the Ford Company when it purchased Ford Cortinas, splashing the news in the papers but Malayan Tobacco Company though it purchases numerous Morris Mini Travellers and Vauxhall station wagons never have such advertisement stunts. Great pomp and glory were in the press advertisement of Rothmans when it advertised for sales representative from successful Senior Cambridge Candidates in March 1966 announcing that Rothmans was progressing with the nation and requires ~~xx~~ young Malaysians in its organisation. Such advertisements over a few years cannot help but create a disproportionate size of the Company in the minds of the general public. During the King's recent installation celebrations Rothmans sent in a decorated float

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<sup>1</sup>Estimated from interviews with Malayan Tobacco Company's sales staff.



entry for the float procession and was awarded first prize for the float. Malayan Tobacco Company was not even represented. The public audience at that occasion was tremendous and yet Malayan Tobacco Company had allowed its rival to get away without any opposition at all.

In those functions that Malayan Tobacco Company does embark on, it seems to have a feminine modesty and shyness about such things. The press release about the film "Portrait to Prosperity" was only 4½" x 1.8" in the Straits Times. The Rothmans' press release on Outward Bound training was much bigger than this. Of course it is the choice of the press media to insert the size of press release but Malayan Tobacco Company could have done better in some round about way as it has some such business dealings with the press media. This difference in press releases could be the result of the Rothmans' promotions which may well affect the press media so much so that it unintentionally prejudiced against Malayan Tobacco Company. This is rather a preposterous thought, but nevertheless one that is capable of happening.

Rothmans at present have a new light box that is in the shape of a Television set. This cannot help but attract and impress those who look at it as compared to the metal light boxes of Malayan Tobacco. New innovations and ideas like these are rather rare and slow in coming in the Malayan Tobacco Company partly because that in there, there is a tradition of great caution. It can also be due to the fact that there is a general euphoric condition prevailing which is caused by Malayan Tobacco Company having much more brands and greater sales volume and market share than Rothmans. It is rather common to hear top sales personnel saying that there is nothing much to worry if the sales of category A cigarettes is slipping as the Company's categories B and C cigarettes will increase from the sales decline in the top brands. This is in gaining of one brand from another within the same Company. This feeling of security could be lethargic.

In a free competition and where both companies have access to the latest literature on promotional technicalities there is no reason why Malayan Tobacco Company cannot do as well or better than Rothmans in the promotional field. It has the resources and the materials but it is lacking in one thing though, and that is the intangible quality of dynamic leadership. Instead it is riddled with conservatism which is both the product and cause of the great caution practised. Caution is a difficult thing to exercise for though desirable in some circumstances it can be too restrictive as to be harmful and it is difficult to say as to where caution should end and where intuition, initiative and risk should begin.

The basic trouble in Malayan Tobacco Company's promotional efforts lies not so much in the means of promotion as in the policy behind them. As stated earlier, both companies belong to world wide organisations which deal in a large portion of the world's cigarette trade. Both have their own headquarters which act as clearing houses for informations sent in from associated companies all over the world and which experiment, introudce and recommend the best techniques in production, marketing and administration. As such, whatever is wrong with the individual promotional material cannot be a great error as the revelent information sent to the London head office by the Company can enable a cross-check to be made and recommendations made. Any advertising material will be tested and tried and rejected if found not suitable by the parent company.

Policy matter is not one which can be obtained specifically like other data and no sales management in its right mind would disclose its policy, but sometimes it is possible to deduce the policy from the practices.

Malayan Tobacco Company's slow-moving promotional efforts is not due to the materials but the policy that directs them. A policy which subscribes to the idea that things must be done in the right manner, in the proper place and at the correct time. Great planning, discussing, and undue haste are needed to implement such a policy. All this is good for normal days but for stormy weather and crisis such a policy is not flexible enough to provide for contingencies.

In concluding, it can be said that the Malayan Tobacco Company has achieved a certain measure of success in promoting its brands but it is desirable that the promotion of the Company's name should be more vigourously pushed. The Malayan Tobacco Company is not in the advantageous position of having a brand name that is the same as the Company's but this should not be a stumbling block for it is but only a factor in a combination of many other variables. Given a new management outlook which is more progressive and willing to take a plunge into calculated risks where necessary, it can be certain that the promotional activities of the Company will also benefit from this infusion of new outlook, but so long as the present policy of wait and see conservatism persists then the victory in the constant battle for the smokers' minds will go to Rothmans of Pall Mall. Promotion is but a way of winning the consumer's minds which cannot be done in a slow and easy manner for it needs constant heavy pressure to penetrate the psychological barriers of the smoking public. Malayan Tobacco Company is capable of building up the pressure but incapable not only of maintaining it but also revitalising it. This then is Malayan Tobacco Company's Achilles' heel in its promotional struggle against Rothmans of Pall Mall.

## APPENDIX 4-1

### DEFINITION OF PROMOTION

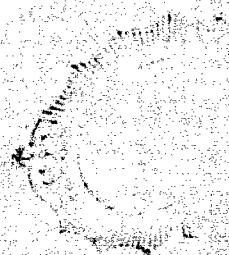
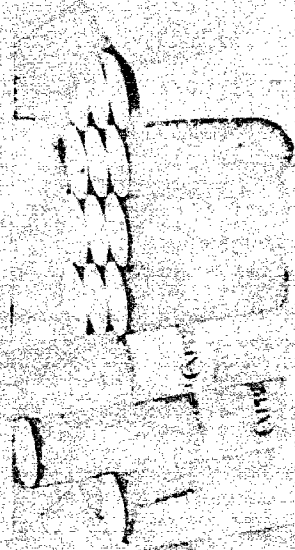
Promotion can be defined as the flow of persuasive communications between the firm and various selected audiences (consumers, industrial users and resellers). The different channels of communications which the firm can use to reach its various audiences is a second dimension of promotional variation and which can be classified into personal selling, advertising, sales promotion and public relations.

## APPENDIX 6-1

### DEFINITION OF PUBLIC RELATIONS

Public Relations is the management function which attempts to create goodwill for an organisation and its products, services, or ideals, with groups of people which can affect its present and future welfare.

# THE KING SIZE CIGARETTE OF INTERNATIONAL S





# APPENDIX 5-2

## MEDIA RATES

### PRESS

Newspapers	Circulation July 65	Full Page	Half Page	Qtr. Page	10x3	8x3	Rate
<b>SINGAPORE &amp; MALAYA DAILIES</b>							
Straits Times	155,261	3,520	1,760	880	600	480	20 c.i.
Malay Mail	26,408	1,408	704	352	240	192	8 c.i.
Malayan Times	9,613	1,204	602	301	210	168	7 c.i.
Straits Echo	8,269	560	280	140	105	84	3.5 c.i.
Nanyang Siang Pau	85,511	1,920	960	480	352	284	8 c.i.
Sin Chew Jit Poh	58,944	1,999	999	500	366	277	6.5 s.i.
New Life Daily News	31,274	1,210	605	308	226	171	4 s.i.
China Press	17,556	851	425	228	146	125	2.8 s.i.
Kin Kwok Daily News	12,350	563	281	150	96	83	2.5 c.i.
Kwong Wah Yih Poh	16,521	675	338	180	116	99	3 c.i.
Sing Pin Jih Pao	17,587	653	326	174	116	99	3 c.i.
Utusan Melayu	41,799	840	420	210	150	120	5 c.i.
Berita Harian	21,445	704	352	176	120	96	4 c.i.
Tamil Nesan	13,265	501	251	125	90	72	3 c.i.
Tamil Murasu	7,119	492	246	123	90	72	3 c.i.
Tamil Malor	6,800	546	273	156	120	96	4 c.i.
<b>SINGAPORE &amp; MALAYA WEEKLY</b>							
Sunday Times	186,699	4,136	2,068	1,034	705	564	23.5 c.i.
Sunday Mail	31,547	1,496	748	374	255	204	8.5 c.i.
Malayan Times	13,454	1,204	602	301	210	168	7 c.i.
Sunday Gazette	8,408	560	280	140	105	84	3.5 c.i.
Nanyang Siang Pau	99,380	1,920	960	480	352	284	8 c.i.
Sin Chew Jit Poh	58,944	2,306	1,153	577	423	320	7.5 s.i.
New Life Daily News	31,274	1,210	605	308	226	171	4 s.i.
China Press	17,556	851	425	228	146	125	2.8 s.i.
Kin Kwok Daily News	12,350	563	281	150	96	83	2.5 c.i.
Kwong Wah Yih Poh	16,521	675	338	180	116	99	3 c.i.
Sing Pin Jih Pao	17,587	653	326	174	116	99	3 c.i.
Utusan Zaman	45,172	1,008	504	252	180	144	6 c.i.
Berita Minggu	22,870	784	392	196	120	96	4 c.i.
Tamil Nesan	20,352	585	292	145	105	84	3.5 c.i.
Tamil Murasu	7,372	492	246	123	90	72	3 c.i.
Tamil Malor	6,800	546	273	156	120	96	4 c.i.
<b>SARAWAK</b>							
The Vanguard	3,200	243	133	76	60	48	2 c.i.
The Sarawak Tribune	2,796	205	105	60	45	26	1.5 c.i.
Sarawak Vanguard	6,000	240	120	59	46	40	1.2 c.i.
The Chinese Daily News	1,655	132	98	49	39	33	1 c.i.
Wah Sen Daily News	5,000	196	98	49	39	33	1 c.i.
Ta Cheng Daily News	3,000	196	98	49	39	33	1 c.i.
See Hua Daily News	5,485	344	172	90	63	53	1.2 s.i.
Miri Daily News	5,560	236	118	59	46	40	1.2 c.i.
Hwa Lion Daily	5,000	210	105	53	41	33	75c s.i.
<b>BRUNEI</b>							
Borneo Bulletin (Sat.)	11,750	428	210	126	180	144	6 c.i.
<b>SABAH</b>							
Sabah Times	6,390	404	200	114	90	72	3 c.i.
Daily Express	6,500	410	205	117	99	72	3 c.i.
Sabah Times Chinese	7,300	196	98	49	39	33	1 c.i.
Overseas Chinese Daily	6,050	196	98	49	39	33	1 c.i.
Api Siang Pau	3,200	196	98	49	39	33	1 c.i.
The Borneo Times	5,440	180	90	45	39	33	1 c.i.
Sandakan Jih Pao	5,004	392	196	98	77	66	2 c.i.
Kinabalu Daily News	3,100	154	77	39	31	27	80c c.i.

c.i. = column inch

s.i. = square inch

### CINEMA

Cost per thousand audience				Approximate average costs for 30-sec. filmlet.			
25-sec. \$5.00	30-sec. \$7.00	45-sec. \$8.50	60-sec. \$10.00	No. of Cinemas	Weekly Cost \$	13 Weeks \$	Weekly Audience
Number of cinemas as at July 1965—445.							
Singapore				74	420	5,460	60,000
Malay				325	840	10,920	120,000
Borneo				46	1,260	16,380	180,000
Average weekly audience July 1964—				50	2,100	27,300	300,000
June 1965 = 2.5 millions:				75	3,150	40,950	450,000

Thirteen weeks notice is required for cancellation, postponement and transfer.

### TELEVISION

Kuala Lumpur	Chinese	English	Malay	Tamil
Slide 7-sec. silent	\$ 95.00	\$ 80.00	\$ 65.00	\$ 70.00
20-sec. Spot filmlet	\$242.00	\$196.00	\$165.00	\$170.00
30-sec. Spot filmlet	\$302.00	\$253.00	\$206.00	\$215.00
40-sec. Spot filmlet	\$378.00	\$316.00	\$258.00	\$275.00
60-sec. Spot filmlet	\$554.00	\$465.00	\$378.00	\$390.00

Commercial Service will begin operations on 1st December 1965. The basis of purchasing spots will be one Malay spot and one of the other languages. One month's notice is required for any cancellation and suspension of contract.

Total number of Licences as at 30th June 1965—43,292.

Singapore	Chinese	English	Malay	Indian	Network
Slide 7-sec. silent	\$ 67.50	\$ 45.00	\$ 22.50	\$ 22.50	\$135.00
Slide 15-sec. sound	\$126.00	\$ 84.00	\$ 42.00	\$ 42.00	\$252.00
20-sec. Spot filmlet	\$192.50	\$167.50	\$ 72.50	\$ 72.50	\$432.50
30-sec. Spot filmlet	\$252.50	\$204.00	\$ 96.50	\$ 96.50	\$553.00
40-sec. Spot filmlet	\$312.50	\$240.00	\$120.00	\$120.00	\$672.50
60-sec. Spot filmlet	\$432.50	\$312.00	\$167.00	\$167.00	\$911.50

Preferred Spots 30-sec. at 60-sec. rate. 20-sec. at 40-sec. rate. Frequency Discounts of 2½% rising up to 15% for 52 spots and above in each language service. Two months' notice is required for cancellation and suspension of contract. Total number of Licences as at 30th June 1965—61,441.

### RADIO

Kuala Lumpur	Chinese	English	Malay	Indian
"A" Time	Casual Annual	Casual Annual	Casual Annual	Casual Annual
1-hr. Prog.	\$230 \$210	\$105 \$95	\$120 \$110	\$70 \$60
1-hr. Prog.	\$145 \$130	\$ 70 \$60	\$ 95 \$ 85	\$50 \$45
40-sec. Spot	\$ 80 \$ 70	\$ 40 \$35	\$ 55 \$ 50	\$35 \$30
20-sec. Spot	\$ 50 \$ 45	\$ 30 \$25	\$ 35 \$ 30	\$20 \$15

Time Checks & Preferred Spots are available at special rates. To qualify for Annual Rate a minimum of once weekly for 52 times or 364 spots and above within one year in each language service. One month's notice is required for cancellation and suspension of contract. Total number of Licences as at 30th June 1965—322,123.

"A" Time: 6.00 a.m.-2.00 p.m. and 4.30 p.m.-10.00 p.m.

Singapore	Chinese	English	Malay	Indian
"A" Time	"B" Time	"A" Time	"B" Time	"A" Time
1-hr. Prog.	\$200 \$140	\$160 \$120	\$80 \$60	\$40 \$25
1-hr. Prog.	\$120 \$ 95	\$100 \$ 80	\$50 \$30	\$25 \$15
40-sec. Spot	\$ 65 \$ 50	\$ 50 \$ 35	\$25 \$15	\$15 \$10
20-sec. Spot	\$ 40 \$ 35	\$ 35 \$ 25	\$15 \$10	\$10 \$ 5

Preferred Spots 20-sec. at 40-sec. rate. 10-sec. at 20-sec. rate. Frequency Discounts of 2½% rising up to 15% for 52 spots and above in each language service. One month's notice is required for cancellation and suspension of contract. Total number of Licences as at 30th June 1965—80,840.

"A" Time: 6.00 a.m.-2.00 p.m. 4.30 p.m.-6.00 p.m. 8.00 p.m.-10.00 p.m.

"B" Time: 2.00 p.m.-4.30 p.m. 10.00 p.m.-midnight.



# APPENDIX 5-3

## EXISTING OUTDOOR SIGNS POSITION REPORT 15TH OCTOBER 1965

Territory	Expiry/Contract	Rentel/Annum	Brand	Remarks
1) 46, Campbell Road.	31/7/68	\$ 1,600.00	Cold Leaf	
2) 135, Sungai Besi Road.	31/8/68	\$ 1,500.00	"	
3) 409, Batu Road.	3/10/67	\$ 3,600.00	"	
4) 168, Petaling Street.	31/4/67	\$ 1,000.00	"	Repairing completed, decision on design awaited.
5) 29, Ipoh Road.	30/4/67	\$ 3,600.00	"	
6) 128, Ipoh Road.	Monthly	\$ 125.00 per month	"	Contract month to month as requested by owners because of renovation work.
7) 11, Foch Avenue.	31/4/66	\$ 8,400.00	"	
8) Ipoh/Circular Road.	14/9/68	\$ 7,200.00	555 FTK	Being repainted.
9) 74, Batu Road.	31/12/65	\$ 3,600.00	555 FTK	Negotiating for termination of contract.
10) 534, Pudu Road.	31/3/67	\$ 1,200.00	Lucky Strike	

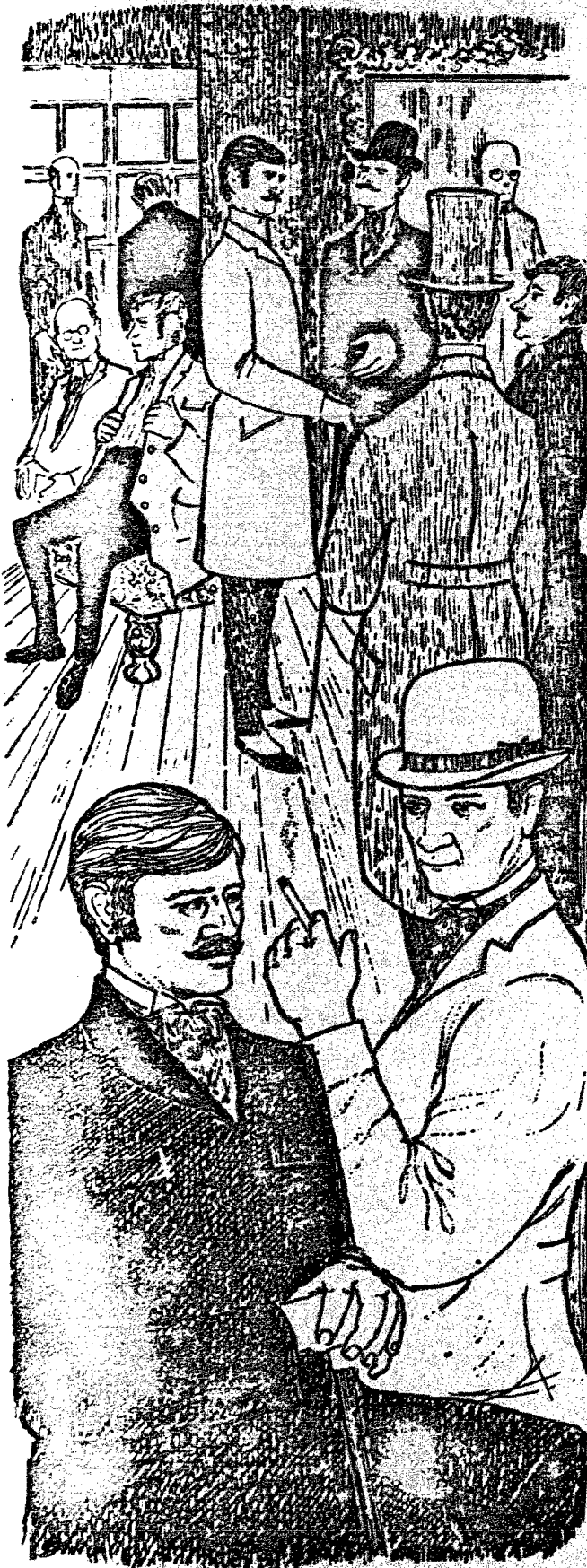
\*All in Kuala Lumpur.

A BENSON & HEDGES STICKER POSTER



# When only the best will do

A BENSON & HEDGES ONE FOLD BROCHURE



13 OLD BOND STREET.

It was about 1865 when Richard Benson and William Hedges laid the foundation of their now celebrated business and this drawing shows their original shop at 13 Old Bond Street as it looked when they started their tobacco business nearly 100 years ago.

Benson and Hedges at the beginning shared their premises with the firm of Truefitts, the Court hair-dressers of international fame, and the husbands and lovers who waited in those days at No. 13 while their womenfolk were being adorned, were able to find interest and solace in visiting the new tobacco shop.

In 1911, changes took place at No. 13 Old Bond Street. A new shop was built on the site once occupied by the hairdresser and cigarette making machinery was installed to replace the hand rolling of cigarettes.

In 1941, the Bond Street shop was partially destroyed by enemy air action and was rebuilt in its present form after the war had ended.

With the passing of the years, the popularity of Benson and Hedges cigarettes has grown steadily and today their name is known all over the world.

Three years ago, the golden packet of Benson and Hedges Special Filter was literally worth its weight in gold. It cost you at least £232 (\$1,989) to buy it: the price of a ticket aboard BOAC's Monarch jet across the Atlantic. It was created for this ultra first class service and you couldn't buy it elsewhere.

Today the exceptional quality of Benson and Hedges Special Filter can be enjoyed more often, for they are now on sale, by special arrangement at selected retailers in Singapore and Malaya — when only the best will do.



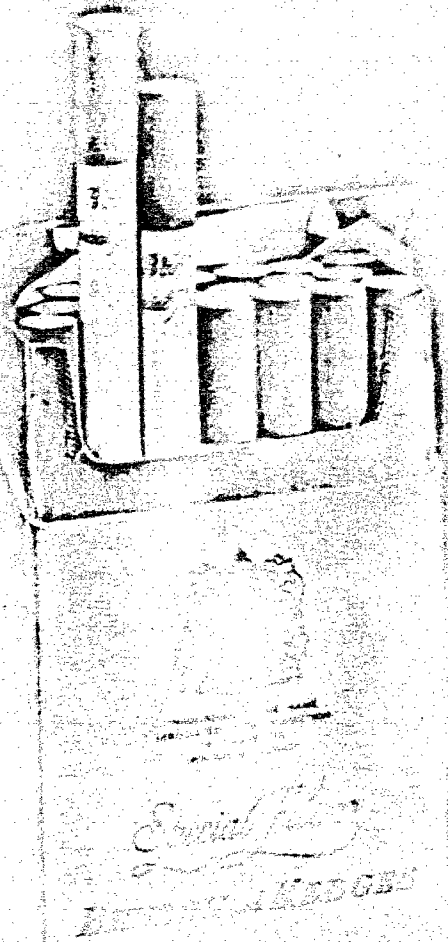
*The House of Benson  
& Hedges is proud to  
inform you that their  
world famous brand,  
Benson & Hedges Special  
Filter, is now available  
throughout Malaysia.*

*Britain's leading King  
Size Filter cigarette  
is brought to you by  
Malayan Tobacco Com-  
pany Limited.*

*Benson & Hedges—  
when only the best will do.*



A BENSON & HEDGE TWO FOLD BROCHURE



FOR INFORMATION ON OR QUOTE FORGETS OVERLEAF



PESTABOLA POSTER



**SAKSIKAN-LAH PERMAINAN  
BOLASEPAK KELAS-DUNIA  
SHEFFIELD WEDNESDAY  
FULHAM PASOKAN SA-ASIA**

Pada PERTAMA kali dalam sejarah, TIGA pasukan bolasepak kelas-dunia akan bermain antara satu sama lain di-sini!

**SHEFFIELD WEDNESDAY:** Bergaya. Chekap. Dengan kejayaan-nya sa-lama 74 tahun dalam kalangan bolasepak di-England. Enam kali menjadi Johan Division Satu. Dan sekarang - Pemain2 Final English Cup 1966!

**FULHAM:** Muda. Hebat. Pasukan ini merupakan satu pasukan yang chergas di-England hari ini. Yang paling seronok di-saksikan di-seluruh dunia.

**PASOKAN SA-ASIA:** Masa yang ditunggu2 telah sampai bagi pemain2 yang paling handal dari Asia memasuki gelanggang - sa-bagai satu pasukan - untuk kali yang pertama.

Saksikan-lah permainan bolasepak yang paling ranchak!  
Saksikan-lah Pestabola Player's.

**SEE  
WORLD-CLASS  
FOOTBALL!**

For the first time ever, THREE world-class football teams will play each other here.

**SHEFFIELD WEDNESDAY:** Stylish. Skillful. 74 years of success in English football. Six times Division One Champions. And now - 1966 English Cup Finalists!

**FULHAM:** Young. Dynamic. One of the fastest in England today. Definitely an exciting team to watch.

**ASIAN ALL STARS:** At last. For the very first time the best from Asia are ready to take the field.

See them match their skill, style and speed...In Player's Pestabola.

**PLAYER'S**



**PESTABOLA**

Di-persemba  
SHARIKA  
dan SHAR  
para pembu  
Dengan ker  
Malaysia da

PESTABOLA POSTER

**THE  
WORLD-CLASS  
FOOTBALL!**

the first time ever, **THREE** world-class football teams will play each other here.

**SHEFFIELD WEDNESDAY:** Stylish. Skillful. 74 years of success in English football. Six times Division One Champions. And now 1966 English Cup Finalists!

**FULHAM:** Young. Dynamic. One of the fastest in England today. Definitely an exciting team to watch.

**ASIAN ALL STARS:** At last. For the very first time the best from Asia are ready to take the field. See them match their skill, style and speed...In Player's Pestabola.

**別錯過  
世界水準的足球賽  
沙華溫氏地隊  
富漢隊★亞洲明星隊**

這是歷史上第一次。三隊水準的足球隊將在這裏比賽。

**沙華溫氏在隊：**球藝高超。在英國足球隊中有七十年的成功歷史。曾六次獲得冠軍。而現在——1966年又獲冠軍賽權。

**富漢隊：**年輕，充滿動力。英國今日最快捷的球隊之一。是打來最緊張刺激的球隊。

**亞洲明星隊：**亞洲最好的球隊。終於第一次組成隊伍了。

請別錯過這最精彩的足球賽。

請別錯過紅海軍香煙足球賽。

**SAKSIKAN-LAH PERMAINAN  
BOLASEPAK KELAS-DUNIA  
SHEFFIELD WEDNESDAY  
FULHAM★PASOKAN SA-ASIA**

Pada **PERTAMA** kali dalam sejarah, **TIGA** pasukan bolasepak kelas-dunia akan bermain antara satu sama lain di-sini!

**SHEFFIELD WEDNESDAY:** Bergaya. Chekap. Dengan kejayaan-nya selama 74 tahun dalam kalangan bolasepak di-England. Enam kali menjadi Johan Division Satu. Dan sekarang - Pemain2 Final English Cup 1966!

**FULHAM:** Muda. Hebat. Pasukan ini merupakan satu pasukan yang cergas di-England hari ini. Yang paling seronok di-saksikan di-seluruh dunia.

**PASOKAN SA-ASIA:** Masa yang ditunggu2 telah sampai bagi pemain2 yang paling handal dari Asia memasokki gelanggang - sa-bagai satu pasukan - untuk kali yang pertama.

Saksikan-lah permainan bolasepak yang paling ranchak!  
Saksikan-lah Pestabola Player's.

**SEE  
WO  
FOO**

For the world-class play

**SHEFF**  
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**OLA**

Di-persembahkan untuk kepentingan  
**SHARIKA MALAYAN TOBACCO**  
dan **SHARINAT SINGAPORE TO**  
para pembuat Player's Gold Leaf.  
Dengan kerjasama Persatuan Bolasepak  
Malaysia dan Persatuan Bolasepak Singapura

**SHARINAT**

**TOBACCO**

PESTABOLA POSTER

**SAKSIKAN-LAH PERMAINAN  
BOLASEPAK KELAS-DUNIA  
SHEFFIELD WEDNESDAY  
FULHAM\*PASOKAN SA-ASIA**

Pada PERTAMA kali dalam sejarah, TIGA pasukan bolasepak kelas-dunia akan bermain antara satu sama lain di-sini!

**SHEFFIELD WEDNESDAY:** Bergaya. Cekap. Dengan kejayaan-nya sa-lama 74 tahun dalam kalangan bolasepak di-England. Enam kali menjadi Johan Division Satu. Dan sekarang - Pemain2 Final English Cup 1966!

**FULHAM:** Muda. Hebat. Pasukan ini merupakan satu pasukan yang chergas di-England hari ini. Yang paling seronok di-saksikan di-seluruh dunia.

**PASOKAN SA-ASIA:** Masa yang ditunggu2 telah sampai bagi pemain2 yang paling handal dari Asia memasokki gelanggang - sa-bagai satu pasukan - untuk kali yang pertama.

Saksikan-lah permainan bolasepak yang paling ranchak!

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**SEE  
WORLD-CLASS  
FOOTBALL!**

For the first time ever, THREE world-class football teams will play each other here.

**SHEFFIELD WEDNESDAY:** Stylish. Skillful. 74 years of success in English football. Six times Division One Champions. And now - 1966 English Cup Finalists!

**FULHAM:** Young. Dynamic. One of the fastest in England today. Definitely an exciting team to watch.

**ASIAN ALL STARS:** At last. For the very first time the best from Asia are ready to take the field.

See them match their skill, style and speed...in Player's Pestabola.

**別錯過  
世界水準的足球賽  
沙菲溫氏地隊  
富漢隊\*亞洲明星隊**

這是歷史上第一次。三隊世界水準的足球隊將在這裏比賽。

**沙菲溫氏在隊:** 球藝高超。純熟。在英國足球隊中有七十四年的成功歷史。曾六次獲得甲組冠軍。而現在—1966年又獲英國杯決賽權。

**富漢隊:** 年輕。充滿動力。是英國今日最快捷的球隊之一。這確是打來最緊張刺激的球隊。

**亞洲明星隊:** 亞洲最好的球員。終於第一次組成隊伍了。

請別錯過這最精彩的足球賽!

請別錯過紅海軍香煙足球大會賽

**PESTABOLA**

Di-persembahkan untuk kepentingan Sukan oleh  
**SHARIKAT MALAYAN TOBACCO**  
dan **SHARIKAT SINGAPORE TOBACCO**  
para pembuat Player's Gold Leaf.  
Dengan kerjasama Persatuan Bolasepak  
Malaysia dan Persatuan Bolasepak Singapura.



MALAYAN TOBACCO COMPANY LIMITED

Dear Mr.

Welcome to Kuala Lumpur and the Malayan Open Golf Championship. As co-sponsors of this competition we wish you good luck and a very enjoyable stay in Kuala Lumpur.

Please accept, with our compliments the enclosed carton of STATE EXPRESS 555 FILTER KINGS - the cigarette of international success. Over the years, the House of STATE EXPRESS has established an international reputation for quality which has earned for its brands the description "the best cigarettes in the world". We hope that this year STATE EXPRESS 555 FILTER KINGS will be your partner to success.

If there is anything we can do for you while you are here please do not hesitate to let us know.

With kindest regards,

Yours sincerely,

Marketing Director  
MALAYAN TOBACCO COMPANY LIMITED

MALAYAN TOBACCO COMPANY LIMITED

Dear Mr.

We understand that you have been chosen to play in the Professional/Amateur Tournament preceding the Malayan Open Golf Championship, and we should like to wish you good luck in the coming competition and an enjoyable week's golf.

Please accept, with our compliments the enclosed carton of STATE EXPRESS 555 FILTER KINGS - the cigarette of international success. Over the years, the House of STATE EXPRESS has established an international reputation for quality which has earned for its brands the description "the best cigarettes in the world". We hope that this year STATE EXPRESS 555 FILTER KINGS will be your partner to success.

If you are not a resident of Kuala Lumpur, please do not hesitate to let us know if you require any assistance during your visit here.

With kindest regards,

Yours sincerely,

Marketing Director  
MALAYAN TOBACCO COMPANY LIMITED



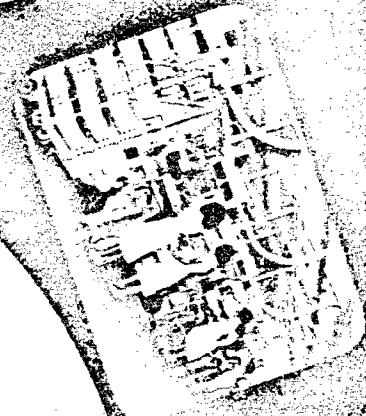
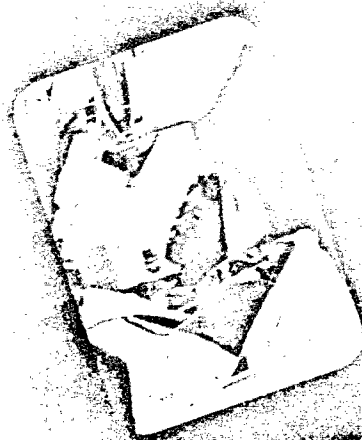
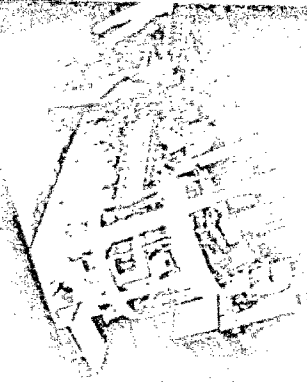
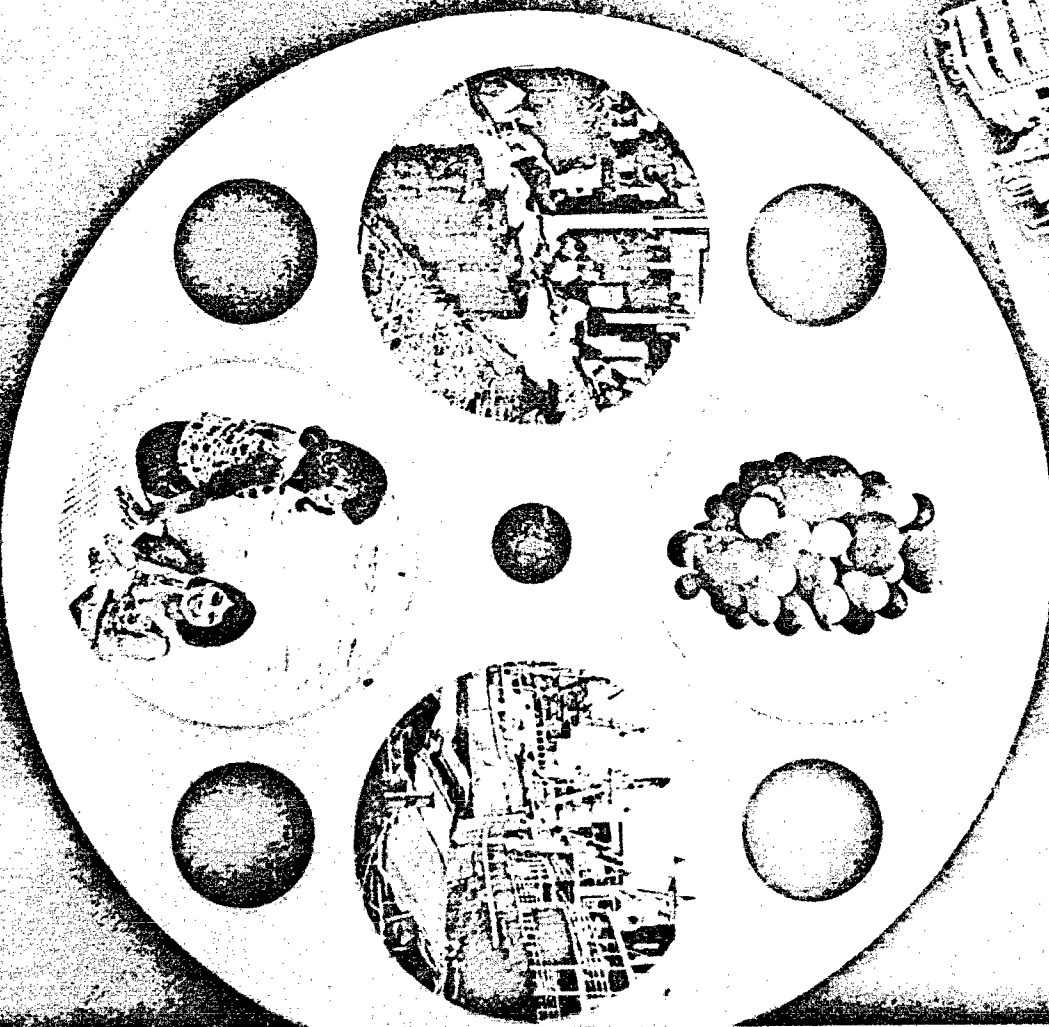
**1964 MALAYAN OPEN GOLF CHAMPIONSHIP  
COMPARATIVE EXPENDITURE 1963/1964**

	1963 Expen- diture	Material Available From Last Year	Material Required For This Year	Estimated Expenditure For This Year
<b>GENERAL SPONSORSHIP</b>	<b>\$7,000</b>			<b>\$ 7,000</b>
<b>ADVERTISING:-</b>				
1) Caddy Shirts & Caps	\$1,080	Shirts 152 Caps 45	42 20	\$ 660 \$ 150
2) Number Cloths for Golf Bags	\$ 173	97	-	-
3) Spectator Control Stakes	\$ 510	No Flags 100	Flags 100	\$ 350
4) Course Banners	\$ 400	Nil	8	\$ 690
5) Crowd Control Signs	-	No Flags 40	Flags 40	\$ 100
6) Out of Bounds Stakes	-	5	15	\$ 30
7) Pyramid Tee Markers	\$ 342	35	1	\$ 10
8) Direction Indicators	-	9	-	-
9) Umbrella Kiosks	-	4	-	-
10) Road Banners (cost shared by all sponsors.)	included with(4) above	Nil	6	\$ 175
11) Entrance Tickets	\$ 342	-	Entire Printing	\$ 120
12) Salesgirls Rosettes	\$ -	5	-	-
13) Display Showcase	\$ 110	1	?	\$ 100
14) Press Insertion	\$3,800	-	1/2 Page Straits Times	\$ 2,000
15) Pro/Amateur Prizes	\$ 441	-	See Text	\$ 670
16) Pro/Amateur Sampling 20 mille (?)	\$1,500	-	Estimated require- ments total 40 mille	\$ 1,800
17) Consumer Sampling 20 mille (?)				
18) Labour Charges	?	-	-	\$ 120
19) Contractors fee	?	-	-	\$ 200
	<b>\$15,698</b>			<b>\$14,175</b>

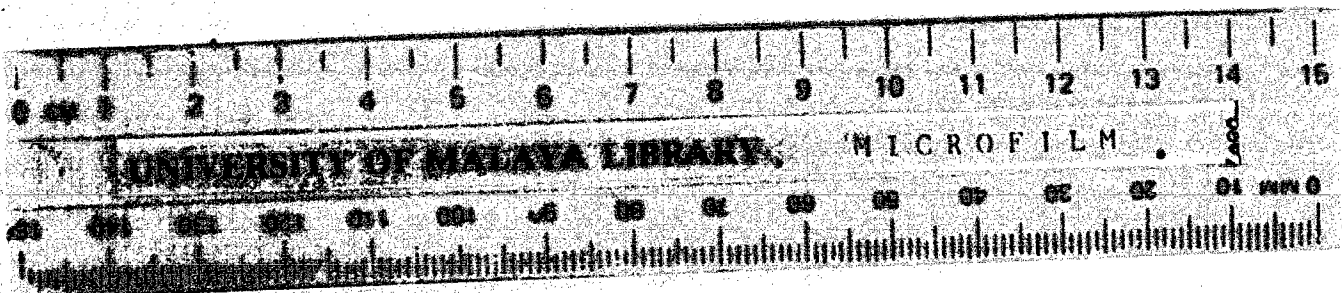
BROCHURE ON "PORTRAIT OF PROSPERITY"

# PORTRAIT OF PROSPERITY

A Malayan Film Unit Production  
in association with  
Malayan Tobacco Company Ltd.



CONSUMER CONTACT REPORT







A MEMBER OF THE BAT GROUP

DAILY REPORT FOR 4th/8th April 1966

CONSUMER CONTACT

VISIT	COMPT BRAND SMOKED	1st Visit		2nd Visit		F	CONV	DOUBT	REMARKS	YACOT CB
		SAMPLED	BRAND	SAMPLED	BRAND					
X									NAME (Print) - Eric Cheah	
									WORKING IN Kiang and Port Swettenham	
									WORKING WITH Cheong Peng Kong	
									MARK DAY OF WEEK	
									SUN MON TUE WED THU FRI SAT	
									SUMMARY OF TODAY'S WORK	
									MILLE SAMPLED	
									MILLE SOLD	
									CONVERTS	
									NON-CONVERTS	
									DOUBTFUL	
									NO. OF REAL CONTACTS	
									3 ALREADY SMOKING MTC	
									TOTAL CONTACTS	
									13	

Instructions: 1. Tick under appropriate columns. Only write longhand under "Compt. Brand Sampled" & "Remarks".  
2. Fill in details of each consumer IMMEDIATELY after making visit.

MARKET INFORMATION OR OTHER COMMENTS OVERLEAF

Signature

Manager (Delete NotS)

active

Force

Manager

Force

Manager

Force

Manager

Force

Manager

Force





Name and address	Visit		Compt Brand Smoked	F V C	C O N V	D O U B T	N O N /C	Remarks
	1st	2nd						
10. Dr. Chan Yuet Loon, Chan Clinic, Kapar Road Klang.	X	X	Own/ comp.				X	Complained that B&H filter too long & repeti- tive. Not a habitual smoker a few sticks a day & some times none at all.
11. Mr. Choo Chor, Watson Lane, Port Swettenham.	X	X	Roths 20s.		X			Commented that all filter cigarettes taste the same. Have arranged for Ban Seng Leong to supply him O.2 of B & H weekly.
12. Dr. Thanarajah, Klang Hospital, Klang.	X	X	Roths 20s.		X			Switch over to B&H last month. His brother-in-law, S.P. Senivasagam is also a B & H smoker. He says that he has converted his colleagues too.
13. Mr. G. S. Bager, 209, Telok Gadong Road, Klang.								Call several times. Under- stand from Gardener that he is on leave and only back next month.

[illegible]









## CONSUMER CONTACT CARD

Name and Address MR. M. R. K. WILSON BEN LINE CO. PORTSWETTENHAM				Competition Brand Smoked ROTHMANS				
1. 2. 3. Occupation MANAGER Age Est Monthly Salary				1. 2. 3. Reported By TASK FORCE Date MARCH 1966				
SAMPLED				FOLLOW UP				
Own Brand	Date	Quantity	By	Date	Quantity	By	Converted	Comments
BENSON & HEDGES	4/4/66	.06 SOLD-2	ERIC	6/4/66	.04	ERIC	YES	

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NOTA

DOKUMEN ASAL

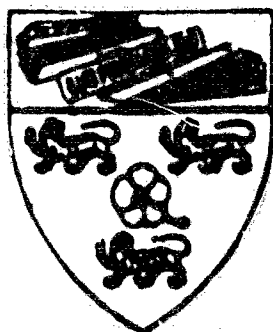
TIDAK TERANG

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