

MARLBORO CLASSICS
DEVELOPMENT OF THE SHOPS
GENERAL THOUGHTS

NORWAY

HH OCTOBER 1990

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History

We have, as of today, 4 stores and one shop within shop in Norway ;

Steen & Strøm Shop within shop Fall 1988

Oslo City Exclusive shop Fall 1988

Aker Brygge Exclusive shop Fall 1989

Stavanger Exclusive shop Fall 1989

Bergen Shop Fall 1990

Image

All the outlets have very high image and in line with the idea of Marlboro Classics.

The shop in Bergen is different from the rest, since we have an other furniture.

This has been a Polo shop, with darker furniture than the original Marlboro Classics, but it is very nice. This shop will, by next fall, get new furniture and look like an original Marlboro Classics store.

Sales

1990

1991

Steen & Strøm

1.800.000.-

2.0

Oslo City

4.100.000.-

4.5

Aker Brygge

6.000.000.-

6.5

Stavanger

1.200.000.-

1.5

Bergen

1.800.000.-

4.0

Total

14.900.000.-

18.5

+ 7 for the
three new stores

Steen & Strøm

*Steen % Strøm will this year sell for about
1.800.000.-incl. VAT.*

*This is a little bit less than last year, due to a
reconstruction of the hole floor early this fall.*

*They are satisfied with the sales, but like all the stores
the spring/summer season is to weak.*

*This is basicly a collection point, and we do all know
this.*

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Oslo City

Oslo City will sell for about 4.100.000.- incl. VAT and has a good increase from last year (3.400.000.-)

*The shop owner has not yet made to much profit, due to problems in the spring sales. The shop will, within a short period, have to be upgraded ;
Paint,floor and lightsystem.*

This is normal after a period of time, and we must also remember that this was the fist shop ever made.

The shop owner has no intention of paying this, so this must be a matter of discusion.

Aker Brygge

The best shop so far, with a sales this year of 6.000.000.-.

To get 6.000.000.- we must sell for 1.350.000.- in the period of november and december, but we will make that, so the budget is OK.

The shop is beutiful located at Aker Brygge, and will for the next year even sell more.

Also here we have a problem with the spring sales, as all the others.

Stavanger

This store is not a success and we believe it has to be closed.

The sales are too low, and the owner has great financial problems.

If the store should continue to operate, it must be given economical help, by cash input or credit notes from MARzotto.

The reason for the problems are many, but without a stronger marketing support and financial support, we are afraid it has to be closed down.

This will hurt our general reputation in the market, so we hope we can avoid it.

500,000 NOK IN THE RED

Bergen

We have an optimistic budget of NOK 1.800.000.- from september to the end of the year.

This seems to be realistic, as of 1/11 - 90.

The store is working perfect.

CONCLUSION

The shop idea will be more and more important for the future.

Through the stores we can must easier, show our hole range and the complete image of Marlboro Classics.

We should make stores also in Tromsø, Trondeim and Kristiansand, but we must have financial support from the PM.

If you look at the sale, 50% of our total sales are to the shops, and this is correct.

The percentage should not be higher, because then we can start to loose our P.O.S. clients.

AMERICAN 2,300/m² 6000/m² ME

We have only few problems with the fall eason, however the spring season garments must be much better.

The support from PM must be increased, so we can show our clietns that we are strong in the makret.

There should also be a part of the collection approx. 30 % , which has a better comersional price.

This is very important for the youngest target groups men from 18 - 25.

Also with this we will have the possibility to get the clients more interested in the brand.

This is very important for the spring season as every spring season has been a failiar so far.

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