



## BJ Cunningham

Profiting from The Truth

# Profiting from the Truth

Simple is Beautiful

April 2019

# My Personal Mantra:

Wherever there is a Hidden agenda  
or an outright Lie  
there is the potential for profit

A Cinderella Story  
A Marketing Fairy tale

# Tobacco Business

Volume game  
Government make all the money



Tobacco Companies are just  
Tax Collectors for the Government

# Key Issue

# health

Health of the Nation

vs.

Health of the Exchequer

# Taboo

“Cigarettes are the only legally available consumer product which kill people when used exactly as intended.”

*Action on Smoking & Health (ASH) UK  
Anti Smoking Lobby*

# Industry retreat from issue

Opened the door to the rabid Anti-Smoking movement.

## **AGENDA : PROHIBITION**



Prohibition



**AL CAPONE**

Smoking has become a polemic issue

**Smokers**  
vrs.  
**Anti-smokers**

# Opportunity

NEW BRAND WITH UNIQUE PROMISE

**“THE TRUTH”**

The facts matter, but...

**WHAT MATTERS MOST  
IS WHAT PEOPLE BELIEVE**

Simple Promise

**SMOKING KILLS**

**IT'S YOUR FUNERAL...**

**TOO BAD YOU'RE GONNA DIE**



THE ENLIGHTENED  
TOBACCO COMPANY PLC



**DEATH™**  
CIGARETTES

TOBACCO SERIOUSLY  
DAMAGES HEALTH



THE ENLIGHTENED  
TOBACCO COMPANY PLC



**DEATH™**  
LIGHTS

TOBACCO SERIOUSLY  
DAMAGES HEALTH

# Become the Health Warning

**Manufacturers Advice: Cigarettes are addictive and debilitating. If you don't smoke, don't start.**



# Enlightened Capitalism

**10% of pre-tax profits  
donated to cancer research**

**WIN - WIN**

# Juxtapositioning

NO COMMENT



EULOGY TO TOBACCO

NO PROOF



SMOKING KILLS

SOPHISTICATED BRAND NAME



DEATH

CAMOUFLAGE WARNING



BECOME WARNING

COLOURS & COWBOYS



BLACK & WHITE

SKULL & CROSSBONES

# Death Brand Values

RESPONSIBILITY  
LOGIC  
HONESTY  
FREEDOM



**BRAND  
LOYALTY**

**FREEDOM OF CHOICE**

# Responsible

**Smoking does not make you  
sexy, stylish or sophisticated.**

**It kills you.**

**We are not selling a pack of lies.**

**We are selling a pack of cigarettes.**

# Choice

**JUST SAY KNOW**

# Sponsorship

Heart Bypass

London Gay Pride - The Honest Fag

# Advertising - Poster

Enlightened Tobacco Company Plc:

**13.5 MILLION SMOKERS WILL ADMIT IT'S BAD FOR THEM.  
ONLY ONE TOBACCO COMPANY WILL.**



**DEATH**  
13 mg TAR 1.0 mg NICOTINE

**DEATH LIGHTS**  
7 mg TAR 0.7 mg NICOTINE

**SMOKING CAUSES HEART DISEASE**  
Health Departments' Chief Medical Officers

# Advertising - Poster

Enlightened Tobacco Company Plc:

**THEY'RE EVERY BIT AS GOOD AS OTHER CIGARETTES.  
AND EVERY BIT AS BAD.**



**DEATH**  
13 mg TAR 1.0 mg NICOTINE

**DEATH LIGHTS**  
7 mg TAR 0.7 mg NICOTINE

**SMOKING CAUSES HEART DISEASE**  
Health Departments' Chief Medical Officers



# Advertising - Press

Enlightened Tobacco Company Plc.

**TAKE AN ACTIVE PART IN CANCER RESEARCH.  
SMOKE OUR CIGARETTES.**

Every time you smoke a cigarette you are increasing your chances of developing lung cancer.

No surprise there. Well, that is, you consider that the above statement is made by a tobacco company.

As you will no doubt be aware, it is far more usual for cigarette manufacturers to avoid any discussion on the health risks involved.

"No comment" is the usual detailed statement you can typically expect from an industry spokesperson.

The same does not apply to the Enlightened Tobacco Company. We are the only tobacco company to openly admit that smoking is the major cause of lung cancer.

But that's not enough. As far as we're concerned, if we're willing to accept the association, we should also be willing to accept some of the responsibility.

That's why we give 50% of our pre-tax profits to non-irritation cancer charities.

Better you all breathe a sigh of relief, however, our contribution should be put into perspective.

Over the last few decades, billions of pounds have been poured into cancer research. There is still no cure. Neither is there likely to be one in the foreseeable future.

Worried, even if a stretch were for lung cancer was found, you'd still have to hope for an equally miraculous cure for emphysema, bronchitis, laryngeal cancer and heart disease.

The best way to avoid developing any of these smoking-related illnesses is obvious. Give up.

And that's another surprising statement to be made by a tobacco company.

"Do not only quit our company is not smoking!"

If that were the case, Death as a brand would not have much of a life.

That's clearly absurd.

We make cigarettes and we want you, as a smoker, to buy them. That's why both Death and Death Lights are made from the finest blends of luxury Virginia tobacco.

In fact, the only real difference between Death and other cigarettes is that we make no attempt to disguise any of the dangers.

Take our name for example. It leaves no doubt as to the consequences you face by smoking. That's simply not true of other brand names.

It is hard to think of a name that don't project an image of something expensive, stylish, sophisticated or exotic.

The same can be said of their advertising strategies.

Despite all the stringent guidelines that apply, or perhaps because of them, cigarette advertisements are now so subtle that they rarely contain any reference to cigarettes whatsoever.

Ironically, there is often just one way to tell what is actually being advertised.

And that is the health warning at the bottom.

But unless they decide to use tobacco, the Government health warning remains just that. A warning.

You have every right to ignore the rules and continue to smoke if you choose.

No doubt there will always be people who say that you are wasting your money on cigarettes.

Buy Death, however, and you'll be able to answer, quite truthfully, that you are not.

After all, 50% of the money we make is going to cancer research.



DEATH  
13mg TAR 1.0mg NICOTINE

DEATH LIGHTS  
7mg TAR 0.7mg NICOTINE

SMOKING CAUSES HEART DISEASE  
Health Departments' Chief Medical Officers.

# Evangelical Smokers, but no Distribution

## **New Distribution Strategy:**

EUROPEAN LAW

TAX DIFFERENTIALS

PRICE ARBITRAGE

# Tobacco Direct

- 40% Discount on price
- 25% Net margin
- Payment in advance
- No bad debt

But **BIG** Problem

Threat to Government  
**UK £14.5 Billion**

Threat to established UK  
tobacco distribution fortress

# Ten Pink Judges

**NON!**

# New Product Development

**SPECIFIC TAX: TAX PER “STICK”**

# Cigarette Definition

“Cut tobacco, rolled in paper, capable for immediate use for smoking, not exceeding 9cm in total length of tobacco roll (excluding filter or mouthpiece).”

*EU Directive Number 32, 1979*

# 241 Cigarettes





Court again

$$\frac{1}{2} + \frac{1}{2} = 2$$

# Back to the drawing board

How encourage Distribution?

Increase Margin

How increase Margin?

Increase Price

How justify increase Price?

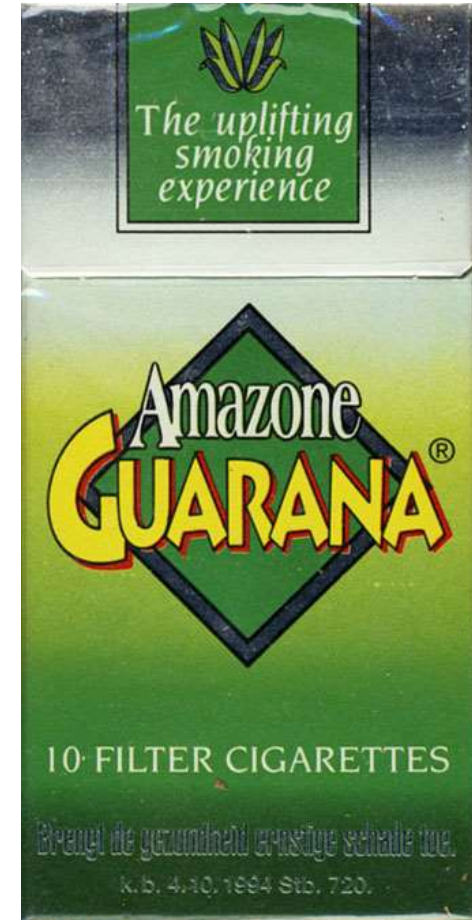
Add Content

# GUARANA Cigarettes

10 for the price of 20

Niche market

Low Volume - High Margin



# The World's most Expensive Cigarettes

Simple Concept:

## Expensive Taste

20 for the price of 200  
£20.00 per pack



# The World's most Expensive Cigars

Concept Consolidation:  
**Expensive Taste**



I can confirm:

**THERE IS LIFE  
AFTER DEATH**

The big Life questions:

What's your point?

Why should I care?

The really important Answer:

Be the highest expression of  
who you really are...

...And make that your Brand



This Demands:

Love what you do

Love where you do it

Love who you do it with

Love who you do it for

# Love your customer

Building a strong relationship (friendship) starts with just **thanking** your customer because:

If you **thank** your customer you are helping your customer to thank you

If you are helping your customer to thank you are **using** your customer

If you are using your customer you are **embracing** your customer

If you are embracing your customer you are **loving** your customer

If you are loving your customer you are **trusting** your customer

If you are trusting your customer you are **knowing and understanding** your customer

# Love your customer

This process of building a friendship is perfectly symmetrical:

By **knowing and understanding** your customer you come to trust your customer

By truly **trusting** your customer you are loving your customer

By **loving** your customer you embrace your customer.

By **embracing** your customer you are making use of your customer

By **making use of your customer** you are being helped by your customer

By **being helped** by your customer you can be **truly thankful**.

The Key Reminder:

**Be Who You Really Are**



**ceda**  
**conference 2019**