



PREMIUM CIGARS Premium cigar characteristics and tips on marketing are discussed

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Premium cigars are distinguished by special, hand-chosen ingredients found in the finest plantations in Central America and the Caribbean. Marketers say the recent sharp upswing in demand has resulted in the expansion of premium cigars into different channels such as larger cigar retailers, casinos and bait and tackle shops.

1 What are some of the characteristics of a premium cigar?

The **tobacco** for a premium, otherwise known as hand-made cigar, is carefully chosen by master tobacconists in such **tobacco**-growing regions as the Dominican Republic, Honduras and Nicaragua. Different leaves are cultivated for the individual parts that make up the cigar: wrapper, filler and binder. The **tobacco** leaves are then aged for at least one year, typically several.

2 What are the most viable channels for the marketing of premium cigars?

Above all, a premium cigar caters to the experienced smoker, and to this end, premium cigars have generally been focused in smokeshops. However, they are also now finding their way into convenience stores. Some manufacturers believe every convenience store can carry premium cigars.

The increased demand for premiums reflects a boom in the demand for cigars of all types. In fact, marketers say the growing market demands greater diversification in the types of channels carrying the higher-cost premiums.

Lately, new niches have emerged for these products, including mass retailers, casinos, bait and tackle stores, and golf stores. Cigar trade and consumer publications have also boosted the business to a great extent.

3 What role do packaging and presentation play in the merchandising of premium cigars?

Simplicity and elegance in packaging and presentation are sometimes considered the hallmarks of a premium cigar company. A simple box design, with an inner wrapping of tissue paper and ribbon, makes for an elegant product statement. In some cases, manufacturers work with graphic designers in order to customize packaging and presentation to a specific niche market.

4 What should a distributor know about a premium cigar?

Consistency of the product is the manufacturer's top priority. In the store itself, the visual presentation is the key to selling the product. To this end, a manufacturer may offer a humidor

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free of charge to a first-time distributor or retailer to optimize display potential on the front counter. Some of the manufacturers offer vertical humidors that hold up to 100 cigars and occupy minimal space. Manufacturers believe that the room made for this humidor on the counter optimizes profit margins. DJ

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