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Retail Execution of Format Extensions in a Dark Market: A Field Case Study of ITC Limited's Slim and Longs Cigarette Segments

Mohit Dhamane[1], Aniket Lokhande[2]

School of Business, Indira University, Tathawade, Pune – 411033, Maharashtra, India

A B S T R A C T :

Where cigarette advertising and most point-of-sale promotion are legally restricted, product format and retail execution carry much of the burden of growth, yet how far a new format's sales depend on shelf availability rather than on the format itself is seldom documented from a practitioner's point of view. This paper examines that question using primary data from two field components of on-the-job training assignments at ITC Limited's Cigarettes (FMCG) Business: a 120-outlet availability and visibility audit of the slim formats Classic Connect and American NY Cool in the Nandurbar market (15 May to 15 July 2026), and a retail audit of 120 traditional-trade vendors with 240 adult-purchaser intercepts for the Longs format (84 mm to 90 mm) in an urban market. The study uses a descriptive mixed-methods design. In the slim component, outlet availability rose from 58% to 79% for Classic Connect and from 41% to 64% for American NY Cool after structured retailer engagement and replenishment follow-up, and weekly sales value rose from ₹98,000 to ₹163,000, yet unbranded or suspected tax-evaded product was still present in 47% of outlets. In the Longs component, the format carried a 9.4% average trade margin against 6.2% to 7.1% for standard lengths, accounted for 15.1% of daily buyers, and drew 42% of its volume from upgraders within ITC's range, 31% from contraband displacement and 27% from competitors. A format creates the opportunity, whereas availability, visibility and trade economics decide how much of it is realised. As the samples are small, differ in design and come from specific markets, the findings are indicative and not generalisable. The paper recommends tracking availability and sales velocity separately and prioritising replenishment, compliant counter visibility and channel coverage.

Keywords: Dark market; Retail visibility; Product availability; Cigarette formats; Trade marketing; COTPA; ITC Limited

1. Introduction

A product decision answers two separate questions: what the shopper is offered, and whether the shopper can actually find it. A new pack format answers the first question; retail execution, meaning stocking, display and replenishment, answers the second. The cigarette category in India makes the distinction sharp. The Cigarettes and Other Tobacco Products Act, 2003 (COTPA) prohibits advertising and regulates packaging, health warnings and sale (Government of India, 2003), and the WHO Framework Convention on Tobacco Control pushes policy towards higher taxation and tighter marketing restrictions (World Health Organization, 2003). This paper uses the term dark market for a market of this kind, in which above-the-line advertising and most point-of-sale promotion are legally suppressed, so that manufacturers depend on product form, pricing and the retail counter (Kotler & Keller, 2016).

Nomenclature			
COTPA	Cigarettes and Other Tobacco Products Act, 2003	MLCS	Modern and Large Convenience Store
PBIT	Profit Before Interest and Tax	MRP	Maximum Retail Price
FMCG	Fast-Moving Consumer Goods	OJT	On-the-Job Training
GC	General Channel (kirana, general and paan shops)	PC	Premium Channel
GST	Goods and Services Tax	POS	Point of Sale
KS	King Size (cigarette format)	SKU	Stock Keeping Unit

ITC Limited responded to this environment with two format extensions that this paper studies: the slim formats Classic Connect and American NY Cool, sold in a 97 mm slim gauge, and the Longs format, with sticks of roughly 84 mm to 90 mm. Format extensions are usually presented as drivers of growth. A new format, however, can sell only where it is stocked, seen and recommended, and in a dark market the counter is the only place where that can be influenced. Reading the performance of a format correctly therefore requires keeping two quantities apart: how strong the format is at the counter, and how fully the retail system delivers it to the counter. This paper uses two practitioner field components to show how far apart those two quantities can be.

The case organisation is ITC Limited, incorporated in 1910 as the Imperial Tobacco Company of India, headquartered in Kolkata and listed on the

National Stock Exchange and the Bombay Stock Exchange. ITC is widely reported to hold roughly 75–80% of the organised domestic cigarette market, with Godfrey Phillips India and VST Industries as the other principal organised players. Cigarettes contributed about 40–44% of ITC's consolidated revenue in recent periods and are the single largest contributor to segment profit (about 78% of segment PBIT in public company-tracking data). Cigarettes are also among the most heavily taxed consumer goods in India: before the 2026 revision, 28% GST plus a compensation cess brought the combined indirect tax to about 53% of MRP (Bhatt & Joshi Associates, 2025). With the cess scheduled to lapse, the Central Excise (Amendment) Bill, 2025 restores the Centre's power to levy excise duty on tobacco, reported at ₹2,700 to ₹11,000 per 1,000 sticks depending on length and filter type, and trade reports in early 2026 described MRP increases of up to ₹55 per pack of ten sticks (Business Today, 2026; Taxo Online, 2025). Classic Connect, earlier priced at about ₹300 for twenty sticks, was expected to move to about ₹350. The first author worked as a sales intern in the Nandurbar market, Maharashtra, from 15 May to 15 July 2026, which gave direct access to retail beats, and the second author carried out the Longs retail audit and consumer intercepts.

The paper makes three contributions. First, it gives a process-level account of how format extensions are carried to the retail counter in an advertising-restricted category. Second, it reports field data from two components, availability, visibility and sales for the slim formats and velocity, margin and substitution for the Longs format, and separates the strength of a format from the completeness of its retail execution. Third, it identifies the recurring execution gaps and derives low-cost recommendations.

The remainder of the paper is organized as follows. Section 2 reviews the theoretical background and literature, Section 3 states the objectives, Section 4 describes the methodology, Section 5 presents the data analysis and results, Section 6 discusses the findings, Section 7 covers challenges and limitations, Section 8 gives recommendations and scope for future work, and Section 9 concludes.

2. Theoretical background and literature review

2.1 Regulation, taxation and the dark market

COTPA is the principal tobacco-control law in India and covers the prohibition of advertising, packaging and health-warning requirements, restrictions on sale to minors and smoke-free public places (Government of India, 2003). The WHO Framework Convention on Tobacco Control, to which India is a signatory, shapes the direction of domestic policy on taxation and packaging (World Health Organization, 2003). On the fiscal side, excise duty is structured by stick length and filter type (Central Board of Indirect Taxes and Customs, n.d.; Bhatt & Joshi Associates, 2025), so length is a pricing variable as well as a design one. The practical result is that prices change sharply and periodically because of regulatory action, not gradually through market-led inflation, which makes retailer confidence and stock transitions a continuing task for the sales team and not a one-time launch activity.

2.2 Marketing without promotion

When external brand promotion is legally suppressed, the weight of the marketing mix shifts to product, price and place. The AIDA model (Attention, Interest, Desire, Action) describes how promotion moves a buyer towards purchase; in a dark market the retail environment, meaning display, retailer recommendation and packaging, must substitute for the attention and interest stages that advertising would normally supply. Trade marketing then follows a push logic, in which the manufacturer incentivises and engages retailers and distributors to stock and recommend the brand (Kotler & Keller, 2016). The people, process and physical evidence elements of the extended marketing mix are directly relevant: the retailer and salesman whose recommendation settles an undecided purchase, the cadence of visits and replenishment that keeps a brand available, and the visual merchandising at the counter.

2.3 Shelf visibility and distribution intensity

Research on shelf-space allocation links the space and position given to a product with its sales (Corstjens & Doyle, 1981), and experimental evidence shows that the number and position of shelf facings affect brand attention at the point of purchase (Chandon et al., 2009). In channel management, sales in FMCG categories depend on the breadth of outlet coverage, or numeric distribution, and on its depth or quality, not on price or promotion alone (Kotler & Keller, 2016). For a slim format sold through small counters, this implies that the question to ask is not only whether the product is in demand but whether it is present and noticeable in the outlets where undecided buyers shop.

2.4 Format extension, price perception and substitution

A format extension is a form of product development in Ansoff's (1957) growth matrix: a new product form aimed at existing or adjacent markets, which lets a firm raise revenue per outlet without entering wholly new segments. How buyers judge such a format depends partly on price perception. Thaler's (1985) transaction-utility framework holds that satisfaction depends on the perceived deal, the gap between the reference price and the acquisition price, so a visibly longer stick at a modestly higher single-stick price can feel like better value than a shorter one. Substitution matters as well, because a new format can draw volume from the firm's own range, from competitors and from the unorganised or illicit segment, and the mix of these sources decides whether the extension adds to the firm's volume or merely redistributes it.

The literature reviewed, together with industry research on market size and segmentation (Euromonitor International, n.d.; IMARC Group, 2026), establishes the links between visibility, distribution, price perception and sales, and the regulatory pressure that makes these levers important in the cigarette category. Academic research specific to in-market performance of slim and longer formats in Indian traditional trade is limited. The literature does not show how much of a format's sales reflects the format and how much reflects the completeness of retail execution. This study examines that question in two small practitioner field components.

3. Objectives of the study

The study has one primary objective supported by four secondary objectives:

Primary objective: to understand how format extensions, the slim formats Classic Connect and American NY Cool and the Longs format, perform at the retail point of sale in an advertising-restricted market, and how availability, visibility and trade economics shape their sales.

Secondary objective 1: to study the availability and visibility of Classic Connect and American NY Cool across General Channel (GC), Premium Channel (PC) and Modern and Large Convenience Store (MLCS) outlets in the Nandurbar market, before and after structured retailer engagement.

Secondary objective 2: to evaluate the sales velocity, trade margin and adoption of the Longs format relative to 64 mm, 69 mm and 84 mm formats, and the sources from which its volume is drawn.

Secondary objective 3: to analyse retailer and consumer preferences, purchase drivers and the competitive presence of other organised brands and of unbranded or suspected tax-evaded product.

Secondary objective 4: to identify gaps in distribution, in-store visibility and stock availability, and to recommend practical, cost-effective improvements.

4. Research methodology

4.1 Research design and data sources

The study is descriptive-cum-exploratory and uses a mixed-methods design. It is descriptive because it measures the existing availability, visibility, sales velocity and trade economics of the formats, and exploratory because it probes retailer and consumer behaviour and competitive dynamics that numbers alone cannot capture. The analysis rests on primary data from two field components. **Component A** covers the slim formats in the Nandurbar market and used a structured outlet checklist recording, for each outlet, whether Classic Connect and American NY Cool were in stock, their counter or shelf visibility, any stock-out and the competitor brands present; semi-structured conversations with retailers; direct accompaniment of the sales team on assigned beats; and company-generated sales and productivity reports for the assignment period. **Component B** covers the Longs format in a tier-1 metropolitan trade area and combined a retail audit of unit turnover across lengths, stock-out frequency and gross trade margins with point-of-purchase intercept surveys of adult purchasers, which recorded the primary conversion drivers (pack aesthetic, shopkeeper recommendation and visual shelf presence) and the brand previously bought.

Published research, industry reports, regulatory documents and company disclosures were used only to frame and interpret the results. Outlet identities are withheld. Competitor observation was limited to information publicly visible at the retail counter, and no confidential competitor information was used. Because cigarettes are an age-restricted, regulated product, the analysis concerns trade execution and market structure and makes no promotional claim about the product or its consumption; Component A included no consumer survey, and Component B approached adult purchasers only.

4.2 Sampling and analytical procedure

Table 1 summarizes the sampling design for the two components, and the practical sequence is shown in Fig. 1. Case-level records were organized into common fields (outlet identifier, channel, brands stocked, visibility status, stock-out flag and remarks in Component A; unit sales, margin, stock-out frequency and purchase driver in Component B) and compiled in Excel and Google Sheets, and all counts were checked against the sample size before use.

Table 1 - Sampling plan, technique and sample size.

Parameter	Component A: slim formats (Nandurbar)	Component B: Longs format (urban market)
Sampling frame	Retail outlets selling cigarettes in the Nandurbar market and its immediate catchment (GC, PC and MLCS), taken from the distributor's outlet list and beat plan; 150 outlets mapped	Independent micro-retailers (pan-bidi kiosks, convenience kiosks, neighbourhood grocers) in four administrative zones of a tier-1 metropolitan trade area; adult purchasers of Longs or other lengths
Sampling unit	Individual retail outlet and the retailer interacted with	Individual retailer (audit); individual adult purchaser (intercept)
Sampling technique	Convenience / judgemental sampling from the sales team's assigned beats, with effort to represent GC, PC and MLCS	Stratified random sampling across commercial hubs, transit terminals and residential clusters; point-of-purchase intercepts
Sample size	120 outlets audited (about 15 per day), 80% of the 150 mapped	120 retailers and 240 consumer intercepts
Data collection period	Eight-week OJT, 15 May to 15 July 2026; baseline audit at the start and end-line audit in the final week	Single cross-sectional round (no baseline and end-line)

Several simple measures were derived from the recorded counts. The availability rate is the share of audited outlets in which a given SKU was in stock on the day of the visit, and the availability gain is the end-line rate minus the baseline rate in percentage points. The channel share is the share of sales value contributed by GC, PC or MLCS outlets. The competitor presence rate is the share of sampled outlets in which a brand group was observed, and the theme share is the approximate share of outlets raising a retailer-feedback theme. In Component B, average daily sales is measured in sticks per shop, trade margin is the average retailer margin per 20-stick pack equivalent, adoption rate is the share of daily buyers choosing a format, and the switching-source share is the share of Longs purchasers who previously bought from a given source. These measures describe the samples and are not estimates for ITC's wider market.

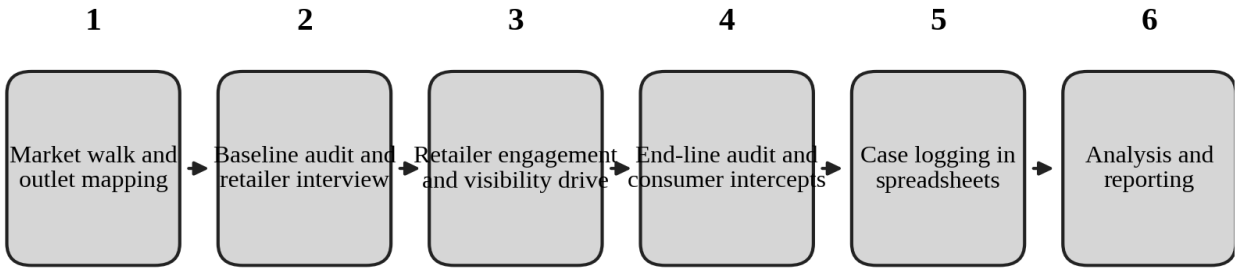


Fig. 1 - Process flow of the study, from market mapping to final reporting.

5. Data analysis and results

5.1 Data recorded in the field

Table 2 lists the data items recorded. In Component A each outlet was tagged by channel and recorded for stocking, visibility and stock-out, and visibility was scored on a 1 to 5 scale (1 = not visible, 5 = eye-level primary placement) when an improvement action was planned. Competitor observation and retailer conversations were added to explain the pattern of availability. In Component B the audit recorded sales velocity and trade margin by length, and the intercepts recorded why and from where purchasers had moved to Longs.

Table 2 - Data items recorded in the field audits.

Sr. No.	Data item	Purpose	Component
1	Stocking status (yes / no) for each SKU	Availability rate and availability gain	A
2	Counter / shelf visibility score (1 to 5)	Visibility gap and action planning	A
3	Stock-out flag and replenishment remarks	Replenishment and distribution gaps	A, B
4	Competitor brands and shelf position	Competitive presence	A
5	Retailer feedback and objections	Qualitative themes	A
6	Average daily unit sales by length	Sales velocity	B
7	Trade margin per 20-stick pack equivalent	Trade economics	B
8	Purchase driver and previous brand	Adoption drivers and switching sources	B

5.2 Sales performance and channel contribution (Component A)

Over the assignment the intern contributed to approximately ₹11 lakh of sales of the assigned range alongside the sales team. Weekly sales value rose from about ₹98,000 in Week 1 to about ₹163,000 in Week 8, an increase of 66.3% (Fig. 2a). The only weekly dip occurred in Week 5, in which the learning diary records retailer price resistance following the tax-driven MRP revisions; this is an association and not a tested cause. The rise coincided with the period in which retailer engagement and the visibility drive were intensified, but because the sales were achieved jointly with the team and no control outlets were kept, the trend is not attributed to the intern or to the visibility drive alone. By channel (Fig. 2b), GC outlets contributed the largest share of sales value (46%), reflecting their number, although per-outlet velocity was generally lower. PC outlets contributed 33% and MLCS outlets 21%, so these two channels together delivered 54% of sales value from fewer outlets.

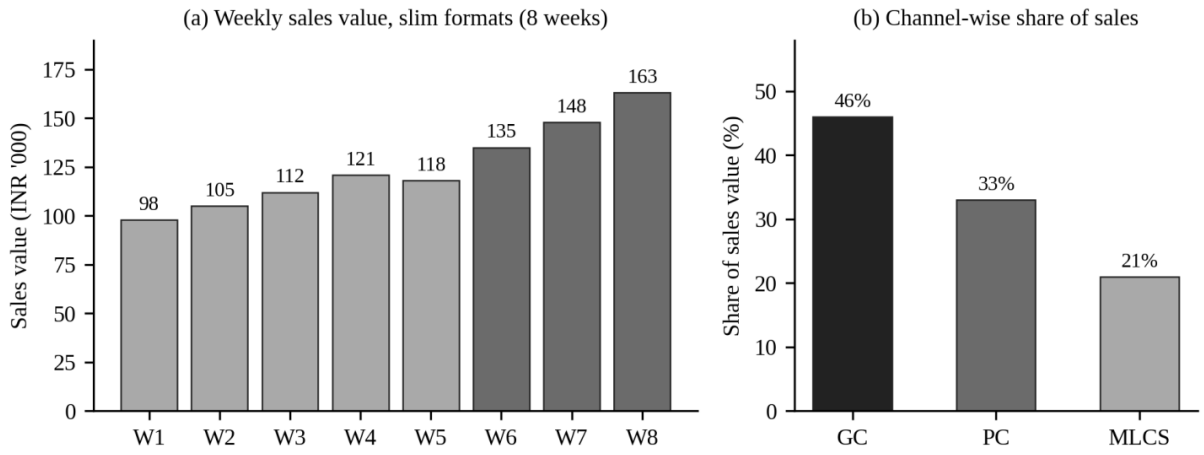


Fig. 2 - (a) Weekly sales value of the slim formats and (b) channel-wise share of sales value.

5.3 Availability, visibility and competitor presence (Component A)

The before-and-after audit of the 120 outlets (Fig. 3a) shows that availability of Classic Connect rose from 58% to 79% of outlets, a gain of 21 percentage points, and availability of American NY Cool rose from 41% to 64%, a gain of 23 percentage points. In relative terms these are increases of roughly 36% and 56%. At baseline, fewer than half of the audited outlets stocked American NY Cool, and even at end-line 21% of outlets lacked Classic Connect and 36% lacked American NY Cool. The gains followed focused retailer engagement, counter reorganisation and replenishment follow-up, with no change in advertising or pricing.

Competitor presence was recorded in the same outlets (Fig. 3b). ITC brands across the full portfolio were present in about 82% of outlets, Godfrey Phillips India brands in about 34% and VST Industries brands in about 22%, broadly in line with their organised market shares. An estimated 47% of outlets showed some presence of unbranded, regional or suspected tax-evaded product. The shares are not mutually exclusive because an outlet can stock several brand groups.

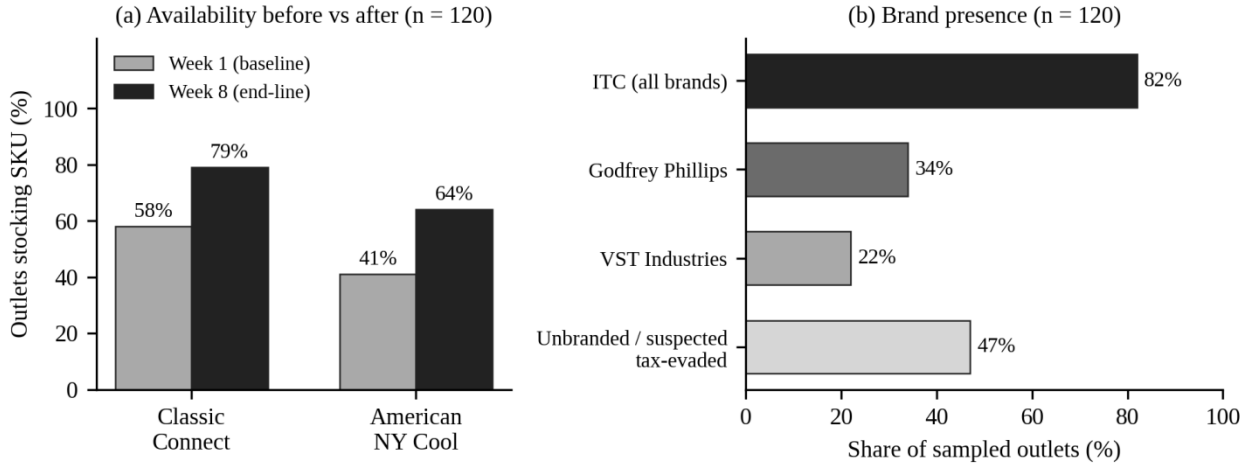


Fig. 3 - (a) Availability of the slim formats before and after the visibility drive and (b) brand presence in sampled outlets.

5.4 Retailer feedback (Component A)

Retailer conversations converged on five themes (Table 3). The most frequent was the fear that a less familiar slim SKU would move slowly, followed by limited counter space. Replenishment delays were raised least often but had the most direct remedy: in one beat, aligning the salesman's delivery sequence with a retailer's Friday-morning demand removed the recurring stock-out. The feedback is informal and retailer-reported, and the theme shares are approximate.

Table 3 - Retailer feedback themes (Component A, n = 120 outlets).

Theme	Representative observation	Approx. share of outlets raising theme (%)
Slow-moving stock risk	Some GC retailers hesitated to stock a less familiar slim SKU because of limited shelf space and fear of slow movement	38
Visibility and display constraints	Small GC shops had little counter space, which limited how many SKUs could be displayed prominently	33
Consumer curiosity and trial	PC and MLCS retailers reported growing curiosity about slim formats, especially among younger adult smokers moving from regular formats	29
Price-point sensitivity	Even small price increases after tax changes affected which brand GC retailers recommended	24
Replenishment delays	A subset of outlets reported stock-outs from delayed order fulfilment or infrequent salesman visits on some beats	19

5.5 Sales velocity, margin and adoption of the Longs format (Component B)

Across the 120 audited retailers, the shorter formats remained the volume anchor (Table 4). Economy 64 mm sticks averaged 210 sticks per shop per day and accounted for 46.5% of daily buyers, and mid-tier 69 mm sticks averaged 145 sticks and 32.1%. Longs averaged 68 sticks per shop per day, equal to about 47% of the 69 mm volume and about 2.3 times the 29 sticks of super-premium 84 mm king-size, and accounted for 15.1% of daily buyers. Longs carried the highest average trade margin of the four tiers (9.4%, against 6.2% to 7.1% for the 64 mm and 69 mm formats and 8.0% for super-premium king-size). Retailers reported that Longs showed the fastest acceleration in unit sales after distributor rollout, although the audit was cross-sectional and no growth rate is reported.

Table 4 - Retail performance metrics across cigarette formats (Component B, n = 120 retailers).

Segment / SKU tier	Length category	Avg. daily sales (sticks per shop)	Gross trade margin (%)	Adoption rate (% of daily buyers)
Economy regulars	64 mm	210	6.2	46.5
Mid-tier standard	69 mm	145	7.1	32.1
ITC Longs extensions	84–90 mm	68	9.4	15.1
Super-premium KS	84 mm	29	8.0	6.3

Note: margins are the average retailer margin per 20-stick pack equivalent. Source: 120-retailer field audit.

Two operational levers stood out. First, the higher trade margin on Longs than on mature standard SKUs gives the kiosk a reason to recommend it at the counter, which matters because brand choice is often settled in unstructured purchase moments. Second, positioning Longs at round retail price points (for example exactly ₹10 or ₹15) avoids coin-shortage delays in single-stick transactions. Single-stick prices of about ₹10 to ₹12 for a visibly longer 84 mm stick, against about ₹8 to ₹9 for a 69 mm stick, are consistent with the transaction-utility argument in Section 2.4, although the study did not test price perception directly.

The 240 intercepts show where Longs volume comes from (Fig. 4b). Of Longs volume, 42% came from existing upgraders moving from standard 69 mm SKUs within the same brand umbrella, 31% from consumers shifting from illicit or duty-evaded king-size imports, and 27% from competing domestic brands in adjacent price corridors. The previous brand is self-reported and could not be verified.

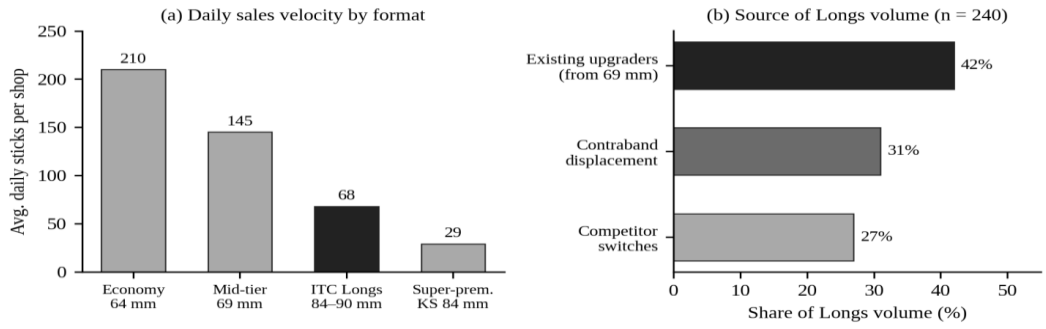


Fig. 4 - (a) Average daily sales velocity by format and (b) sources of Longs volume.

5.6 Summary of key outcome measures

Table 5 - Summary of key outcome measures.

Measure	Component	Result
Outlets audited	A	120 of 150 mapped (80%)
Classic Connect availability, baseline to end-line	A	58% to 79% (+21 pp)
American NY Cool availability, baseline to end-line	A	41% to 64% (+23 pp)
Weekly sales value, Week 1 to Week 8	A	₹98,000 to ₹163,000 (+66.3%)
GC / PC / MLCS share of sales value	A	46% / 33% / 21%
Outlets with unbranded or suspected tax-evaded product	A	47%
Longs average daily sales per shop	B	68 sticks (69 mm: 145 sticks)
Longs gross trade margin	B	9.4% (64 mm and 69 mm: 6.2% to 7.1%)
Longs share of daily buyers	B	15.1%
Source of Longs volume: upgraders / contraband / competitors	B	42% / 31% / 27%

5.7 Interpretation against the objectives

The first secondary objective is addressed by the availability, visibility and channel results in Figs. 2 and 3 and Table 3. The second is addressed by the velocity, margin, adoption and substitution results in Table 4 and Fig. 4. The third is addressed by the competitor presence in Fig. 3b, the retailer themes in Table 3 and the switching sources in Fig. 4b, and the fourth is addressed in Sections 7 and 8. Together these support the primary objective: format extensions open real room at the counter, but in this advertising-restricted market their sales depended heavily on whether the retail system made them available, visible and attractive to recommend.

6. Discussion of findings

Five findings emerge from the analysis.

Execution gaps, not weak demand, limited the slim formats at baseline. ITC brands were present in about 82% of sampled outlets, yet only 58% stocked Classic Connect and 41% American NY Cool at baseline. Availability gains of 21 and 23 percentage points followed retailer engagement, counter reorganisation and replenishment follow-up, tools that cost little and did not touch price or advertising. Because there was no control group and seasonal demand, competitor action and wider market dynamics may also have contributed, this is evidence of association and not of proven effect.

Premium and modern outlets contributed more than their number suggests. GC outlets gave the largest share of sales value (46%) because there are many of them, yet PC and MLCS outlets together gave 54% from fewer outlets, and retailers there reported the strongest consumer curiosity about slim formats. GC retailers were the most hesitant, with fear of slow-moving stock the most frequent theme (38%). The channels therefore need different approaches: availability and price-point communication in GC, display quality in PC, and negotiated shelf placement and peak-period stock in MLCS.

In a dark market, trade economics and price architecture do the work of promotion. Longs carried the highest average trade margin (9.4%) and were positioned at round price points, and with advertising unavailable, the retailer's recommendation at the counter influences choice in unstructured purchase moments. The cross-sectional design cannot show that margin caused adoption, so this is a plausible mechanism and not a measured effect.

A format extension draws volume from three sources, and one of them is unorganised trade. Of Longs volume, 42% came from upgraders within ITC's own range, which raises price per stick but partly redistributes volume, 31% from contraband displacement and 27% from competitors. The slim audit agrees on the importance of the unorganised segment, since 47% of outlets still showed unbranded or suspected tax-evaded product. The contraband share rests on purchasers' own account of their previous brand and should be treated with caution.

Short formats remain the volume anchor, and tax-driven price changes make trade communication continuous. The 64 mm and 69 mm formats together accounted for 78.6% of daily buyers, whereas Longs accounted for 15.1%, so extensions add a premium layer to the range and do not replace the base. GC retailers (24%) said that even small post-tax price increases changed which brand they proactively recommended, and the Week 5 sales dip coincided with price resistance after MRP revisions. Managing stock transitions and retailer confidence around tax-driven MRP changes is therefore an ongoing task and not a launch activity.

Taken together, the findings show that two quantities that are easily confused, the strength of a format at the counter and the completeness of its retail delivery, move independently. Velocity, margin and adoption describe how the format performs where it is present, whereas the availability rate describes how often it is present at all. The slim component shows that the second can be raised within weeks with low-cost tools, and the Longs component shows that the first depends on trade economics and price points. Sales of a format should not be read as a measure of its appeal without checking its availability, and availability should not be read as a measure of demand.

7. Challenges and limitations

Three practical challenges arose. First, access to confidential internal sales, pricing and distributor data was appropriately restricted, so the analysis relied on locally available reports, public data and field records. Second, some retailers were reluctant to discuss stocking decisions candidly with a visibly new trainee, and market walks were occasionally constrained by outlet timing, weather and traffic. Third, observation had to be balanced with not interfering in ongoing field-sales relationships. These were addressed by letting the field sales executive lead retailer conversations while the intern took structured notes, by scheduling walks around peak-traffic and adverse-weather periods, by cross-checking field notes with the sales executive at the end of each day, and by using only publicly available and company-approved data in external analysis.

The study has the following limitations. The two components were carried out in different markets, with different designs and by different authors, so their results are reported side by side and no pooled statistics are computed. Component A covers one market and its immediate catchment, and its outlets were selected by convenience and judgement from existing sales beats, which may under-represent outlets not regularly covered. Component B covers one urban market and is a single cross-sectional round, so it shows no change over time. The eight-week period is long enough to observe a before-and-after trend but too short to show sustained effects, and it may not capture seasonal patterns. Much of the qualitative evidence is retailer-reported and may reflect perception and not observed consumer behaviour, and the weekly sales values are rounded. Improvements observed during the assignment cannot be attributed solely to the visibility efforts. Company disclosures do not segment unit sales by stick length, which required primary channel audits, and the authors had no access to company-wide pricing or sales data to benchmark the markets against other territories. Because cigarettes are an age-restricted category, no consumer survey was undertaken in Component A. The findings are therefore indicative observations and not conclusions about slim or Longs formats in general.

8. Recommendations and scope for future work

The main recommendation is to manage the retail execution of format extensions as a measurable process, tracking the availability rate, counter visibility and sales velocity as separate indicators. Because the slim component shows that availability can be raised quickly with low-cost tools, the largest near-term opportunity lies in getting existing formats into more outlets and keeping them there, within COTPA, applicable regulation and ITC's own compliance policies. Management can then see whether a weak sales result reflects the format or the delivery.

Five steps can implement this. First, work with the distributor to identify the 15–20% of outlets with the lowest availability scores and make them the first round of visibility and replenishment interventions. Second, schedule a fixed weekly or fortnightly replenishment check for outlets that have previously gone out of stock, and align delivery sequences with local demand peaks, as in the Friday-morning case, instead of relying only on the standard beat cycle. Third, use low-cost compact display units suited to small General Channel counters, where space is the main constraint. Fourth, brief salesmen on a consistent talking point focused on product differentiation and not on promotional claims, review trade margins and round retail price points so that transactions are not slowed by coin shortages, and plan stock transitions ahead of tax-driven MRP changes. Fifth, prioritise Premium Channel and MLCS coverage, and keep a simple shared log of competitor and unbranded-product presence, reviewed monthly by the territory team.

The expected benefit is fewer avoidable stock-outs, better use of sales effort and clearer attribution of sales results, at low cost. The 21 to 23 percentage-point availability gain in this study came from essentially the same tools, so continuing and systematising them should yield further gains. Continued competitor tracking is needed because the presence of unbranded product in 47% of outlets means that visibility gains cannot be assumed to be permanent.

Future work can use a larger and more representative sample across several territories, and a design that applies the same sampling frame to both formats in the same market so that the slim and Longs results can be compared directly. A longer study covering at least one full quarter or season, including the period around Union Budget excise adjustments, could separate sustained effects from short-term ones and trace consumer price elasticity. If access is permitted, company sales-system data could strengthen the quantitative analysis, and a comparison of intervention and control outlets could isolate the effect of visibility and replenishment from market-wide movements.

9. Conclusion

The two field components show that, in an advertising-restricted market, the performance of a format extension depends on the retail system as much as on the format. In the slim component, availability of Classic Connect rose from 58% to 79% and of American NY Cool from 41% to 64% after structured retailer engagement and replenishment follow-up, while weekly sales value rose from ₹98,000 to ₹163,000 and unbranded or suspected tax-evaded product remained in 47% of outlets. In the Longs component, the format combined the highest trade margin (9.4%) with a 15.1% share of daily buyers and drew 42% of its volume from upgraders, 31% from contraband displacement and 27% from competitors. Format therefore creates the opportunity, whereas availability, visibility and trade economics decide how much of it is realised. Because the samples are small and drawn from specific markets, these results are indicative. The practical lesson is to track availability and sales velocity separately and to fix execution gaps before attributing a weak result to the format.

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