

JT Taking Winstons To Mexican Market

TOKYO (Nikkei)--Japan Tobacco Inc. (2914) will release its Winston cigarette brand in Mexico this month, using a local subsidiary to broaden sales routes there as part of an effort to expand sales in Latin America.

Winston, one of JT's eight major brands, is No. 2 worldwide in terms of the number of cigarettes sold. Cigarettes sold under the brand will cost 33 pesos, or around 186 yen, making them midpriced locally. The firm set up a local subsidiary this past November to handle marketing and sales.

Until now, sales of two other brands have been consigned to a joint venture set up with British American Tobacco Plc. Both of them have been relatively expensive in the local market. Consignment sales of these two brands will continue for now, but JT will handle Winston sales on its own because that brand could compete with a BAT brand on price. The overseas cigarette business accounted for some 48% of JT's total sales in the year ended March. But in Latin America, it has had a low market share compared with such other countries as Russia and the U.K. JT hopes to use Mexico as a model for cultivating its leading brands in other markets.

Source: The Nikkei Business Daily, June 13-2012