

AGENDA

- MORE
- CENTURY
- STERLING
- RITZ

MORE BRAND FAMILY

BRAND STYLES

MORE 120's

MORE 120's MENTHOL

MORE LIGHTS 100

MORE LIGHTS MENTHOL 100

BRAND POSITIONING:

MORE LIGHTS is a distinctive, stylish cigarette that delivers mild, smooth smoking satisfaction.

MORE 120's is a visually distinctive product for smokers who want to make a statement that is different from the crowd and delivers a smooth, mild lasting cigarette.

MORE

PRODUCT STRATEGY

COMPETITIVE BRAND

- o MORE 120's NON MENTHOL—Current Product
- o MORE 120's MENTHOL—Current Product
- o MORE LIGHTS NON MENTHOL— VIRGINIA SLIM LIGHTS
- o MORE LIGHTS MENTHOL—VIRGINIA SLIM LIGHTS MENTHOL

TARGET GROUP

- o MORE LIGHTS: 25—40 Year Old Female 100mm FFLT Smoker
- o MORE 120's: 30—49 Year Old Female FF and FFLT Acceptors

PRODUCT PERFORMANCE

- o MORE 120's NON MENTHOL—Superior
- o MORE 120's MENTHOL—Superior
- o MORE LIGHTS NON MENTHOL—Parity
- o MORE LIGHTS MENTHOL—Superior

MORE 120's

KEY ATTRIBUTES:

- * Stronger In Taste
Faster Burn
More Mild
- * Delivers More Tobacco Taste

MORE LIGHTS

KEY ATTRIBUTES:

- * Stronger
More Smooth
- * Less Harsh
Faster Burning
More Tobacco Taste
- * More Menthol Taste

BUSINESS ANALYSIS

		<u>Market Share</u>
MORE 120's	Regular	0.7
	Menthol	0.5
MORE LIGHTS 100s	Regular	0.2
	Menthol	0.1
		<u>1.5</u>

MORE

CRITICAL ISSUES

- o MORE 120's Carton Redesign
- o MORE 120's Tar Variation
- o Packaging

ACCOMPLISHMENTS

- o Lighter Basis Weight Tipping
- o Skip Gap
- o Realignment of Bottom Pack Design
- o More Lights Reintroduction

CENTURY BRAND FAMILY

BRAND STYLES

CENTURY 85

CENTURY 100

CENTURY LIGHTS 85

CENTURY LIGHTS 100

TPS 100

BRAND POSITIONING:

CENTURY is a quality/low cost cigarette offering smoking satisfaction equal to the best available, while avoiding the harshness associated with other low cost products.

CENTURY PRODUCT STRATEGY

COMPETITIVE BRAND

- o CENTURY 85-MARLBORO 85
- o CENTURY LIGHTS 85-MARLBORO LIGHT 85
- o CENTUY 100-MARLBORO 100
- o CENTURY LIGHTS 100-MARLBORO LIGHT 100
- o TPS-SALEM LIGHTS 100

TARGET GROUP

- o 25+ FF/FFLT Smokers

PRODUCT PERFORMANCE

- o CENTURY 85-Superior
- o CENTURY LIGHTS 85-Parity
- o CENTURY 100-Parity
- o CENTURY LIGHTS 100-Superior
- o TPS-TBD

BUSINESS ANALYSIS

Share of Market for January, 1985
is up by .06 SOM over January, 1984
for Total CENTURY. All styles
increased except CENTURY LIGHT 85 which
remained level.

TPS 100

PERFORMANCE OBJECTIVE:

Superior to SALEM LIGHTS 100 among
FFLT category smokers excluding SALEM
smokers and 6-7 mg. tar smokers.

PRODUCT PERFORMANCE:

Superior to SALEM LIGHTS 100 among
total FFLT smokers.

STRENGTHS

Cool Taste
A Lot Of Menthol Taste
More Menthol
Satisfying Taste

WEAKNESSES

Strong taste
Harsh taste

DEVELOPMENT SCHEDULE:

Phase II	3/11/85
NFO Results	5/7/85
Production Start	5/20/85
DTS	8/5/85

CENTURY

CRITICAL ISSUES

- o TPS 100 Introduction
- o Cost Reduction Program
- o CENTURY LIGHTS 85 Filter Length Decrease

CENTURY ACCOMPLISHMENTS

- o Two CENTURY LIGHTS 100 Cost Reduced Prototypes Sent Out To NFO. Neither Achieved The Action Standard Of Parity To MARLBORO LIGHTS 100.
- o CENTURY LIGHTS 100 Moved From Inferior To Superiority On Wave Two In 1984 Vs. MARLBORO LIGHT 100.
- o CENTURY LIGHTS 85 Achieved Superiority To MARLBORO LIGHTS 85 On Waves Four And Five Of 1984.
- o TPS 100 Began Development Work For Implementation In 1985.
- o CENTURY FF 85 Changed To 28M-1 Plug Wrap
- o CENTURY FF 85 & FF 100 Cost Reduced Prototypes Developed

STERLING BRAND FAMILY

BRAND STYLES

STERLING REGULAR 94

STERLING MENTHOL 94

STERLING 85 REGULAR

BRAND POSITIONING:

Sterling is the "premium" cigarette for smokers who seek to project an image of status among their peers.

STERLING

PRODUCT STRATEGY

COMPETITIVE BRAND

- o STERLING NON MENTHOL—BENSON & HEDGES LIGHTS
- o STERLING MENTHOL—BENSON & HEDGES LIGHTS MENTHOL
- o STERLING 85—MARLBORO LIGHTS 85

TARGET GROUP

- o 25—49 Year Old Males and Female 100mm FFLT Smokers
- o 21—40 Year Old Males and Female 85mm FFLT Smokers

PRODUCT PERFORMANCE

- o STERLING NON—MENTHOL—Parity
- o STERLING MENTHOL—Parity

STERLING

CRITICAL ISSUES

- o Packaging Redesign
- o Packaging Solvent Levels
- o Packaging Moisture Levels
- o STERLING 85

Production Start

3/18/85

DTS

6/3/85

STERLING

ACCOMPLISHMENTS

- o **STERLING Regular and Menthol 94**
Crush-Proof Box INTRODUCTION in 1984
- o **Norprop Film Used for Dust and Moisture**
- o **Successful Development of Products**
- o **Special Manufacturing Equipment**
- o **Redesign Packaging**
- o **Velin Cigarette Paper**
- o **Development of High Quality Box Product**
- o **Development of STERLING 85 Soft-Pack**

RITZ BRAND FAMILY

BRAND STYLES

RITZ REGULAR
RITZ MENTHOL

BRAND POSITIONING

RITZ Is The Stylish, Prestigious Cigarette For
18-34 Year Old Fashion Conscious Female Smokers.
The Brand's Inherent Prestige, Style And Its
Association With Yves Saint Laurent Assures The
Prospect That She Is Smoking The Ultimate Quality.

RITZ

PRODUCT STRATEGY

COMPETTIVE BRAND

- o RITZ NON MENTHOL—BENSON & HEDGES LIGHTS
- o RITZ MENTHOL—BENSON & HEDGES LIGHTS MENTHOL

Further Development Efforts Will Be Compared
Versus Current Product.

TARGET GROUP

- o 18—34 Year Old Female 100mm FFLT Smoker

PRODUCT PERFORMANCE

- o RITZ NON MENTHOL—Superior
- o RITZ MENTHOL—Parity (Superior At 88% CL)

RITZ NON MENTHOL

STRENGTHS

Strength
Tobacco Taste
Rich Taste
Aftertaste
Natural Taste
Ease Of Draw
Burn Rate

WEAKNESSES

Harshness
Smoothness
Mildness
Bitter Taste

RITZ MENTHOL

STRENGTHS

Smoothness
More Menthol Taste
More Menthol Taste Relative
To Tobacco
Cooler Tasting
Easier Draw
Slower Burn Rate
More Satisfying

WEAKNESSES

Less Mild
Less Strong
Harsher
Less Natural
Tasting

BUSINESS ANALYSIS

o Test Market Began 3/4/85

RITZ

CRITICAL ISSUES

- o Cold Storage
- o Packaging
- o Protos/GDX2
- o Expansion Into St. Louis Test Market
- o RITZ Non Menthol Aging Study
- o Shelf Life Study
- o Product Guidance Testing