

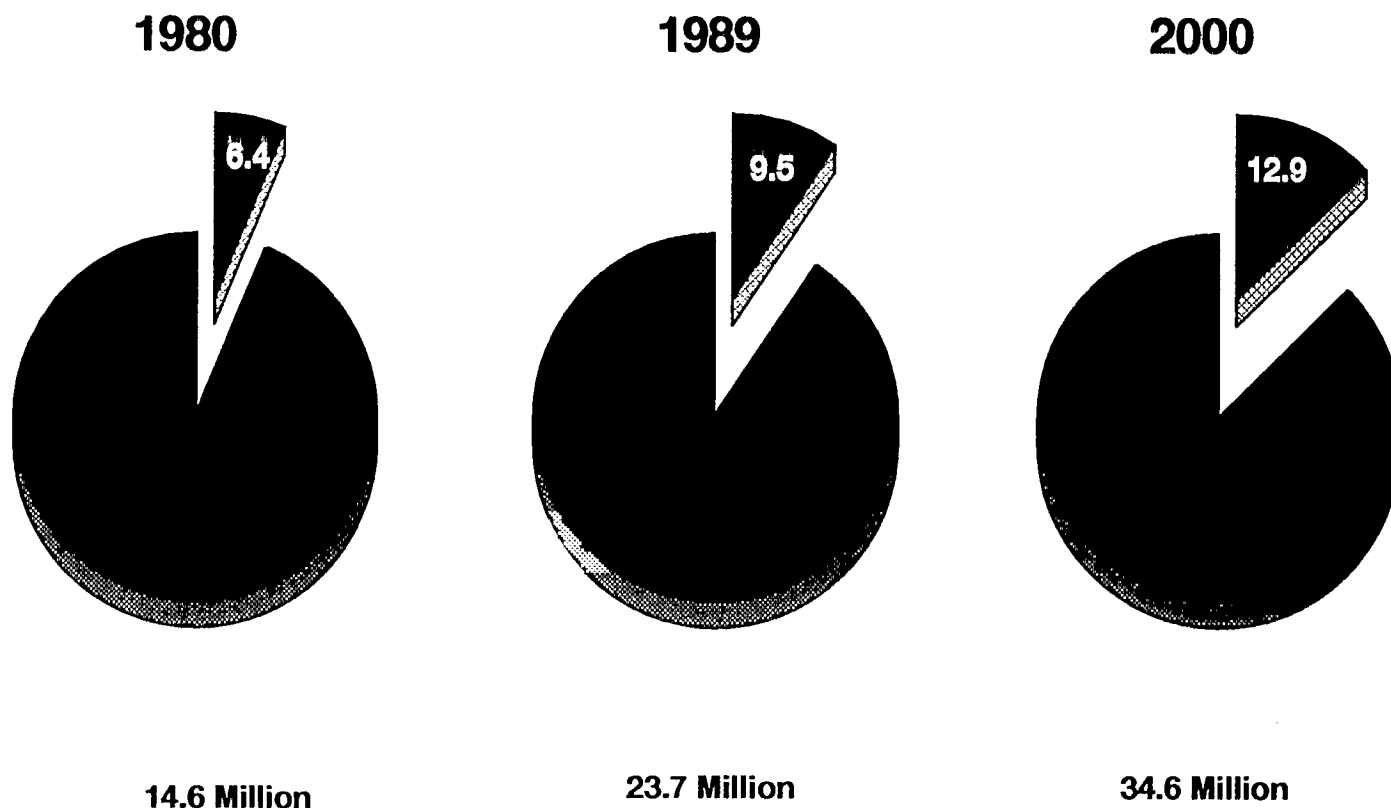
HISPANIC BENSON & HEDGES SMOKERS

JULY 1991

METHODOLOGY

- 1,801 Smoker Interviews (March - May 1990)
 - 59% in Spanish
 - 41% in English
- Sample Source
 - 60% Hispanic SSI
 - 40% Random Digit Dialing
- Two Part Interview
 - Smoking Incidence
 - Smoker Interviews
- Smoking Incidence Confirmation Study

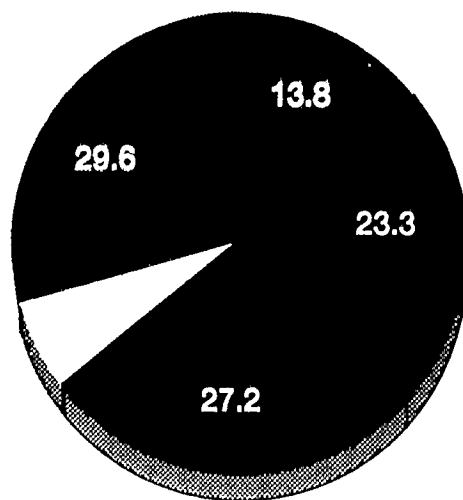
HISPANIC SHARE OF U.S. POPULATION



Source: U.S. Census Bureau, Strategy Research Corp., Advertising Age

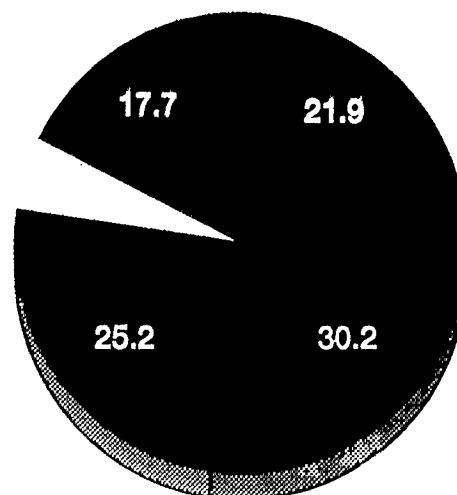
POPULATION PROFILE BY AGE

WHITES



Median Age: 33.6

HISPANICS



25.7

- 18-24
- 25-34
- 35-49
- 50-54
- 55+

Source: U.S. Census Bureau, Strategy Research Corp.

STATES WITH LARGEST HISPANIC POPULATION

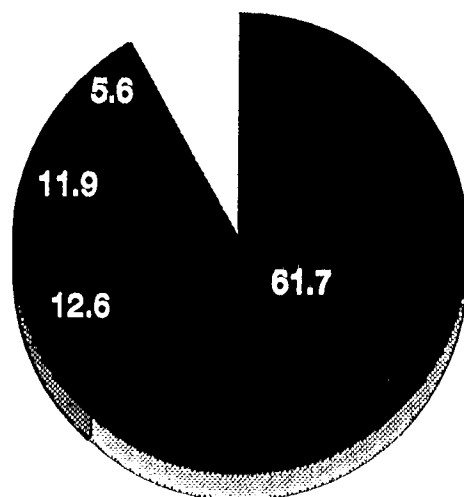
1989

	<u>% of Total U.S. Hispanic Population</u>
California	36.2%
Texas	20.4
New York	10.0
Florida	6.1
Illinois	4.1
Arizona	3.3
New Jersey	2.8
New Mexico	2.8
Colorado	1.8
Balance	12.4

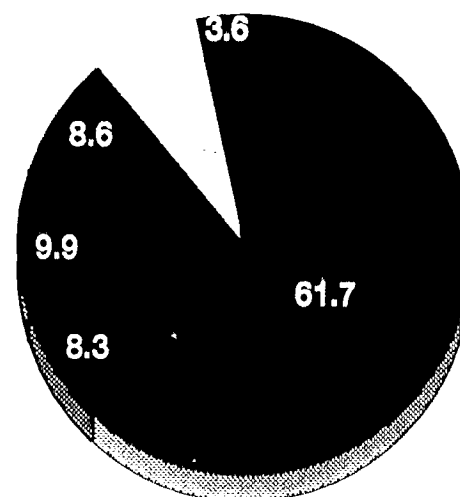
Source: U.S. Census Bureau, Strategy Research Corp.

COUNTRY OF ORIGIN

U.S. CENSUS BUREAU



PM-USA TRACKING



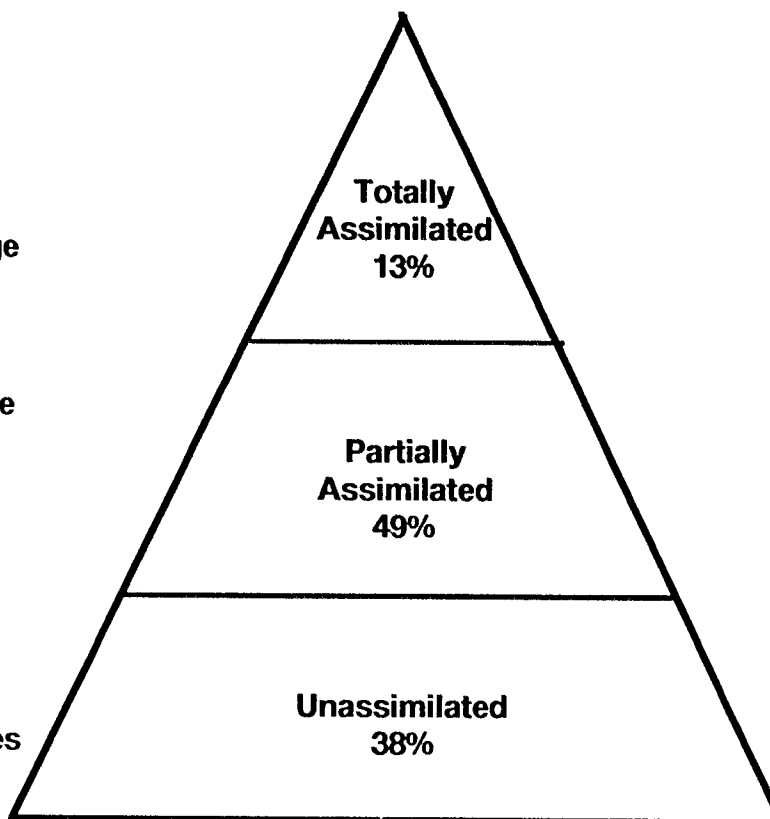
- Mexico
- Ctrl/So. America
- Puerto Rico
- Cuba
- Other
- Refused

HISPANIC ASSIMILATION

- Embrace American culture
- Habits, behavior and lifestyles similar to assimilated Americans
- Maintain some elements of Hispanic heritage

- Fluent in English but speak Spanish at home
- Accept traditional family values
- Majority will not move to totally assimilated

- Growing most rapidly
- Found in Hispanic barrios in major U.S. cities
- Maintain Hispanic culture in all respects



Source: Strategy Research Corp.

MEDIA USAGE OF ASSIMILATION SEGMENTS

MEDIA USAGE

HOW TO REACH

Totally Assimilated

- Same media usage habits as assimilated Americans
- Exposure to Spanish language media has strong emotional impact



General market advertising and media plan

Partially Assimilated

- Wide range of media usage habits
- Favor Spanish language media



Specific Hispanic strategy via Spanish language media

Unassimilated

- Exclusive users of Spanish language newspapers, magazines, radio and TV programs

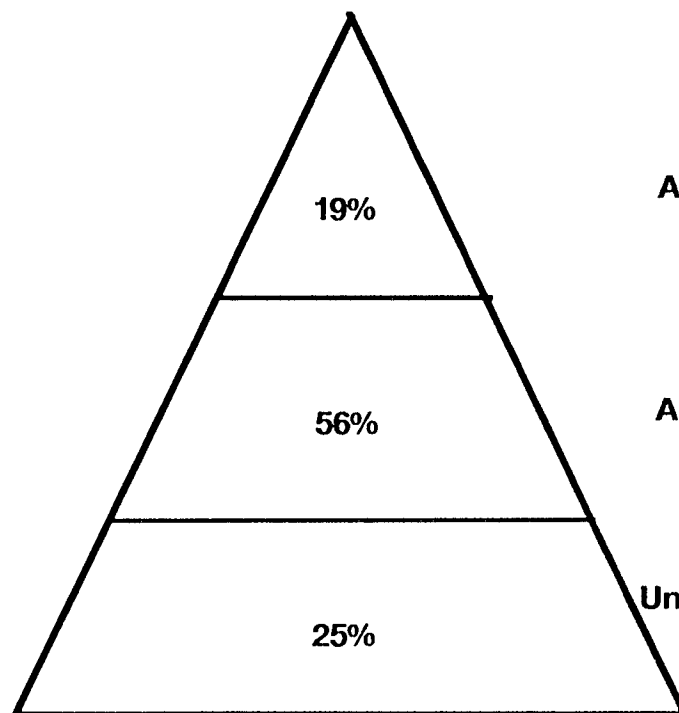


Spanish language media
- Spanish outdoor billboards and P.O.S

Source: Strategy Research Corp.

ASSIMILATION OF BENSON & HEDGES SMOKERS

HISPANIC TRACKING

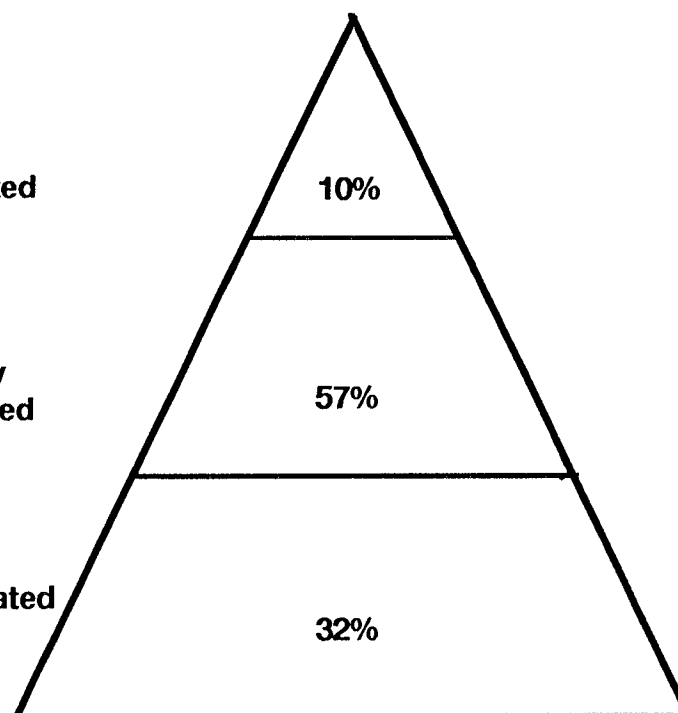


Totally
Assimilated

Partially
Assimilated

Unassimilated

B&H SMOKERS



SMOKING INCIDENCE

	<u>WHITES</u> ⁽¹⁾	<u>HISPANICS</u> ⁽²⁾
<u>Overall</u>	<u>29.4%</u>	<u>18.2%</u>
<u>Male</u>	<u>30.8</u>	<u>23.5</u>
18-21	33.5	17.6
22-24	36.0	24.5
25-34	37.2	26.2
35-44	36.5	25.8
45-54	31.8	26.4
55-64	27.7	22.0
65+	15.2	14.3
<u>Female</u>	<u>28.1</u>	<u>12.4</u>
18-21	34.7	9.0
22-24	32.6	12.1
25-34	34.7	13.2
35-44	30.1	15.0
45-54	29.7	14.8
55-64	25.8	12.1
65+	14.1	6.8

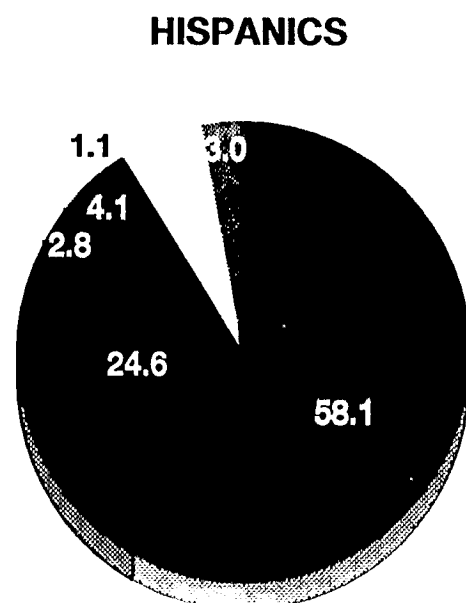
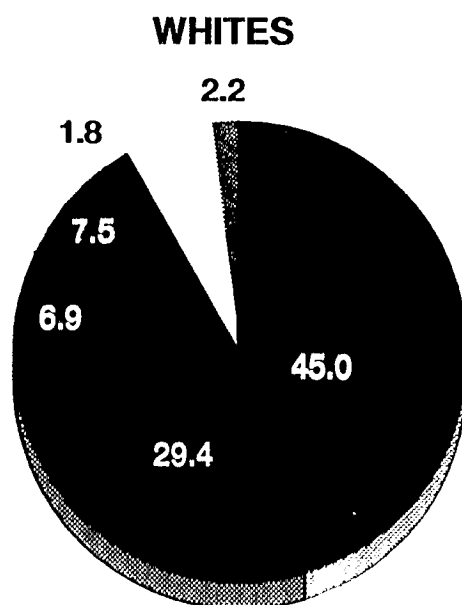
(1) Roper Year End 12/90

(2) Hispanic Sample Data

AVERAGE DAILY CONSUMPTION

	<u>WHITES</u>	<u>HISPANICS</u>
Light (1-19)	28.0%	64.9%
Medium (20)	20.9	16.8
Heavy (21-30)	36.9	12.0
Very Heavy (31+)	12.6	3.5

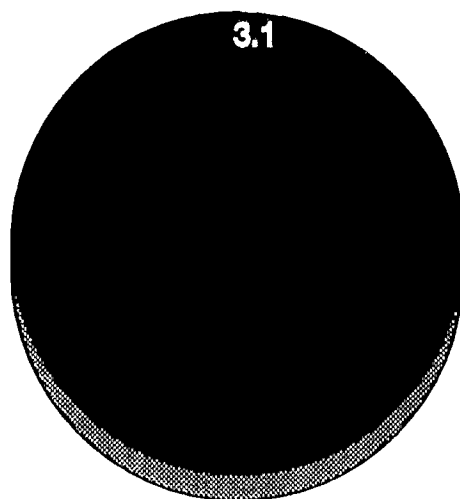
COMPANY SHARES



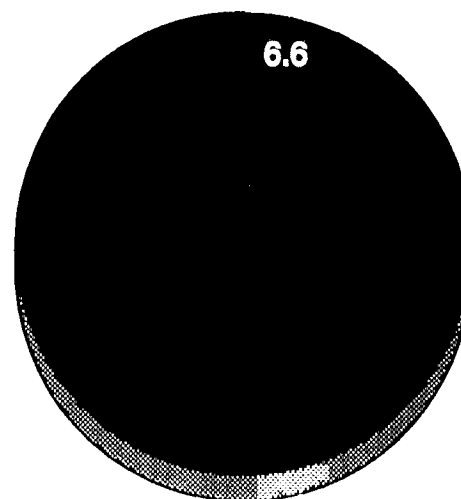
- PM
- RJR
- Amer.
- B&W
- Liggett
- Lorillard
- Generic/Other

BENSON & HEDGES' SHARE OF SMOKERS

WHITES



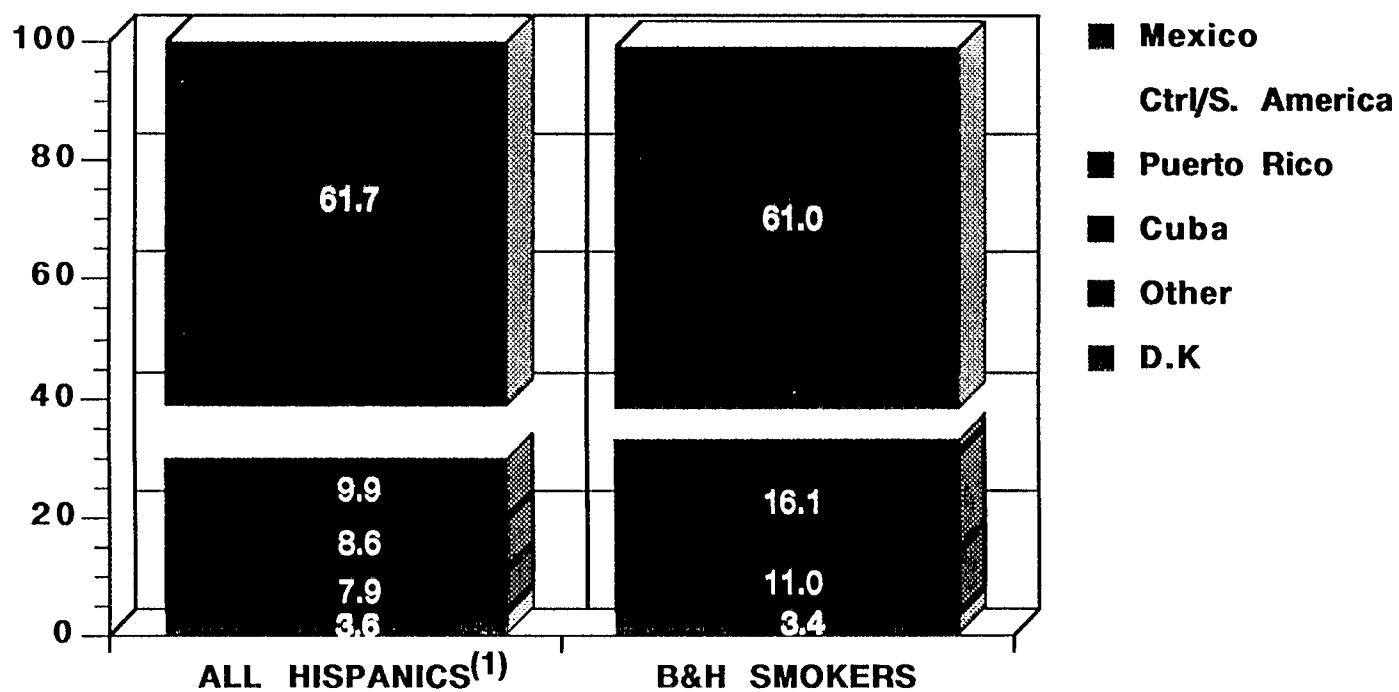
HISPANICS



BENSON & HEDGES' SHARE BY COUNTRY OF ORIGIN

Mexicans (Base = 1,112)	6.5%
Puerto Ricans (Base = 178)	1.7
Cubans (Base = 154)	12.3
Central/South Americans (Base = 150)	4.7
Other (Base = 142)	9.2

HISPANICS: COUNTRY OF ORIGIN

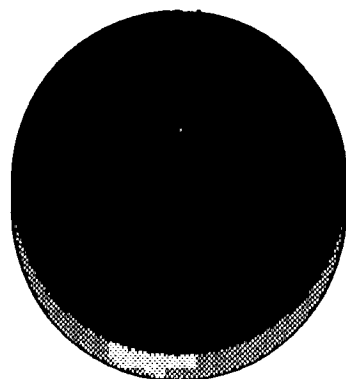


Source: PM-USA Hispanic Tracking Study

BENSON & HEDGES' SHARE OF SMOKERS

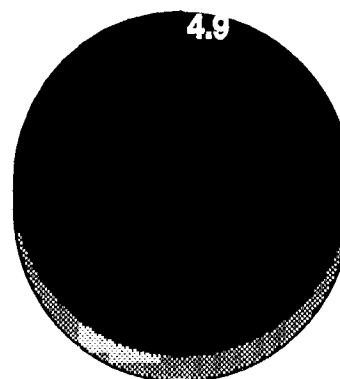
WHITES

2.0



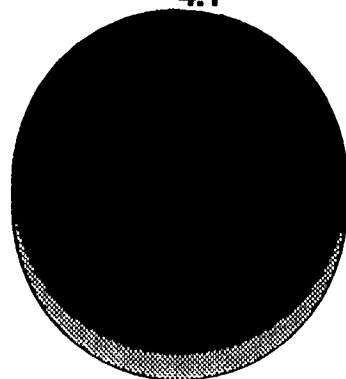
HISPANICS

4.9



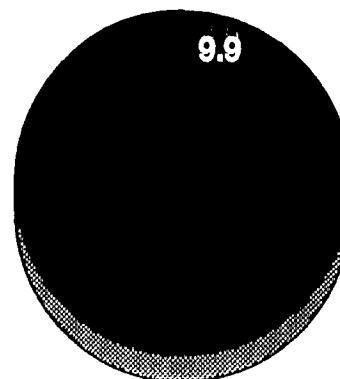
MALES

4.1

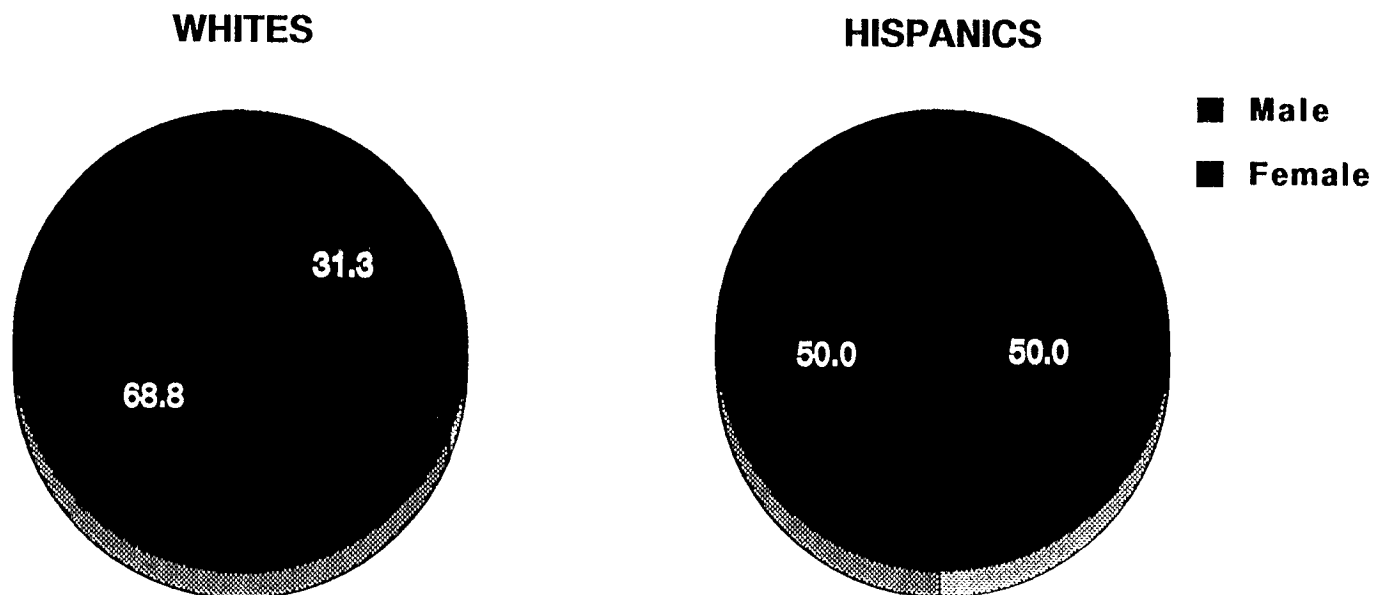


FEMALES

9.9



PROFILE OF BENSON & HEDGES' SMOKERS BY SEX



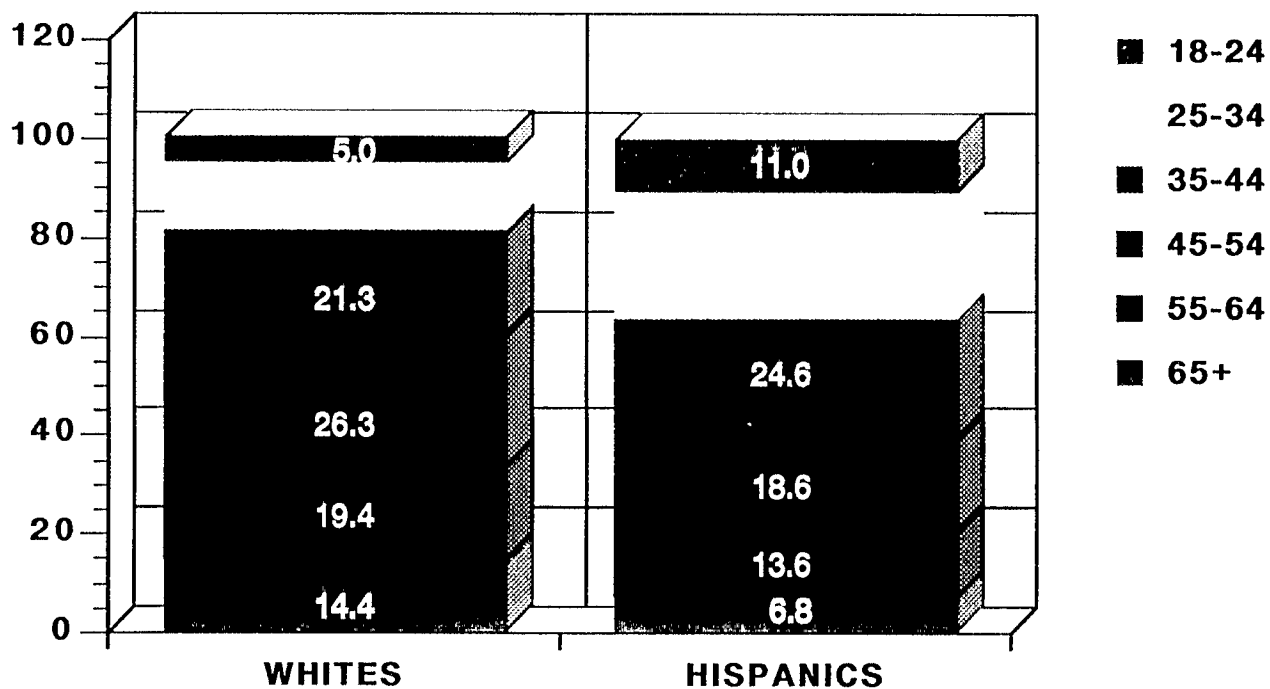
BENSON & HEDGES' SHARE OF SMOKERS

BY AGE

	<u>WHITES</u>	<u>HISPANICS</u>
18-24	1.1	5.2
25-34	1.6	5.5
35-44	2.6	6.3
45-54	4.9	8.2
55-64	5.1	8.9
65+	6.4	8.2
Median Age	46.9	36.1

PROFILE OF BENSON & HEDGES' SMOKERS

BY AGE



BENSON & HEDGES' SHARE OF SMOKERS BY AGE

	MALE		FEMALE	
	<u>WHITES</u>	<u>HISPANICS</u>	<u>WHITES</u>	<u>HISPANICS</u>
18-24	0.3	2.9	2.1	10.0
25-34	0.7	3.3	2.5	9.9
35-44	1.2	6.0	4.0	6.9
45-54	5.0	4.6	4.8	14.9
55-64	4.0	7.1	6.2	11.8
65+	2.7	10.4	8.9	3.3
Median Age	49.5	41.6	45.5	36.1

BENSON & HEDGES PACKING PREFERENCE

	<u>WHITES</u>	<u>HISPANICS</u>
Soft Pack	55.6	54.2
Box	44.4	45.8
Full Flavor	43.8	35.6
Low Tar	23.8	41.5
Ultra Low	32.5	22.9
Non-Menthol	70.0	52.5
Menthol	30.0	47.5

BENSON & HEDGES' SHARE OF SMOKERS**BY PACKING**

	<u>WHITES</u>	<u>HISPANICS</u>
<u>Menthol</u>		
100's	0.5%	1.1%
Lights 100's	0.2	1.4
Ultra Lights 100's	0.3	0.6
<u>Non-Menthol</u>		
100's	0.9	0.8
Lights 100's	0.5	1.3
Ultra Lights 100's	0.7	0.9
Kings Flat Box	-	0.4
Total B&H	3.1%	6.6%

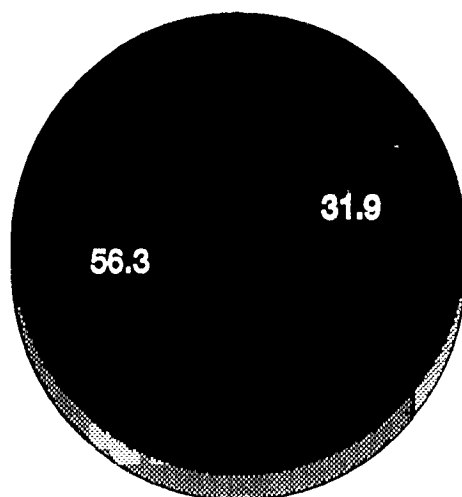
BENSON & HEDGES' SHARE OF SMOKERS

BY PACKING

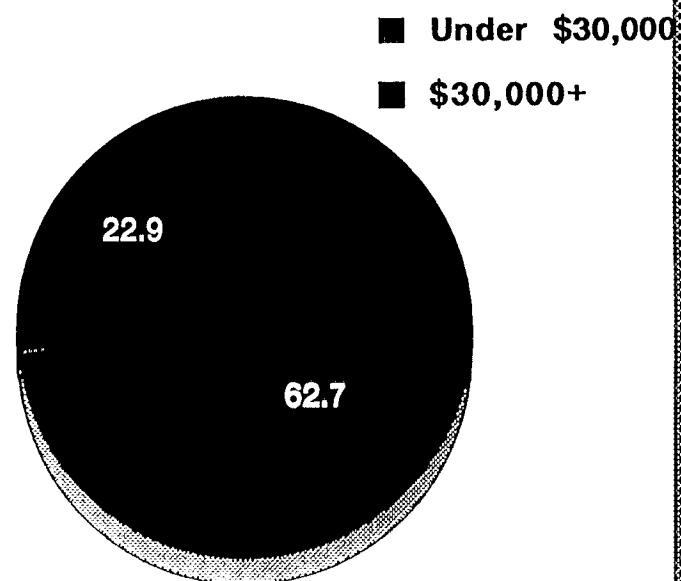
	<u>MALE</u>		<u>FEMALE</u>	
	<u>WHITES</u>	<u>HISPANICS</u>	<u>WHITES</u>	<u>HISPANICS</u>
<u>Menthol</u>				
100's	0.3%	1.0%	0.6%	1.3%
Lights 100's	0.1	0.9	0.3	2.5
Ultra Lights 100's	-	0.4	0.5	0.8
<u>Non-Menthol</u>				
100's	0.8	0.7	1.0	0.8
Lights 100's	0.2	0.8	0.8	2.3
Ultra Lights 100's	0.5	0.7	0.9	1.3
Kings Flat Box	-	0.3	-	0.7
Total B&H	2.0%	4.9%	4.1%	9.9%

BENSON & HEDGES SMOKERS: INCOME

WHITES



HISPANICS



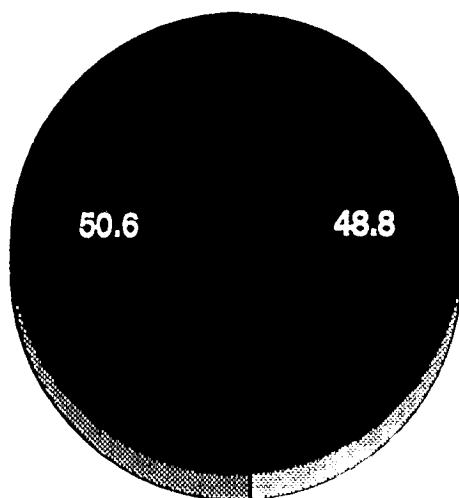
■ Under \$30,000
■ \$30,000+

Total Hispanics

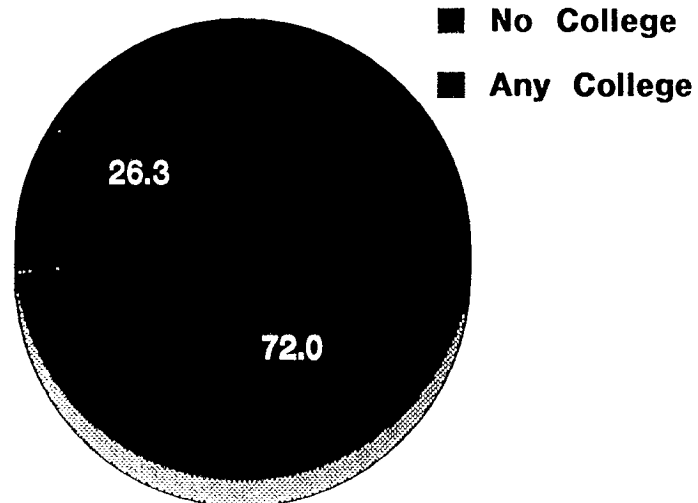
Under \$30,000	64.8%
\$30,000+	20.9

BENSON & HEDGES SMOKERS: EDUCATION

WHITES



HISPANICS



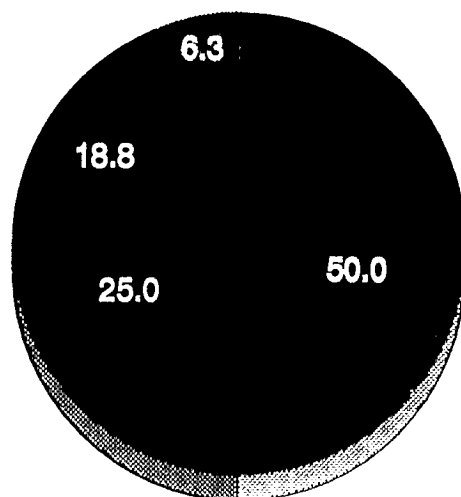
■ No College
■ Any College

Total Hispanics

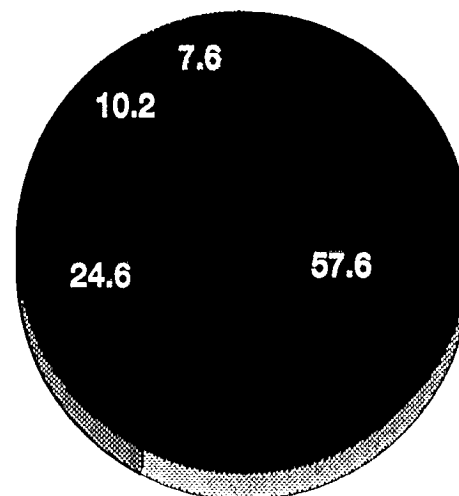
No College	78.7%
Any College	18.5

BENSON & HEDGES SMOKERS: NIELSEN COUNTY

WHITES



HISPANICS



- A
- B
- C
- D

BENSON & HEDGES SMOKERS: AVERAGE DAILY CONSUMPTION

	<u>WHITES</u>	<u>HISPANICS</u>
Light (1-19)	35.6	71.2
Medium (20)	16.9	19.5
Heavy (21-30)	37.5	6.8
Very Heavy (31+)	8.8	0.8

HOW BENSON & HEDGES IS PURCHASED

	<u>WHITES</u>	<u>HISPANICS</u>
Pack	26.9%	67.8%
Carton	59.4	13.6
Both	13.8	18.6

WHERE BENSON & HEDGES IS USUALLY BOUGHT

	<u>WHITES</u>	<u>HISPANICS</u>
Supermarket/Grocery	44.4%	28.8%
Convenience Store	18.8	18.6
Gas Station	5.6	9.3
Discount Store	7.5	5.9
Drug Store	5.6	2.5
Military Commissary	3.1	2.5
Liquor Store	3.1	8.5
Wholesale Store	2.5	3.4
Newsstand	1.3	2.5

IF BENSON & HEDGES WAS NOT AVAILABLE

	<u>WHITES</u>	<u>HISPANICS</u>
Buy a different type of Benson & Hedges	35.6	14.4
Go to another store	41.9	50.8
Buy a different brand	18.8	18.3
Wait	3.8	11.9

SUMMARY OF HISPANIC BENSON & HEDGES SMOKERS

Compared to White B&H smokers, Hispanic B&H smokers are:

More Likely To Be

- Younger
- Lower Income
- Less Educated
- Light Smokers (ADC)
- Pack Purchasers
- Brand Loyal

More Likely To Prefer

- Lights
- Menthol