

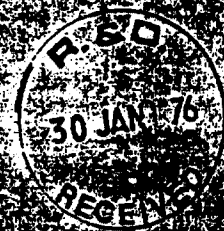
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January 1976



MARKETING NEWS

A MONTHLY NEWSLETTER FROM MARKETING SERVICES, LONDON

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January 1976

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Contents

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the Marketing Information Officer, London

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CONTENTS FOR 1975 ISSUES OF 'MARKETING NEWS'

To facilitate reference we enclose a Contents list covering all "Marketing News" issues for 1975. Similar annual Contents lists have been issued for earlier years, and further copies for each year from 1969 onwards can be supplied on request. ✓



**du Maurier 120's
launched in Brazil:**

a promising start

DU MAURIER 120's were launched in Rio de Janeiro, Brazil, on November 24th 1975. This is the B.A.T. Group's first 120mm brand to be marketed outside the United States.

The cigarette has brown paper and tipping, with a silver dye print, and is 21mm in circumference. The pack is a 20s soft cup in silver and dark red, with an additional printing in a brighter red for the "du M" symbol.

The brand was the concept of the International Brand Unit under Ken Greig, which takes in the DU MAURIER name in addition to that of STATE EXPRESS/Ardath brands. The idea was to re-establish the DU MAURIER name among

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the international brands, giving it a cosmopolitan image of youth and distinction. Innovation was to play a part in this, and it was decided that a cigarette in the new 120mm slim format was appropriate as a first step.

Souza Cruz were interested as soon as the DU MAURIER 120's concept was presented at the International Brand Conference at Rio de Janeiro in June 1975, as they had already recognised the need for the development of a 120mm product for the Brazilian market and had commenced initial studies. This need arose from the entry into Brazil of Philip Morris and R. J. Reynolds, (both of whom have acquired local manufacturing and distribution facilities) whose 120mm brands - MORE by Reynolds, and SARATOGA by Philip Morris - are respectively the No. 1 and No. 2 120mm brands in the United States. It was the primary objective of Souza Cruz to pre-empt the launch of these brands in Brazil, and thus deny to these two companies a unique opportunity of gaining corporate prestige and credibility as competitors to Souza Cruz as manufacturers of cigarettes. It was equally an opportunity for Souza Cruz to reinforce their own corporate image as market leaders, not only in volume but also as pioneers and innovators in providing new consumer options.

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- "DU MAURIER 120's - the new dimension in cigarettes" is the theme of the introductory advertising campaign now running in Brazil.

du Maurier 120's



A nova dimensão em cigarros.

Qualidade Souza Cruz

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The decision at the Conference was to develop and launch DU MAURIER 120's in Brazil within twelve months maximum, but the subsequent development of the brand took place even more rapidly than originally planned, due to the threat of imminent competitive action. The pack design of the final product was very similar to that presented at the Rio conference. The blend was developed in Brazil, as was the advertising campaign, with the agreement of the I. B. U. in London. All the required machinery conversions were carried out in Brazil by Souza Cruz, who had access to B&W's experience of 120mm development.

Positioning, Pricing and Advertising

Brazil is a market with a wide range in cigarette prices, extending from Cr\$2.00 up to Cr\$5.20 for twenty. The new DU MAURIER 120's was to be positioned at the top of the market, priced at Cr\$5.20 on a par with such 95mm and 100mm brands as PALL MALL INTERNATIONAL, PALL MALL SUPERLONGS, HILTON and CHARM (all from Souza Cruz) and competitive ROTHMANS INTERNATIONAL, ST. MORITZ and MARLBORO 100's.



Advertising for DU MAURIER 120's made use of 60 and 30-second films, large-space newspapers ads, a 4-page magazine insert in full colour, and point-of-sale material. In all media the theme was "A nova dimensão em cigarros" ... "the new dimension in cigarettes". In the print material the pack and the cigarette are shown in a way which emphasizes their length. Body copy makes the point that the brand is Brazil's first 120mm cigarette.

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Also used was a presentation 2-pack carton, holding the two packs end-to-end: an attractive and unusual format.

The primary objective of the brand - to be the first 120mm entry in Brazil - has been achieved in the remarkably short development time of only 5 months. At this initial stage consumer response to DU MAURIER 120's has been overwhelming, with sales running at a level well beyond the most optimistic of estimates. In the fashionable south zone and centre of Rio, the area of original launch, sales are at present nearly 10% of the total market and 40% of the total of the two top price categories (Cr\$5.20 and Cr\$4.60 for twenty) which cover 16 own and competition brands - including all three versions of MARLBORO. Plans are in hand to widen distribution.

Commenting on the current situation, Alan Kellagher, Marketing Director of Souza Cruz says: "The enormous response to DU MAURIER is at least partly due to the increasing publicity that MORE has been receiving through the social and gossip columnists in the newspapers (which might well have been deliberately stimulated by R. J. Reynolds) and the increasing quantities of contrabrand supplies of this brand. It is inconceivable that the present level of DU MAURIER sales will be maintained but it is not possible at this stage to determine the volume or market share level at which the brand will eventually stabilize. It also remains to be seen whether products of this type will become a permanent feature of the Brazilian market, or whether they will prove to be a fad which has temporarily caught the mercurial imagination of Brazilian consumers. In any event we will do our best to ensure that we have our full share of this market whatever the final outcome".

120mm cigarettes outside the U.S.A.

Following our report of the launch in Brazil of DU MAURIER 120s, it would perhaps be helpful to readers to present a concise round-up of 120mm brands which have appeared in markets outside the U.S.A. (An article covering the over-100mm cigarette situation in the United States was published in "Marketing News" of September 1975).

This review will not include the local 120mm brands which have been marketed in the Philippines, the earliest of which pre-date the U.S. entries.

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DU MAURIER 120s (BAT) Brown paper

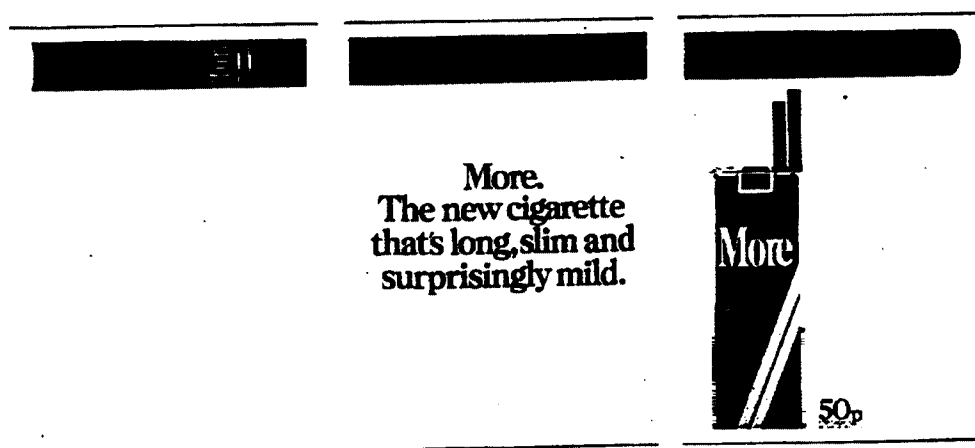
Brazil. See preceding article.

DUKES (Rothmans) Brown paper

The introduction of this 120mm brand in Australia was reported in "Marketing News" of December 1975. Of unusual interest is its packaging, which makes use of ribbed brown MG Kraft paper, bearing a design printed in dark brown ink, and of brown metallic foil. DUKES is the lowest-priced of the 120's in Australia at 76c (cf. SARATOGA and PLUS at 80c; MORE at 88c).

MORE (R. J. Reynolds) Brown paper

This Reynolds brand of U.S. origin has now been introduced into a number of Far East markets including those of Hong Kong, Malaysia and Singapore. The non-menthol version appeared around September 1975, to be followed shortly by the menthol version. Pricing has been at the premium end of the scale. Curiosity sales, primarily to younger smokers, were on a very substantial scale, and airfreighted supplies were necessary to meet demand.



In Britain (where Reynolds brands are now distributed by Imperial) MORE has just been introduced. The launch campaign makes use of press, poster and transport media (see illustration).

In Canada MORE was launched in July 1975 by Macdonalds, now taken over by Reynolds. The brand (including menthol) has also been introduced in Australia.

M (Reynolds/Haus Neuerburg) Brown paper

In Germany, where the MORE name is the property of Philip Morris, Reynolds' Neuerburg associate has introduced a 115mm brand called M. The M pack

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is virtually identical to that of the Reynolds MORE design. It was introduced around November last year.

PLUS (Benson & Hedges, Canada/Philip Morris) Brown paper

On the day before Macdonalds (Reynolds) introduced MORE in Canada, Benson & Hedges (Philip Morris) launched their PLUS 120mm brand. The PLUS pack (a hinge-lid) has a red and white design. It is now also on the Australian market.

SANTOS DUMONT (Rothmans - House of Edgeworth) Brown paper

A 120mm brand under this unusual name has now been launched by Rothmans in a number of countries: South Africa, West Germany and Benelux. In Holland they are sold at 20 for Fl. 2.25, the same price as a pack of 25 popular brand cigarettes.

ST. MORITZ (Rothmans) Brown paper

This brand, in both menthol and non-menthol form, has been introduced now in 120mm length in Benelux. The new 120mm cigarettes are brown, whereas earlier ST. MORITZ cigarettes were white. In Holland they are priced at 20 for Fl. 2.50, more expensive than SANTOS DUMONT the other 120mm Rothmans entry.

SARATOGA (Philip Morris) White paper

Both versions (menthol and non-menthol) are on sale in Australia.

TIME (Reynolds) Brown paper

This brand has appeared in both Switzerland and Benelux in the late '75/early '76 period. The pack, like that of M in Germany, is virtually identical (name apart) to that of MORE in the United States. In both these markets the MORE name, as in Germany, is owned by Philip Morris, and so Reynolds have had to put out the brand under another name.

Of special interest is the pricing of TIME: in both Benelux and Switzerland it is below that of SANTOS DUMONT.

<u>Retail price for 20</u>	<u>Holland</u>	<u>Switzerland</u>
TIME (Reynolds)	Fl. 2.00	Sfr. 1.90
SANTOS DUMONT (Rothmans)	Fl. 2.25	Sfr. 2.10
ST. MORITZ (Rothmans)	Fl. 2.50	-

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115/120mm. BRANDS OUTSIDE THE U.S.A. (Jan. 1976)

Brand	Manufacturer	Brown or White	Markets
DU MAURIER 120s	BAT (Souza Cruz)	B	Brazil
DUKES	Rothmans	B	Australia
MORE (also menthol)	Reynolds	B	Far East, U.K., Canada, Australia
M (115mm)	Reynolds (Haus Neuenbourg)	B	W. Germany
PLUS	Philip Morris	B	Australia, Canada
SANTOS DUMONT	Rothmans (House of Edgworth)	B	South Africa, W. Germany, Benelux
SARATOGA (also menthol)	Philip Morris	W	Australia
ST. MORITZ (also menthol)	Rothmans (Turmac)	B	Benelux
TIME	Reynolds	B	Benelux, Switzerland

In addition MORE and PLUS are on sale in Paraguay, and through Duty Free and transit trades widely available in Latin America.



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to the "Tobacco Reporter".

The 1975 Maxwell Report on the U.S. cigarette market: MARLBORO reported market leader by year-end

The Maxwell Report on the U. S. domestic cigarette market for the calendar year 1975 (published in November) gives figures which include estimated figures for the final three months of the year.

Despite the recession, the total consumption of American cigarettes in the U.S. is expected to show a 1.2 percent increase over 1974 with a total of 598.70 billion cigarettes. For 1976 continued growth is forecast, to the extent of around 2 percent over 1975.

There have been no changes in rankings by Company, but brand rank changes are reported. The most important of these is Maxwell's conclusion that Philip Morris's MARLBORO moved ahead of Reynolds' WINSTON during the last quarter of the year to become the No. 1 brand in the U.S. market. The battle between these brands has been long and aggressive, with Reynolds fighting hard to hold WINSTON at the top in the face of MARLBORO's rapid growth. Other brand ranking changes are that SALEM Menthol (Reynolds) has overhauled PALL MALL (American Brands) for 4th place, and that CAMEL has taken over the 6th place ahead of KENT. These position changes are not immediately apparent from the Maxwell charts reproduced here, which separate entries for brands by packing as well as by size variation. Thus MARLBORO is shown in the 3rd position (hard pack) as well as in 5th (soft cup) and in other variants (100s, Lights &c.) lower down the chart.

Growth in non-menthol filter cigarettes is now seen to be at a faster rate than those of menthol filters, reversing the situation of recent years.

Newer brand performance

Of the more recently introduced brands, VANTAGE (Reynolds) shows the fastest growth, with an estimated gain of over 26 percent in 1975. Of the "line extensions", WINSTON LIGHTS is shown to have grown by more than 145 percent.

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"Tobacco Reporter" comments on the interesting fact that BENSON & HEDGES brands (owned by Philip Morris in the U.S.A.) now outsell the entire Liggett Group, and continue to grow. CARLTON (American Brands) is estimated to have grown over 71 percent in 1975.

120mm brands

"Marketing News" has reported the proliferation of brands in this new sector. Maxwell shows the sector as having peaked in the second quarter of the year at something over 1.5 percent of the total market. The late-year share is believed to be a little over 1 percent.

How U.S. brands ranked

1975	1974	1973	Brand, Type	1975	1974	1973	Per cent change 73-74	Per cent of market 1975	1974	1973
1	1	1	Winaron (sp)	64.40	66.00	64.80	- 2.4	10.8	11.1	11.6
2	2	2	Kool (m)	44.20	46.03	43.10	- 4.0	7.4	7.8	7.5
3	4	4	Marlboro (hp)	37.84	37.36	35.38	+ 1.3	6.3	6.3	6.1
4	3	3	Pall Mall (nf)	36.49	38.10	38.90	- 4.2	6.1	6.4	6.7
5	6	6	Marlboro (sp)	34.48	33.03	30.89	+ 4.4	5.8	5.6	5.3
6	5	5	Salem (m)	32.20	34.00	35.30	- 5.3	5.4	5.7	6.1
7	7	7	Camel (nf, r)	21.12	22.90	24.10	- 7.8	3.5	3.9	4.2
8	9	9	Winston (100)	17.90	17.23	16.40	+ 3.9	3.0	2.9	2.8
9	8	8	Kent (sp)	17.23	19.21	20.44	- 10.3	2.9	3.2	3.6
10	10	11	Salem (m, 100)	15.95	15.10	13.70	+ 5.6	2.7	2.6	2.4
			Top 10	321.81	328.96	324.92	-	53.9	55.5	56.3
11	11	12	Benson & Hedges (100)	14.91	14.45	13.31	+ 3.3	2.5	2.4	2.3
12	12	10	Viceroy	11.93	13.40	14.94	- 11.0	2.0	2.3	2.6
13	14	16	Pall Mall (100)	11.30	11.20	11.03	+ 0.9	1.9	1.9	1.9
14	13	13	Tarleton (cf)	10.77	11.48	12.00	- 6.2	1.8	1.9	2.1
15	16	18	Kool (m, 100)	10.43	10.01	8.87	+ 4.2	1.7	1.7	1.5
16	22	24	Vantage	10.40	8.20	6.30	+26.8	1.7	1.4	1.1
17	19	21	Marlboro (100, sp)	9.60	8.45	7.10	+13.6	1.6	1.4	1.2
18	21	20	Benson & Hedges (m, 100)	8.92	8.17	7.30	+ 9.2	1.5	1.3	1.2
19	15	14	Lucky Strike (nf, r)	8.71	10.43	11.45	- 16.5	1.5	1.8	2.0
20	17	15	Raleigh*	8.54	9.58	11.10	- 10.9	1.4	1.6	1.9
			Top 20	427.32	434.33	428.22	-	71.5	73.2	74.1
21	18	17	L&M (sp)	8.30	9.00	9.85	- 7.8	1.4	1.5	1.7
22	20	19	Kent (100)	8.16	8.12	7.49	+ 0.5	1.4	1.4	1.3
23	23	22	Tarleton (cf, 100)	7.13	7.08	6.83	+ 1.4	1.2	1.2	1.2
24	25	27	Camel	6.25	6.08	5.80	+ 2.8	1.0	1.0	1.0
25	24	23	Seair*	6.22	6.51	6.81	- 4.5	1.0	1.0	1.2
26	30	39	Marlboro Lights	5.25	4.10	3.02	+28.0	0.9	0.7	0.5
27	27	25	Chesterfield (nf)*	5.05	5.35	5.95	- 5.6	0.8	0.9	1.0
28	26	26	True	5.01	5.73	5.91	- 12.6	0.8	0.9	1.0
29	43	44	Carlton (incl. menthol)	5.01	2.92	2.43	+71.0	0.8	0.5	0.4
30	28	30	Virginia Slims (100)	4.83	4.56	4.13	+ 5.9	0.8	0.8	0.5
31	29	28	Lark (cf)	4.05	4.30	4.83	- 5.8	0.7	0.7	0.8
32	34	38	Virginia Slims (m, 100)	3.95	3.89	3.09	+10.0	0.7	0.6	0.5
33	33	32	Dorel	3.82	3.85	3.90	- 0.6	0.6	0.7	0.7
34	54	-	Winston Lights	3.80	1.55	-	+145.2	0.6	0.3	-
35	36	37	Newport (m, sp)	3.68	3.43	3.13	+ 7.3	0.6	0.6	0.5
36	31	31	Parliament (sp)	3.66	3.97	4.09	- 7.8	0.6	0.7	0.7
37	32	29	Old Gold*	3.52	3.92	4.27	- 10.2	0.6	0.7	0.8
38	40	43	Kool Mills (m)	3.46	3.23	2.76	+ 7.1	0.6	0.5	0.5
39	39	41	Winston (hp)	3.40	3.30	2.80	+ 3.0	0.6	0.6	0.5
40	35	33	Viceroy (100)	3.33	3.42	3.55	- 2.6	0.6	0.6	0.6
			Top 40	525.22	528.32	519.10	-	87.8	89.1	89.5

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1973	1974	1975	Brand, Type	Billions of units			Per cent change 73-74	Per cent of market		
				1973	1974	1975		1973	1974	1975
41	38	34	Raleigh (100)*	3.26	3.35	3.37	- 2.7	0.5	0.6	0.6
42	37	35	Parliament (hp)	3.20	3.33	3.35	- 3.9	0.5	0.6	0.6
43	42	41	Belair (m, 100)*	3.04	2.94	2.80	+ 3.4	0.5	0.5	0.5
44	41	36	Silver Thins (100)	2.89	2.98	3.09	- 3.0	0.5	0.5	0.5
45	45	46	Parliament (cf, 100)	2.84	2.63	2.25	+ 8.0	0.5	0.4	0.4
46	—	—	More (120)	2.60	—	—	—	0.4	—	—
46	49	56	Marlboro (100, hp)	2.60	2.11	1.59	+23.2	0.4	0.4	0.3
48	44	40	True (m)	2.49	2.89	2.92	-13.8	0.4	0.5	0.5
49	55	—	Salem (m, hp)	2.30	1.75	—	+31.4	0.4	0.3	—
50	47	47	Doral (m)	2.28	2.30	2.10	- 0.9	0.4	0.4	0.4
51	46	45	L&M (100)	2.10	2.20	2.34	- 4.5	0.4	0.4	0.4
51	—	—	More (m, 120)	2.10	—	—	—	0.4	—	—
53	48	48	B&H Multifilter (cf)	2.06	2.08	2.09	- 1.0	0.3	0.4	0.4
54	83	—	Kool (m, hp)	2.03	0.33	—	—	0.3	0.1	—
55	50	49	Winston (m, 100)	2.00	2.10	1.90	- 4.8	0.3	0.4	0.3
56	59	62	Vantage (m)	1.90	1.39	1.00	+36.7	0.3	0.2	0.2
57	53	52	Lark (cf, 100)	1.85	1.65	1.73	+12.1	0.3	0.3	0.3
58	51	55	Silver Thins (m, 100)	1.81	1.78	1.65	+ 1.7	0.3	0.3	0.3
59	52	51	Philip Morris (nf)	1.62	1.73	1.82	- 6.4	0.3	0.3	0.3
60	57	53	Pall Mall (m, 100)	1.50	1.50	1.70	—	0.3	0.3	0.3
61	56	50	Raleigh (nf)*	1.36	1.53	1.87	-11.1	0.2	0.3	0.3
62	64	66	Newport (m, hp)	1.33	1.15	0.99	+15.7	0.2	0.2	0.1
63	57	54	Alpine (m)*	1.30	1.50	1.67	-13.3	0.2	0.3	0.3
64	61	61	Iceberg (m)	1.18	1.27	1.02	- 7.1	0.2	0.2	0.2
64	67	63	Marlboro (m)	1.18	1.09	0.93	+ 8.3	0.2	0.2	0.2
66	89	—	True (100)	1.14	0.19	—	—	0.2	—	—
67	60	57	Chesterfield (nf, r)*	1.10	1.30	1.45	-15.4	0.2	0.2	0.2
67	—	—	Saratoga (120)	1.10	—	—	—	0.2	—	—
69	62	58	Kool (nf, m, r)	1.07	1.22	1.38	-12.3	0.2	0.2	0.2
70	65	60	Kent (m, 100)	1.00	1.09	1.10	- 8.3	0.2	0.2	0.2
70	68	63	Eve (100)	1.00	1.00	0.95	—	0.2	0.2	0.2
70	62	59	Lucky Ten	1.00	1.20	1.15	-16.7	0.2	0.2	0.2
73	69	92	Raleigh Milds*	0.83	0.94	0.02	—	0.1	0.2	—
74	—	—	Saratoga (m, 120)	0.80	—	—	—	0.1	—	—
75	71	—	Viceroy Milds	0.77	0.67	—	—	0.1	0.1	—
76	91	—	True (m, 100)	0.76	0.13	—	—	0.1	—	—
77	76	69	Eve (m, 100)	0.70	0.60	0.57	—	0.1	0.1	0.1
78	73	71	Newport (m, 100)	0.69	0.63	0.55	—	0.1	0.1	0.1
79	70	64	Pall Mall Milds	0.67	0.82	0.93	—	0.1	0.1	0.2
80	71	67	Kent (hp)	0.60	0.67	0.69	—	0.1	0.1	0.1
81	75	72	Old Gold (100)*	0.56	0.57	0.54	—	0.1	0.1	0.1
82	66	73	Lemon Twist (m)	0.55	1.07	0.50	—	0.1	0.2	0.1
83	74	68	L&M (m, 100)	0.50	0.60	0.64	—	0.1	0.1	0.1
84	77	69	Chesterfield (100)*	0.45	0.55	0.57	—	0.1	0.1	0.1
85	78	74	Spring (m, 100)*	0.38	0.45	0.49	—	0.1	0.1	0.1
86	88	83	Lucky Strike (100)	0.36	0.20	0.19	—	0.1	—	—
87	82	78	L&M (hp)	0.35	0.35	0.32	—	0.1	—	0.1
88	79	75	Tareyton (nf)	0.34	0.42	0.48	—	0.1	0.1	0.1
89	81	76	Philip Morris (nf, r)	0.32	0.37	0.43	—	0.1	—	0.1
90	85	80	Benson & Hedges	0.25	0.25	0.27	—	—	—	0.1
90	86	81	Chesterfield*	0.25	0.20	0.26	—	—	—	0.1
92	84	79	Old Gold (nf)*	0.24	0.28	0.31	—	—	—	0.1
93	80	77	Montclair (m)	0.22	0.37	0.39	—	—	0.1	0.1
93	87	82	B&H Multifilter (m)	0.22	0.25	0.25	—	—	—	—
95	90	—	Old Gold (hp)	0.17	0.16	—	—	—	—	—
96	92	84	Half & Half	0.11	0.11	0.11	—	—	—	—
97	95	86	Tempo (cf)	0.08	0.08	0.08	—	—	—	—
97	94	85	Old Gold (nf, r)	0.08	0.09	0.10	—	—	—	—
97	93	86	English Ovals	0.08	0.12	0.08	—	—	—	—
100	—	—	Tramps	0.07	—	—	—	—	—	—
101	97	89	du Maurier	0.06	0.06	0.06	—	—	—	—
101	96	86	Galaxy (cf)*	0.06	0.08	0.08	—	—	—	—
103	98	90	Bull Durham	0.04	0.04	0.04	—	—	—	—
103	—	—	Tramps (m)	0.04	—	—	—	—	—	—
All other filters				0.40	0.40	0.40	—	0.1	0.1	0.1
All other nonfilters				0.40	0.40	0.40	—	0.1	0.1	0.1
GRAND TOTAL				598.70	591.84	577.03	+ 1.2	—	—	—

r — regular size

100 — 100mm

120 — 120mm

nf — nonfilter

cf — charcoal filter

all others 85mm range

sp — soft pack

hp — hard pack

all others regular filter

* — coupon pack

m — menthol

Lines in bold type denote brands with increasing sales

Compiled by Tobacco Reporter from Maxwell's figures

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U.S. manufacturing by companies

	Domestic		Pct. of Domestic Market		Export		Total	
	1973	1974	1973	1974	1973	1974	1973	1974
Reynolds	192.50	185.83	32.2	31.4	18.50	17.50	211.00	203.33
Philip Morris	141.11	133.22	23.6	22.5	17.60	16.80	158.71	150.02
Brown & Williamson	100.73	103.23	16.8	17.4	6.90	7.48	107.63	110.71
American Brands	90.10	92.95	15.0	15.7	4.00	4.00	94.10	96.95
Lorillard	47.76	48.71	8.0	8.2	10.40	9.90	58.16	58.61
Liggett & Myers	25.70	27.20	4.3	4.7	4.40	3.60	30.10	30.80
All others	0.80	0.80	0.1	0.1	0.20	0.20	1.00	1.00

U.S. consumption by type and brands

(billions of units)

	1974			1975				1974			1975			
	Units	% of type	% total market	Units	% of type	% total market		Units	% of type	% total market	Units	% of type	% total market	
PLAIN FILTERS														
Winston (soft pack)	66.00	20.6	11.1	64.40	19.5	10.8	Mentholated Filters (Cont.)	Units	% of type	% total market	Units	% of type	% total market	
Marlboro (box)	37.36	11.6	6.3	37.84	11.4	6.3	More	—	—	—	2.10	1.3	.4	
Marlboro (soft pack)	33.03	10.3	5.6	34.48	10.4	5.8	Kool (box)	.33	0.2	0.1	2.03	1.3	.3	
Kent (soft pack)	19.21	6.0	3.2	17.23	5.2	2.9	Winston 100s	2.10	1.3	0.4	2.00	1.2	.3	
Winston 100s	17.23	5.4	2.9	17.90	5.4	3.0	Vantage Menthol	1.39	0.9	0.2	1.90	1.2	.3	
B&H 100s	14.45	4.5	2.4	14.91	4.5	2.5	Silva Thins 100s	1.78	1.1	0.3	1.81	1.1	.3	
Viceroy	13.40	4.2	2.3	11.93	3.6	2.0	Pall Malls 100s	1.50	1.0	0.3	1.50	.9	.3	
Pall Mall 100s	11.20	3.5	1.9	11.30	3.4	1.9	Newport (box)	1.15	0.7	0.2	1.33	.8	.2	
Vantage	8.20	2.5	1.4	10.40	3.1	1.7	Alpine	1.50	1.0	0.3	1.30	.8	.2	
Marlboro 100s (soft)	8.45	2.6	1.4	9.60	2.9	1.6	Iceberg 100s	1.27	0.8	0.2	1.18	.7	.2	
Raleigh	9.58	3.0	1.6	8.54	2.6	1.4	Marlboro Green	1.09	0.7	0.2	1.18	.7	.2	
L&M (soft pack)	9.00	2.8	1.5	8.30	2.5	1.4	Kent 100s	1.09	0.7	0.2	1.00	.6	.2	
Kent 100s	8.12	2.5	1.4	8.16	2.5	1.4	Saratoga	—	—	—	.80	.5	.1	
Camel	6.08	1.9	1.0	6.25	1.9	1.0	True 100s	.13	0.1	—	.76	.5	.1	
Marlboro Lights	4.10	1.3	0.7	5.25	1.6	0.9	Eve 100s	.60	0.4	0.1	.70	.4	.1	
True	5.73	1.8	0.9	5.01	1.5	0.8	Newport 100s	.63	0.4	0.1	.69	.4	.1	
Carlton (includes men.)	2.93	0.9	0.5	5.01	1.5	0.8	Lemon Twist	1.07	0.7	0.2	.55	.3	.1	
Virginia Slims 100s	4.56	1.4	0.8	4.83	1.5	0.8	L&M 100s	.60	0.4	0.1	.50	.3	.1	
Doral	3.85	1.2	0.7	3.82	1.2	0.6	Spring 100s	.45	0.3	0.1	.38	.2	.1	
Winston Lights	1.55	0.5	0.3	3.80	1.1	0.6	Montclair	.37	0.2	0.1	.22	.1	—	
Parliament (soft pack)	3.97	1.2	0.7	3.66	1.1	0.6	B&H Multi-Filter	.25	0.2	—	.22	0.1	—	
Old Gold Filter King	3.92	1.2	0.7	3.52	1.1	0.6	Tramps	—	—	—	.04	—	—	
Winston (box)	3.30	1.0	0.6	3.40	1.0	0.6	Total	157.25	100.0	26.6	161.31	100.0	26.7	
Viceroy 100s	3.42	1.1	0.6	3.33	1.0	0.6	CHARCOAL FILTERS							
Raleigh 100s	3.35	1.0	0.6	3.26	1.0	0.5	Tareyton	11.48	39.1	1.9	10.77	37.3	1.8	
Parliament (box)	3.33	1.0	0.6	3.20	1.0	0.5	Tareyton 100s	7.05	24.0	1.2	7.15	24.8	1.2	
Silva Thins 100s	2.98	0.9	0.5	2.89	0.9	0.5	Lark 85s	4.30	14.7	0.7	4.05	14.0	.7	
More	—	—	—	2.60	0.8	0.4	Parliament 100s	2.63	9.0	0.4	2.84	9.8	.5	
Marlboro 100s (box)	2.11	0.7	0.4	2.60	0.8	0.4	B&H Multi-Filter	2.08	7.1	0.4	2.06	7.1	.3	
L&M 100s	2.20	0.7	0.4	2.10	0.6	0.4	Lark 100s	1.65	5.6	0.3	1.85	6.4	.3	
True 100s	.19	0.1	—	1.14	0.3	0.2	Tempo	.08	.3	—	.08	.3	—	
Saratoga	—	—	—	1.10	0.3	0.2	Galaxy	.08	.3	—	.06	.2	—	
Lucky 100s	1.20	0.4	0.2	1.00	0.3	0.2	Total	29.35	100.0	5.0	28.86	100.0	4.8	
Eve 100s	1.00	0.3	0.2	1.00	0.3	0.2	REGULAR							
Raleigh Milds	.94	0.3	0.2	.83	0.3	0.1	Camel	22.90	63.1	3.9	21.12	65.2	3.5	
Viceroy Milds	.67	0.2	0.1	.77	0.2	0.1	Lucky Strike	10.43	28.7	1.8	8.71	26.9	1.5	
Pall Mall Ex. Milds	.82	0.3	0.1	.67	0.2	0.1	Chesterfield	1.30	3.6	0.2	1.10	3.4	.2	
Kent (box)	.67	0.2	0.1	.60	0.2	0.1	Kool	1.22	3.4	0.2	1.07	3.3	.2	
Old Gold Filter 100s	.57	0.2	0.1	.56	0.2	0.1	Philip Morris	.37	1.0	—	.32	1.0	.1	
Chesterfield 100s	.55	0.2	0.1	.45	0.1	0.1	Old Gold	.09	0.2	—	.08	.2	—	
Lucky Filters 100s	.20	0.1	—	.36	0.1	0.1	Total	36.31	100.0	6.1	32.40	100.0	5.4	
L&M (box)	.35	0.1	—	.35	0.1	0.1	KING							
B&H Premium	.25	0.1	—	.25	0.1	—	Pall Mall	38.10	79.6	6.4	34.49	80.2	6.1	
Chesterfield 85s	.20	0.1	—	.25	0.1	—	Chesterfield	5.35	11.1	0.9	5.05	11.1	.8	
Old Gold Filter (box)	.16	—	—	.17	0.1	—	Philip Morris	1.73	3.6	0.3	1.62	3.6	.3	
Half and Half	.11	—	—	.11	—	—	Raleigh	1.53	3.2	0.3	1.36	3.0	.2	
English Ovals & Others	.12	—	—	.08	—	—	Tareyton	.42	0.9	0.1	.34	.7	.1	
Tramps	—	—	—	.07	—	—	Old Gold	.28	0.6	—	.24	.5	—	
du Maurier	.06	—	—	.06	—	—	All Others	.40	0.8	0.1	.40	.9	.1	
Bull Durham	.04	—	—	.04	—	—	Total	47.81	100.0	8.1	45.50	100.0	7.6	
Total	321.12	100.0	54.2	330.63	100.0	55.2								
MENTHOLATED FILTERS														
Kool	46.03	29.3	7.8	44.20	27.4	7.4	COMPARISON OF YEARS 1973 AND 1974							
Salem	34.00	21.6	5.7	32.20	20.0	5.4			1974		1973		% change	
Salem 100s	15.10	9.6	2.6	15.95	9.9	2.7	Units	% of mkt.	Units	% of mkt.				
Kool 100s	10.01	6.3	1.7	10.43	6.5	2.7	Plain filter	321.12	54.2	330.63	55.2	+ 3.0		
B&H 100s	8.17	5.2	1.3	8.92	5.5	1.5	Mentholated filter	157.25	26.6	161.31	26.9	+ 2.6		
Belair	6.51	4.0	1.0	6.22	3.9	1.0	Charcoal filter	29.35	5.0	28.86	4.8	+ 1.7		
Virginia Slims 100s	3.59	2.3	0.6	3.95	2.4	.7	Total filter	507.72	85.8	520.80	87.0	+ 2.6		
Newport (soft pack)	3.43	2.2	0.6	3.68	2.3	.6	Regular	36.31	6.1	32.40	5.4	+ 10.8		
Kool Milds	3.23	2.1	0.5	3.46	2.1	.6	King	47.81	8.1	45.50	7.6	+ 4.8		
Belair 100s	2.94	1.9	0.5	3.04	1.9	.5	Total	591.84	100.0	598.70	100.0	+ 1.2		
True	2.89	1.8	0.5	2.49	1.5	.4								
Salem (box)	1.75	1.1	0.3	2.20	1.4	.4								

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U.S. consumption by company and brand

(billions of units)

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R. J. REYNOLDS	1974	1975	% change
Winston (soft pack)	66.00	64.40	- 2.4
Winston (box)	3.30	3.40	+ 3.0
Winston 100	17.23	17.90	+ 3.9
Winston Menthol 100s	2.10	2.00	- 4.8
Winston Lights	1.55	3.80	+145.2
Total Winston	90.18	91.90	+ 1.9
Salem	34.00	32.20	- 5.3
Salem 100s	15.10	15.95	+ 5.6
Salem (box)	1.75	2.30	+31.4
Total Salem	50.85	50.45	- 0.8
Vantage	8.20	10.40	+26.8
Vantage Menthol	1.39	1.90	-
Total Vantage	9.59	12.30	+28.3
Camel	6.08	6.25	+ 2.8
Doral	3.85	3.82	- 0.8
Doral Menthol	2.30	2.28	- 0.9
Total Doral	6.15	6.10	- 0.8
More	-	2.60	-
More Menthol	-	2.10	-
Total More	-	4.70	-
Tempo	.08	.08	-
Total Filter	142.93	171.38	+ 8.2
Camel	22.90	21.12	- 7.8
TOTAL DOMESTIC	185.83	192.50	+ 3.6
% Filter	87.7%	89.0%	-
% Market	31.4%	32.2%	-

PHILIP MORRIS

Marlboro (box)	37.36	37.84	+ 1.3
Marlboro (soft pack)	33.03	34.48	+ 4.4
Marlboro 100s (soft pack)	8.45	9.60	+13.6
Marlboro 100s (box)	2.11	2.60	+23.2
Marlboro Lights	4.10	5.25	+28.0
Marlboro Green	1.09	1.18	+ 8.3
Total Marlboro	86.14	90.95	+ 5.6
Benson & Hedges 100s	14.45	14.91	+ 3.2
Benson & Hedges Menthol 100s	8.17	8.92	+ 9.2
Benson & Hedges Premium	.25	.25	-
Benson & Hedges Multi-Filter	2.08	2.06	- 1.0
B & H Menthol Multi-Filter	.25	.22	-
Total Benson & Hedges	25.29	26.36	+ 4.6
Parliament (soft pack)	3.97	3.66	- 7.8
Parliament (box)	3.33	3.20	- 3.9
Parliament 100s	2.63	2.84	+ 8.0
Total Parliament	9.93	9.70	- 2.3
Virginia Slims 100s	4.56	4.83	+ 5.9
Virginia Slims Menthol 100s	3.59	3.95	+10.0
Total Virginia Slims	8.15	8.78	+ 7.7
Saratoga	-	1.10	-
Saratoga Menthol	-	.80	-
Total Saratoga	-	1.90	-
Alpine*	1.50	1.30	-13.3
Galaxy*	.08	.06	-
English Ovals & All Others	.12	.12	-
Total Filter	131.12	139.17	+ 6.1
Philip Morris (king)	1.73	1.62	- 6.4
Philip Morris (regular)	.37	.32	-
TOTAL DOMESTIC	133.22	141.11	+ 5.9
% Filter	98.4%	98.6%	-
% Market	22.5%	23.6%	-

AMERICAN BRANDS

Tareyton	11.48	10.77	- 6.2
Tareyton 100s	7.05	7.15	+ 1.4
Total Tareyton	18.53	17.92	- 3.3
Pall Mall 100s	11.20	11.30	+ 0.9
Pall Mall Menthol 100s	1.50	1.50	-
Pall Mall Extra Mild	.82	.67	-
Total Pall Mall	13.52	13.47	- 0.4
Carlton (includes Menthol)	2.93	5.01	+71.0
Silva Thins 100s	2.98	2.89	- 3.0
Silva Thins Menthol 100s	1.78	1.81	+ 1.7
Total Silva Thins	4.76	4.70	- 1.3
Lucky 10s	1.20	1.00	-16.7
Lucky Filter 100s	.20	.36	-
Total Lucky Strike	1.40	1.36	- 2.9
Iceberg 10	1.27	1.18	- 7.1
Lemon Twist 100s	1.07	.55	-
Montclair	.37	.22	-
Half & Half	.11	.11	-
Bull Durham	.04	.04	-
Total Filter	44.00	44.56	+ 1.1
Pall Mall (king)	38.10	36.49	- 4.2
Lucky Strike (regular)	10.43	8.71	-16.5
Tareyton (king)	.42	.34	-
TOTAL DOMESTIC	92.95	90.19	- 3.1
% Filter	47.3%	49.5%	-
% Market	15.7%	15.0%	-

BROWN & WILLIAMSON

Kool	46.03	44.20	- 4.0
Kool 100s	10.01	10.43	+ 4.2
Kool Milds	3.23	3.46	+ 7.1
Kool (box)	.33	2.03	-
Total Kool	59.60	60.12	+ 0.9
Viceroy	13.40	11.93	-11.0
Viceroy 100s	3.42	3.33	- 2.6
Viceroy Milds	.67	.77	-
Total Viceroy	17.49	16.03	- 8.3
Raleigh*	9.58	8.54	-10.9
Raleigh 100s*	3.35	3.26	- 2.7
Raleigh Milds*	.94	.83	-
Total Raleigh	13.87	12.63	- 8.9
Belair*	6.51	6.22	- 4.5
Belair 100s*	2.94	3.04	+ 3.4
Total Belair	9.45	9.26	- 2.0
Tramps	-	.07	-
Tramps Menthol	-	.04	-
Total Tramps	-	.11	-
du Maurier	.06	.06	-
Fact	-	.03	-
Capri 110	-	.02	-
Life	.01	-	-
Other Filter Brands	-	.04	-
Total Filter	100.48	98.30	- 2.2
Raleigh (king)*	1.53	1.36	-11.1
Kool (regular)	1.22	1.07	-12.3
TOTAL DOMESTIC	103.23	100.73	- 2.4
% Filter	97.3%	97.6%	-
% Market	17.4%	16.8%	-

LORILLARD

Kent (soft pack)	19.21	17.23	-10.3
Kent (box)	.67	.60	-
Kent 100s	8.12	8.16	+ 0.5
Kent Menthol 100s	1.09	1.00	- 8.3
Total Kent	29.09	26.99	- 7.2
True 85s	5.73	5.01	-12.6
True Menthol 85s	2.89	2.49	-13.8
True 100s	.19	1.14	-
True Menthol 100s	.13	.76	-
Total True	8.94	9.40	+ 5.1
Newport (soft pack)	3.43	3.68	+ 7.3
Newport (box)	1.15	1.33	+15.7
Newport 100s	.63	.69	-
Total Newport	5.21	5.70	+ 9.4
Old Gold Filter King*	3.92	3.52	-10.2
Old Gold Filter 100s*	.57	.56	-
Old Gold Filter Box	.16	.17	-
Total Old Gold Filter	4.65	4.25	- 8.6
Spring 100s	.45	.38	-
Other Filter Brands	-	.72	-
Total Filters	48.34	47.44	- 1.9
Old Gold (king)*	.28	.24	-
Old Gold (regular)*	.09	.08	-
TOTAL DOMESTIC	48.71	47.76	- 2.0
% Filter	99.2%	99.3%	-
% Market	8.2%	8.0%	-

LIGGETT GROUP

L&M (soft pack)	9.00	8.30	- 7.8
L&M (box)	.35	.35	-
L&M 100s	2.20	2.10	- 4.5
L&M Menthol 100s	.60	.50	-
Total L&M	12.15	11.25	- 7.4
Lark 85s	4.30	4.05	- 5.8
Lark 100s	1.65	1.85	+12.1
Total Lark	5.95	5.90	- 0.8
Eve 100s	1.00	1.00	-
Eve Menthol 100s	.60	.70	-
Total Eve	1.60	1.70	+ 6.3
Chesterfield 100s*	.55	.45	-
Chesterfield*	.20	.25	-
Total Chesterfield	.75	.70	-
Total Filters	20.45	19.55	- 4.4
Chesterfield (king)*	5.35	5.05	- 5.6
Chesterfield (regular)*	1.30	1.10	-15.4
TOTAL DOMESTIC	27.10	25.70	- 5.2
% Filter	73.5%	76.1%	-
% Market	4.6%	4.3%	-
ALL OTHERS	.80	.80	-
% Filters	30.0%	30.0%	-
% Market	0.1%	0.1%	-
TOTAL CONSUMPTION	591.84	598.70	+ 1.2
Change in Inventory	-15.64	-3.70	-
TOTAL PRODUCTION	576.20	595.00	+ 3.3

* - Coupaned cigarettes.

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1975 (in billions)							1974 (in billions)						
	Total	Plain Filter	Nonfiltered Filter	Charcoal Filter	Regular	King		Total	Plain Filter	Nonfiltered Filter	Charcoal Filter	Regular	King
Winston	91.50	89.50	2.00	—	—	—	Winston	90.18	88.08	2.10	—	—	—
Marlboro	90.95	89.77	1.18	—	—	—	Marlboro	84.14	85.08	1.09	—	—	—
Keel	61.19	—	60.12	—	1.07	—	Keel	60.82	—	59.60	—	1.22	—
Salem	50.45	—	50.45	—	—	—	Salem	51.62	12.02	1.50	—	—	38.10
Pall Mall	49.96	11.97	1.50	—	—	36.49	Salem	50.85	—	50.85	—	—	—
Camel	27.37	6.25	—	—	21.12	—	Kent	29.09	28.00	1.09	—	—	—
Kent	26.99	25.99	1.00	—	—	—	Camel	28.98	6.08	—	—	22.90	—
Benson & Hedges	26.36	15.16	9.14	2.06	—	—	Benson & Hedges	25.20	14.70	8.42	2.08	—	—
Tareyton	18.26	—	—	17.92	—	.34	Tareyton	18.95	—	—	18.53	—	.42
Viceroy	16.03	16.03	—	—	—	—	Viceroy	17.49	17.49	—	—	—	—
Raleigh	13.99	12.63	—	—	—	1.36	Raleigh	15.40	13.87	—	—	—	1.53
Vantage	12.30	10.40	1.90	—	—	—	L&M	12.15	11.55	.60	—	—	—
L&M	11.25	10.75	.50	—	—	—	Lucky Strike	11.83	1.40	—	—	10.43	—
Lucky	10.07	1.36	—	—	8.71	—	Parliament	9.93	7.30	—	2.63	—	—
Parliament	9.70	6.86	—	2.84	—	—	Vantage	9.59	8.20	1.39	—	—	—
True	9.40	6.15	3.25	—	—	—	Belair	9.45	—	9.45	—	—	—
Belair	9.26	—	9.26	—	—	—	True	8.94	5.92	3.02	—	—	—
Virginia Slims	8.78	4.83	3.95	—	—	—	Virginia Slims	8.15	4.56	3.59	—	—	—
Chesterfield	6.85	.70	—	—	1.10	5.05	Chesterfield	7.40	.75	—	—	1.30	5.35
Doral	6.10	3.82	2.28	—	—	—	Doral	6.15	3.85	2.30	—	—	—
Lark	5.90	—	—	5.90	—	—	Lark	5.95	—	—	5.95	—	—
Newport	5.70	—	5.70	—	—	—	Newport	5.21	—	5.21	—	—	—
Carlton	5.01	5.01	—	—	—	—	Old Gold	5.02	4.65	—	—	.09	.28
Silver Thins	4.70	2.89	1.81	—	—	—	Silver Thins	4.76	2.98	1.78	—	—	—
Mare	4.70	2.60	2.10	—	—	—	Carlton	2.93	2.93	—	—	—	—
Old Gold	4.57	4.25	—	—	.08	.24	Philip Morris	2.10	—	—	—	.37	1.73
Philip Morris	1.94	—	—	—	.32	1.62	Eve	1.60	1.00	.60	—	—	—
Saratoga	1.90	1.10	.80	—	—	—	Alpine	1.50	—	1.50	—	—	—
Eve	1.70	1.00	.70	—	—	—	Iceberg	1.27	—	1.27	—	—	—
Alpine	1.30	—	1.30	—	—	—	Lemon Twist	1.07	—	1.07	—	—	—
Iceberg	1.18	—	1.18	—	—	—	Spring	.45	—	.45	—	—	—
Lemon Twist	.55	—	.55	—	—	—	Montclair	.37	—	.37	—	—	—
Spring	.38	—	.38	—	—	—	English Ovals	.12	.12	—	—	—	—
Montclair	.22	—	.22	—	—	—	Half & Half	.11	.11	—	—	—	—
Half & Half	.11	.11	—	—	—	—	Tempo	.08	—	—	.08	—	—
Temps	.11	.07	.04	—	—	—	Galaxy	.08	—	—	.08	—	—
English Ovals	.08	.08	—	—	—	—	du Maurier	.06	.06	—	—	—	—
Tempo	.08	—	—	.08	—	—	Bull Durham	.04	.04	—	—	—	—
Fast	.03	.03	—	—	—	—	Life	.01	.01	—	—	—	—
Capri 110	.02	.02	—	—	—	—	All others	.80	.40	—	—	—	.40
All others	1.76	1.30	—	.06	—	.40	Total	591.84	321.12	187.25	29.38	36.31	47.81
Total	598.70	330.63	161.31	28.84	32.40	45.50	Per cent Market	84.20	26.60	5.00	6.10	8.10	
Per cent Market		55.20	26.90	4.90	5.40	7.60	BOLD type indicates increase over previous year.						

New Zealand's sponsorship activity under the John Player name

Past issues of "Marketing News" have reported the sponsored activities undertaken by our New Zealand associates under the Wills and Benson & Hedges names.

We have now received an account of how the John Player name is being given a measure of support through sponsorship on a limited scale. In New Zealand emphasis is given to the name "John Player" in preference to "Players", to the extent that pack wording makes it clear that JOHN PLAYER No. 10 is the brand name (as opposed to PLAYERS No. 10 in other markets).

Promotions Manager, Mike Szigetvary comments:

"While John Player brands (No. 10 and imported JPS) are not big sellers at

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present on the New Zealand market, it has been felt that it is important to keep the house name active for possible future development, and one way to achieve this is by supporting selected promotions at a cost commensurate with the limited return to be expected.

Last year, seeking to expand John Player activity at the time of launching No. 10, it was decided that the popular sport of horse racing would be a worthwhile vehicle by which to further our objectives, but not on the large scale race sponsorship such as is associated with Benson & Hedges.

Throughout the racing and trotting seasons, tables are published weekly showing the jockeys and drivers with the most wins to date. However, no formal recognition of the winning jockey and driver had been made, and to remedy this situation and achieve the objects in respect of John Player exposure, the John Player Premierships for the Leading Jockey and the Leading Driver of the Year were established.

The governing bodies of the sports, the N. Z. Trotting Conference and the N. Z. Racing Conference, gave the Awards their wholehearted support, and co-operated in arranging the publication of the correct records each week. These were co-ordinated by a leading racing journalist, who ensured their distribution to the media throughout the country. This also assisted in the John Player name being published. If John Player had a bigger franchise in N. Z. we would look to publishing weekly results under a John Player banner.

At the end of the season a luncheon was held in association with the three Auckland Racing Clubs. John Player made a donation to assist setting up the luncheon, and all those attending paid \$10 a ticket. The proceeds, which exceeded the John Player grant to the luncheon, were handed over to the Northern Probationary Drivers' School and the Auckland Apprentice Jockeys' School.

The success of this function exceeded all hopes or expectations, for it was attended by prominent figures, many of them administrators, in both sports from all over New Zealand. From the general discussion and the formal speeches it was made very clear that such Awards had been sadly lacking. As one speaker stressed, without the jockeys and drivers (the personalities of racing and the main crowd-drawers, along with the horses), there would be no sport. Yet, until 1975, there had been no tangible reward to the leading jockey and driver. There was more praise for the Awards in that they had done much to bring the administrators of the two branches of horse racing together. The leading jockey and driver each received a handsome trophy and a cheque for \$1,000. The two schools each benefited by \$400 from the luncheon.

In association with the launching of the inaugural awards, a consumer competition, the "John Player Pick the Winners" contest was carried out, with entrants being asked to list the top three jockeys and drivers with the

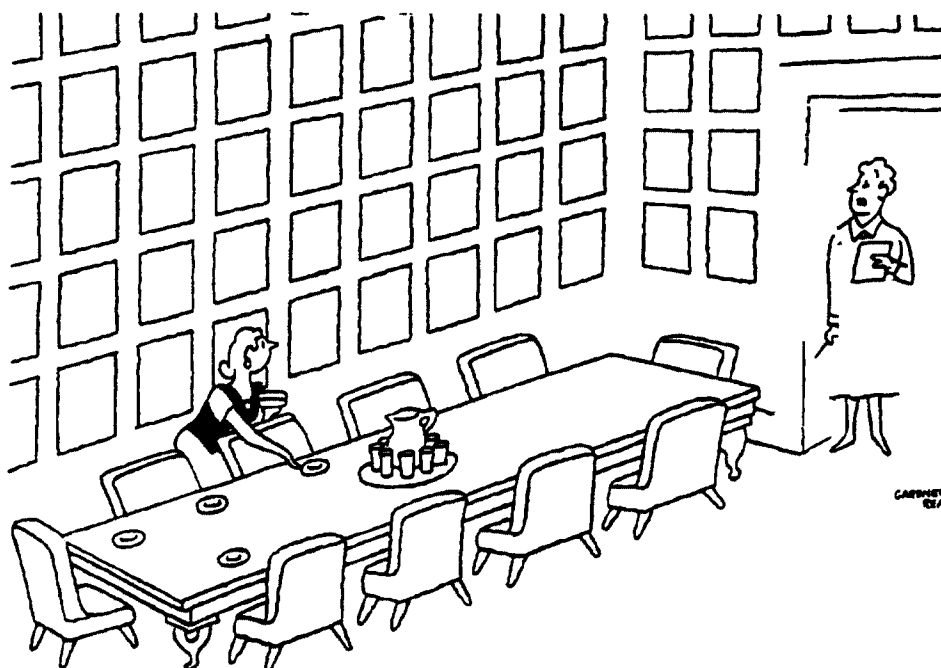
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number of points they thought each would score by a certain date in the season. Questions were also asked about JOHN PLAYER No. 10 cigarettes, and the major prize was a trip for two, all expenses paid, to the 1975 Melbourne Cup. Good brand exposure was achieved through posters, press advertising and the distribution of the entry forms throughout all retail outlets.

A small extension of this scheme can also be used by awarding smaller prizes for the leading jockey and trainer at a major meeting extending over three or four days. Publicity is confined largely to the course in question, (local press can prove advantageous), but the gesture can often lead to low-cost full colour advertising on the race card and stock displays in the bars. The benefits will vary from country to country and depend on the attitudes of media.»

Advertising Facts of Life: 7

A handful of superior advertising people can run rings around hundreds of good advertising people, no matter how hard working and dedicated they may be.



"And don't forget the little pads, in case one of them has an idea."

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Profile

Mike Read

Mike Read is the manager of the recently amalgamated Merchandising and Advertising Departments of International Exports Division in London.

Yorkshire born (in November 1935) he spent most of his early years in Northumberland. He was educated at Tynemouth High School, and on leaving was called up for his National Service with the Royal Air Force. During this time he was attached to the U.S.A.F. in Cambridgeshire.

After military service he returned to the north, and began his career as a management trainee with British Paints, including practical experience as a sales representative in the Potteries area of the English Midlands. Two years or so later he moved to London with the intention of entering journalism, but instead he joined Lintas, then the Unilever house advertising agency, as an account executive.

With Lintas Mike worked on a wide range of food, toiletries and detergent accounts before moving to MacFisheries. There he was involved in the launch of their retail frozen fish operation, and also spent six months in supermarket management.

In 1961 he left England to join West Africa Publicity in Nigeria. After a time he was seconded to one of the agency's major clients - Nigerian Breweries - as Brand Manager for Star Lager and the Schweppes franchise. Four years later Mike returned to Lintas in London as client service head of a unit working on industrial accounts.

Mike's next mission was overseas, to be responsible for the development of Unilever's advertising service in Indonesia. In 1972 he returned to Britain where, "after a brief flirtation with commercial radio", he joined I.E.D. as Advertising Manager. He took up his present joint Advertising/Merchandising responsibilities in October of this year.

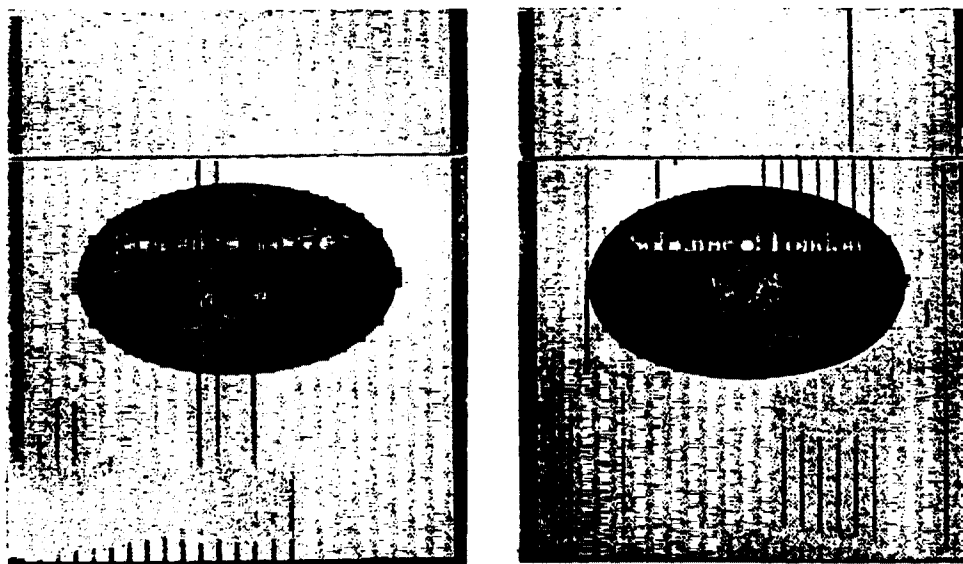
Mike and his wife have three sons, the elder two born during his service in Nigeria. Sparetime interests include playing "coarse rugby", squash and sailing.

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Belgian smokers get triple warning

BRUSSELS—Every cigaret package in Belgium, including all imported brands, must carry the health warning, "Smoking cigarets can damage your health," in three languages—Flemish, French and German. The regulation goes into effect this month.

REPORTS of COMPETITORS' ACTIVITIES



NEW PACK DESIGN FOR SOBRANIE INTERNATIONAL

Sobranie of London's 93mm "International" cigarettes in the U.K. have been given a new pack design, a modification of the previous design rather than a completely new one. The overall background of the pack, as before, is of alternating shiny and matt silver stripes. The main change is on the oval in the centre of the pack which was silver but which has now been changed to black with red lettering. The old and new designs are illustrated above.

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New brands aim at Carlton, Vantage

● Advertising Age, December 15, 1975

PM's Merit, Reynolds' Now signal low-tar cigaret battle

By JOHN J. O'CONNOR

NEW YORK—A three-way marketing brawl involving R. J. Reynolds Tobacco, Philip Morris U.S.A. and American Tobacco is about to erupt in the low-tar cigaret category.

ADVERTISING AGE has learned that a Dec. 16 Philip Morris press conference will be devoted to the introduction of Merit, a new low-tar (9mg.) and low-nicotine (0.7mg.) cigaret that will attempt to curtail Reynolds' ever widening hold on the fast-growing category.

At the same time, it has been learned that Reynolds, whose low-tar lineup consists of No. 1-selling Vantage, plus Doral, Winston Lights and new Salem Lights, is planning to bring out a low low-tar entry called Now (2mg. tar), which is aimed directly at American Brands' Carlton, a brand showing remarkable growth in recent years.

■ Apparently aware that RJR is coming in with a 2mg. tar smoke that would knock out its "Carlton is lowest" ad campaign for king-size Carlton (4mg. tar), American has retaliated with new Carlton 70s, said to contain only 1mg. tar and 0.1mg. nicotine. Carlton 70s, slated for national rollout next

month, actually has been testing in Washington since 1969. Prior to the company's announcement of Dec. 10, the test brand had been rated at 2mg. tar and 0.2mg. nicotine.

The swift defensive maneuver by American suggests that the American Brands subsidiary is not going to let competitors erode the Carlton franchise it has built over the last 11 years. Once the butt of industry barbs ("Carlton? You'll get a hernia trying to puff on it."), the brand has emerged as a major success story for American. According to the Maxwell Report, Carlton's sales in 1975 will exceed 5 billion units, a 71% jump over last year's 2.93 billion unit total. The brand's ad support is estimated at \$5,000,000.

In the opinion of one industry source, American will have to "spend big" to counter the impact of heavy advertising budgets behind RJR's Now and PM's Merit. One exec likened the situation confronting American to "a man staring straight at a double-barrel shotgun."

Philip Morris, which plans to introduce Merit nationally starting Jan. 12, reportedly will back it with the heaviest ad spending since the introduction of Marlboro in the mid-1950s. The brand is the culmination of 12 years of research which succeeded "in

'cracking' cigaret smoke and isolating 'key' flavor ingredients—ingredients that deliver taste way out of proportion to tar," introductory ads will state.

■ Until Merit's development, PM's lone entry in the low-tar race had been Marlboro Lights (12mg. tar, 0.8mg. nicotine). With the low-tar segment now accounting for 10% of the total market and growing at a 14% rate annually, Philip Morris had to establish a new beachhead or see Reynolds assume domination on the strength of continued growth by Vantage (up 28% in unit sales over last year) and Winston Lights (up 145.2% in unit sales).

With Now and Merit going national without test, the future of a trio of low-tar smokes currently in test market might suddenly turn bleak. Brown & Williamson Tobacco, Louisville, has been testing Fact and Vanguard for some months. More recently, Liggett & Myers moved into test with Vello, a low-tar cigaret named for Vello Norman, the research scientist who developed it.

Agencies for brands involved: Merit, Leo Burnett Co.; Carlton, F. William Free & Co.; Fact, Ketchum, MacLeod & Grove; Vello, Needham, Harper & Steers; Vanguard, Robert L. Edens Inc. Agency for RJR's Now not disclosed. ■

Following publication of the above article subsequent issues of "Advertising Age" have referred to the new low-tar brand situation. The latest of these reports, from the issue of January 12th, is reproduced on the facing page, together with illustrations of advertising taken from intervening issues.

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Both claim low-tar lead; where is Carlton 70s?

Battle of the lowest—Now vs. Carlton

By JOHN J. O'CONNOR

NEW YORK—Although American Tobacco is running small-space newspaper ads claiming that new Carlton 70s is "the lowest-tar cigaret ever made," R. J. Reynolds Tobacco apparently has no immediate intention of revising page ads proclaiming that its new 2mg-tar cigaret, Now, is "lowest."

A source close to Reynolds said the company unquestionably would make revisions in Now ad-

vertising, but only when Carlton 70s (reformulated from 2mg to 1mg tar) are actually made available to consumers.

"You can't find the product (Carlton 70s) anywhere," the source observed. "Until American achieves meaningful distribution, one can only view the Carlton 70s ads as an attempt to get in the way of a juggernaut or as a means of establishing legal evidence by their running in newspapers carrying Now full-page ads."

An American Tobacco spokesman said the Carlton 70s ad "speaks for itself" when he was asked to comment on the situation. Although he would not say whether American was contemplating a suit charging Reynolds with false and misleading advertising, a source close to American felt that was the direction in which the conflict was heading.

■ Prior to the emergence of Now and Carlton 70s, Carlton king-size (85mm) was unchallenged in its claim, "Carlton is lowest." But in chalking up a 70% gain in unit sales last year, Carlton kings (4mg tar) became a target for competition in the low low-tar segment it shaped single-handedly. With Carlton king-size becoming vulnerable to Now king-size and its claim, "Now, Now is the lowest," American was compelled to come up with 1mg-tar Carlton 70s, a shorter length smoke which previously had a 2mg tar designation in Washington, where it had been testing since 1969.

As Now attempts to chip away at Carlton's franchise, Reynolds has unleashed a heavy ad barrage for its market-leading low-tar cigaret, Vantage (12mg tar), in the face of a major challenge from Philip Morris U.S.A.'s new Merit, a 9mg tar product backed with a heavily researched "flavor" campaign. On Jan. 6 newspapers across the country carried a b/w spread featuring four previously run, long-copy ads above the headline, "It all boils down to this: Vantage. The low 'tar' cigaret that doesn't taste like one. Try one carton."

Now pick the low tars that Merit attention

Two new smokes, alike in being "low tar," employ different ad approaches in their introductions. Now, from R. J. Reynolds Tobacco, stresses its "tar" and "nicotine" content, while Philip Morris Merit pushes "enriched flavor," sublimating "tar" figures. Leo Burnett U.S.A., Chicago, handles

It all boils down to this:

Vantage.

The low 'tar' cigarette that doesn't taste like one. Try one carton.

NOTE: Articles reprinted from other publications do not necessarily reflect the views of BAT, nor can we vouch for the accuracy of statements regarding brand or company activity in such reprinted articles.

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● Advertising Age, December 15, 1975

PHILIP MORRIS INC. has moved its Marboro cigarettes into Brazil, using the familiar cowboy theme, which already has been exported to a number of other foreign markets. While use of the American cowboy has met with some criticism from the Brazilian press and certain consumers, initial sales of the brand seem to be going well . . .



R. J. Reynolds acquires Brazil cigaret company

R. J. Reynolds do Brasil Ltda. has acquired substantially all the manufacturing and distributing assets of Cia Lopes S.A. Industrial de Fumos, Brazilian cigaret company. Lopes makes and distributes 14 principal cigaret brands in Brazil with a combined annual unit volume of 8 billion cigarettes.

The new acquisition, combined with R. J. Reynolds Industries' existing Brazilian subsidiary, gives RJR an approximate 11% share of the Brazilian cigaret market, which for 1975 is expected to total sales of 108 billion. Reports from Brazil are that RJR will soon be introducing a 120mm cigaret there. Sources indicate that Camel will delay its Brazil launch until after the 120mm brand appears. The Brazilian market has long been dominated by Souza Cruz, subsidiary of British American Tobacco, with almost an 80% share.

REPORTS of ►►►►►
▲ COMPETITORS' ▲
◄ ACTIMTIES ◄◄◄◄◄

THE PETER STUYVESANT 25's HINGE-LID PACK

During 1975 Rothmans introduced on the Canadian market a 25s hinge-lid box for PETER STUYVESANT 100s. An unusual feature of this packing was the division of the cigarettes into two unequal foil bundles, one of 14 cigarettes, and the other of 11. The pack is the same thickness as a conventional 20's h/1 box, but substantially wider (74mm approximately).

We now have a specimen of the pack which is illustrated here.

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