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## JOE CAMEL

### General History of Campaign

#### Background

In 1988, the Camel celebrated 75 years with a birthday ad campaign that introduced Joe Camel. Originally drawn by a British artist for a French Camel program in 1974, Joe Camel is a caricature of Old Joe, the camel featured on the pack since 1913. Except for a brand lighter promotion, the caricature had not previously been used in the United States.

After the birthday campaign, Joe Camel evolved into the brand's predominant advertising feature, later to be joined by the Hard Pack "band" -- Floyd, Eddie, Bustah and Max -- in March 1991, and by Ray, Max's alter ego, with the introduction of Camel Wides in January 1992.

Brand promotions through the years have featured the camel characters. A "Smooth Moves" campaign in 1989-90 offered humorous situations with various "tips" for handling, one option always being to enjoy a Camel cigarette.

Camel Cash "C" notes to redeem items in a catalog have been offered with the filtered styles since October 1991. Items from these catalogs have been used at various hearings and anti-smoking news conferences through the years.

In 1993, Camel began sponsoring "Smokin' Joe's" racing in NASCAR, drag, and motorcycle events.

In 1994, the Camel VIP club thematic for direct marketing was introduced.

Female camels were featured in "Joe's Place" advertising early in 1994. The brand was criticized for introducing "Josephine" camel by anti-smokers.

#### Recommendation

Continue to work with the brand staff to ensure that advertising and promotional programs comply with standards of taste and sensitivity to general tobacco and specific youth issues raised by the anti-smoking community.

#### Key Points

- The annual VideoStoryboard survey among adults 21+ of their favorite print campaigns has ranked Camel in the top 10 every year since 1988, its first full year in market.
- RJR research among its own and competitive adult smokers has indicated a high appeal for the campaign. Since the campaign began, among smokers 21-24 years of age, 93 % of present Camel smokers have switched from another brand, and 67 % of them switched from Marlboro. The campaign is effective at standing out from tobacco advertising clutter to convey the brand's message of smooth tobacco taste to adult smokers.

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- Illustrations have long and successfully been used for advertising numerous adult products. Examples currently in market include contraceptives (Dept. of Health and Human Services), lotteries ("Roger Rabbit" look-alike in Illinois), insulation (Pink Panther), hotels and motels (Garfield and Bugs Bunny), insurance (Peanuts characters), to name a few.
- Camel Cash and other promotional programs are designed to add value to an adult smoker's decision to select Camel, a full-price brand. All promotional items are tested and selected for their appeal among adult smokers, 21 years of age and older.
- The company does not want Camel promotional items to fall into the hands of young people. Order forms for continuity programs require a certification that the orderer is a smoker at least 21 years old. Whenever it is brought to our attention that a young person has fraudulently ordered from Camel, the company writes the parent, requesting that the item(s) be returned. We do not believe parents should make these items available to young people, but recognize that decision is out of our control.

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## JOE CAMEL

### Youth Issues

#### Background

Accusations that Joe Camel advertising somehow causes youth to start smoking were ignited by three articles that appeared in the Journal of the American Medical Association (JAMA) in December 1991. RJR learned of the articles from an ABC reporter given an exclusive on the articles when a company executive was interviewed ostensibly on youth smoking.

Headlines coming out of the JAMA news conference were that Joe Camel was as recognizable to 3-to-6 year olds as Mickey Mouse, and that since the introduction of Joe Camel, the brand's share of underage smokers had leaped from 0.5 percent to 32 percent of the youth market.

The company responded by thoroughly reviewing all sales data on Camel to see if there were indications of youth interest that had never been noticed, as well as all available research on youth smoking initiation. Simultaneously, we asked several highly regarded independent researchers to analyze the JAMA articles and give us their assessment. The company underwrote a research project by Dr. Richard Mizerski of Florida State University that corrected methodology errors in the JAMA "Mickey Mouse" study and expanded the sampling to get representative results. Jim Johnston met with editorial boards at the Wall Street Journal, Advertising Age (which asked the company to voluntarily pull the campaign, an editorial position they've never abandoned) and USA Today. PR staff did hundreds of print and broadcast interviews to represent the company's position. Presentations were also made to the RJR Nabisco, Inc. board of directors.

Anti-smoking forces have continually staged events and encouraged actions that have kept the controversy in the news. However, several more reasoned opinions began to surface in the academic community. Professors at several universities on their own authored articles and papers questioning the validity of the JAMA articles. In addition, Mizerski began presenting the results of his study and Professor Claude Martin at the University of Michigan asked academicians in several areas of expertise to review the JAMA articles by their standards for research, none of which found them acceptable.

Also in 1992, the company pursued discovery with the principal JAMA authors in preparation for the Mangini suit (see Joe Camel, Litigation). When ordered to provide documents to RJR, Dr. DiFranza released a letter to a news reporter, mischaracterizing its positioning. RJR, which had previously declined the reporter's request for the documents, allowed her to come into our offices and review the papers to put the letter in perspective. As a result, Dr. DiFranza's predetermined conclusions and manipulation of his survey to meet his end goal were disclosed. Shortly thereafter, an editorial in the Washington Times suggested he should be investigated for research fraud.

The JAMA articles have been cited in various efforts to ban or restrict advertising and to justify boycotts. These are described in detail in other sections. In June 1992, the Surgeon General held a children's march through the downtown Chicago streets ending at a rally at the AMA headquarters building. Articles that year in the Weekly Reader and Scholastic News further exposed children to Joe Camel, as did a contests run by the Stop Teenage Addiction to Tobacco (STAT) anti-smoking group in 1991 and in 1993. A STAT speakers' guide on Camel was produced in 1992.

As a result of allegations, shareholder resolutions requesting the campaign be dropped were submitted in 1992, 1993 and 1994. Twice, the company has responded to inquiries from the Investor Responsibility Research Center (IRRC).

In February 1994, Surgeon General Elders released her report on youth smoking, joined by former SG Novello, who spoke specifically to Joe Camel advertising.

#### Recommendation:

Continue to monitor independent research on youth smoking and Joe Camel, and incorporate emerging facts into responses on cigarette advertising in general, Joe Camel advertising in specific, and what impacts underage youth smoking.

#### Key Facts

- The Federal Trade Commission considered the JAMA articles; their conclusion there were no grounds on which to bring a complaint against the campaign indicates they rejected this "research."
- A Roper Starch survey conducted in November 1993 found the Joe Camel character is not the most memorable advertising character with youth. In fact, the strong negative reaction to the character's product, cigarettes, suggests it is not causing youth to start smoking. The survey was conducted by way of personal interviews at home with a nationally representative sample of more than 1,100 10-to-17 year olds. The survey was funded by RJR.
- The authors of the first article did not find that Joe Camel is as recognizable to six-year-olds as Mickey Mouse.
  - The JAMA authors found in a sample of 23 six-year-olds that Joe Camel had a recognition score of 91.3% and Mickey Mouse had 100%. Of the 229 3-to-6 year olds in the study, there was a 40-point gap between the two characters -- 91.7% for Mickey Mouse vs. 51.1% for Joe Camel.
  - Researchers unanimously agree that a national extrapolation cannot be drawn from a sample of 23 in one "convenience" sample location (in this case, one Atlanta preschool).
  - The Ford and Chevrolet logos and 7 other logos in the study had higher overall recognition rates than Joe Camel (Ford: 52.8%, Chevrolet 54.1%).
  - The authors of the article concluded that they could not predict future behavior based on youth recognition of advertising logos.
  - Two of the authors (Fischer, Richards) subsequently wrote in Tobacco Control (June 1992): "This study was specifically designed from its inception with attention to how the research might be covered in the popular press."

- Mizerski nationally sampled 790 3-to-6-year-olds in 10 cities. His research indicated that while awareness of the Camel trade character increased with age (although not at the rate reported in JAMA), so did the dislike for smoking. By age 6, 96% disapproved of smoking.
- Miscalculations and manipulation of the research that purported Camel brand share has risen from 0.5% of the underage market to 32.8% produced a false number that is not supported by government research.
  - The Centers for Disease Control's Teenage Attitudes and Practices Survey (TAPS) is the only large study indicating brand preference among underage smokers. In 1989, among those kids that purchase their own cigarettes, TAPS I found that 71% of whites chose Marlboro; 56.6% of blacks chose Newport. Camel was the choice of 8.3% of white youth; 5% of black youth. In 1993, TAPS II found that 61.6% of white youth buying their own cigarettes chose Marlboro; 67.6% of blacks chose Newport. In 1993, Camel was the choice of 14.4% of white youth, 0% of black youth.
  - When Dr. Joseph DiFranza's pretesting for his 12/91 JAMA article showed that the ads appealed more to people in their 20s than early teens, he wrote his colleagues, "It would appear that we have just disproved our theory that the ads appeal more to kids than to adults." (emphasis added)
  - To get his final results, DiFranza changed questions that didn't produce the desired answers and included in the results the answers of "kids" who told him they did not smoke. He also counted respondents up to 21 years of age as "kids."
  - DiFranza told a newspaper reporter: "None of these studies was designed to show that these Camel ads increased smoking among kids."
  - DiFranza also found, but did not report, that 94% of the students who thought Joe Camel was "cool" also thought "smoking makes you unpopular;" 95% thought "smoking makes you unattractive."
  - The Camel brand's share of the overall market has remained at about 4% since before the campaign began in late 1987. The kind of growth among youth that Dr. DiFranza claims would have raised the total brand share.

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## JOE CAMEL

### Governmental Actions

#### Background

Since the publication of the December 1991 JAMA articles (see separate entry), the Joe Camel advertising campaign has been attacked by two Surgeon Generals, congressmen, a group of state attorney generals, state legislators and officials, and municipal officials.

Since 1992, Joe Camel issues have been raised in Congress by Reps. William Cohen, Michael Synar, Romano Mazzoli and John Bryant, and the subject of a Congressional Record letter to former Chairman Louis Gerstner from Mazzoli, Synar, Chester Atkins and Patricia Schroeder. Comments and questions about the campaign have been raised in several congressional hearings, including questions directed at James W. Johnston during the Waxman hearing on April 14, 1994.

Several states and municipalities have considered bans of the Joe Camel advertising campaign. Bills introduced in California (1992, 1993 & 1994) and Vermont (1994) were defeated. In 1992, Governor Coumo (NY) set up a commission to review the allegations.

Several municipalities have used the campaign to justify efforts to ban advertising on city transit systems and in stores, ranging in size from New York City to Snow Mass, Colo. In May 1992, the city of Chicago passed a resolution condemning the campaign.

In June 1992, Robert Abrams (then N.Y. State's attorney general) wrote Senator John Danforth on behalf of 27 AGs (including himself) requesting his assistance in repealing the section of the Cigarette Labeling and Advertising Act that preempts states "from enforcing their deceptive acts and practices statutes against tobacco companies that engage in false, deceptive or misleading cigarette advertising." His letter stated cited the Journal of the American Medical Association articles on Camel (12/91) and indicated that the campaign was of particular concern to this group. In September 1993, the group sent a letter to the Federal Trade Commission asking that Joe Camel advertising be banned.

A multi-year investigation by the Federal Trade Commission ended in June 1994, when the Commission announced that it was ending its investigation of Joe Camel and not filing a complaint against R.J. Reynolds. In a 3-2 decision, the commission concluded:

"Although it may seem intuitive to some that the Joe Camel advertising campaign would lead more children to smoke or lead children to smoke more, the evidence to support that intuition is not there."

#### Recommendation:

Continue to assist the government relations staff with materials to respond to attacks and to work with the American Civil Liberties Union, the Washington Legal Foundation and key national advertising groups all of which have been supportive of our position.

## Key Points

- The commission's decision was a complete vindication of the position RJR has taken and which was confirmed by our own research that despite awareness of the Joe Camel character, youth's overwhelmingly negative opinions about smoking have not changed.
- We believe it is significant that the commission made its decision on the facts and the law and not, as they said, on "intuition" or on otherwise unfounded but emotionally appealing claims of some unqualified but self-proclaimed experts in the field of advertising. Clearly, the commission made the right decision despite enormous pressure from the anti-smoking industry and some media representatives to do otherwise.
- As their statement says, the commission "spent a great deal of time and effort reviewing the difficult factual and legal questions raised by this case, including a comprehensive review of relevant studies and statistics." We have long felt that when the documents, articles and innuendo surrounding Joe Camel were examined with an unbiased eye, the facts support our contention that the ad campaign is designed for adult smokers.
- Regarding the request by a group of attorney generals to repeal portions of the Cigarette Labeling and Advertising Act: The AGS suggest that cigarettes are treated differently from other products, and that is true. Cigarettes are the only product that requires a warning label on its packaging and its advertising. Congress decided that product and ad warnings were necessary in order to adequately warn the public. They specifically did not want 50 different sets of regulations. They opted instead for uniformity, and precise warning requirements. Further, the Cipollene decision specifically noted that fraudulent misrepresentation is not preempted. For these reasons, the AG's request should not be considered by Congress.

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## JOE CAMEL

### Litigation

#### Background

Within days of the JAMA publication, Janet Mangini, an attorney in California, filed suit against the company alleging that certain Camel brand promotional items bearing the Joe Camel likenesses were distributed without containing a Surgeon General's warning. The plaintiff relied on articles appearing in the Dec. 11, 1991 issue of the Journal of the American Medical Association in support of her conclusion that such promotional items resulted in an increased use of Camel cigarettes by "teen smokers."

The plaintiff requested that RJR be required to conduct a "corrective" advertising campaign on the electronic and print media, and asked for an order that the profits from the sales of Camel brand products be taken from Reynolds Tobacco and distributed to the general public.

The JAMA authors whose work on which the complaint is based, resisted sharing their research with the company, requiring courts to intervene to give RJR that access. The physicians involved embarked on a media "tour" during which they roundly criticized the company as threatening to thwart research when anonymity cannot be assured. The company was accused of trying to get access to the names of the children involved in the research.

Three courts upheld RJR's right to access to Dr. DiFranza's notes. A court in Augusta, Ga. ruled that under the state open records act that Dr. Fischer must turn his records over to the University of Georgia, which with the State Attorney General's office filed suit to gain access to the records. RJR petitioned the court to join that suit to ensure our interests were represented.

On 8/4/92, Summary Judgment was granted to defendants, dismissing plaintiff's claim that RJR's Joe Camel promotional items should have contained warning labels due to preemption by the Federal Cigarette Labeling and Advertising Act.

Plaintiff filed a notice of appeal on 10/2/92 to the Court of Appeals for the First Appellate District. On 7/14/94, the Court of Appeals reversed and remanded the case to the trial court on the grounds that the plaintiff should have been given the opportunity to amend her complaint to allege a claim that RJR's Joe Camel campaign is "unfair" because it "targets minors for the purpose of inducing and increasing their illegal purchase of cigarettes."

RJR filed a Petition for Review with the Supreme Court of California, which on 6/30/94 ruled with Mangini. A procedural decision that said nothing about the merits of the case, the Supreme Court ruling simply means that the plaintiff will be allowed to try to prove her case. RJR filed an appeal of the court's decision to the U.S. Supreme Court in October 1994.

A "look-a-like" Mangini case was filed by the same attorneys, Sparks v. RJR, in April 1994 in Seattle, Washington. The ad campaign was included in a lawsuit filed in May 1994 by the Mississippi attorney general for Medicaid recovery.

## Recommendation

Continue to respond to media inquiries with the company's position on these suits, and assist the legal department with any Camel and/or youth smoking research they need.

## Key Points

- The Federal Trade Commission spent several years going through literally tens of thousands of pages of RJRT documents as well as world-wide research on youth smoking before concluding there was no basis for the allegations levied against Joe Camel advertising. Taxpayers in California, Washington and Mississippi will be essentially be expending state funds to replicate that effort.
- We are extremely confident that the fact that this campaign is directed at adult smokers will prevail. That was the consensus of the Federal Trade Commission which found that there is no basis for Mangini-type claims. We are confident the facts will persevere in Mangini, Sparks and Mississippi just as they did in the FTC.
- The Federal Cigarette Labeling and Advertising Act reserves authority over cigarette advertising for the Federal Trade Commission, preventing state regulation of advertising on the basis of smoking and health issues.
- Courts have previously upheld the rights of companies to have access to research that's being used against them in litigation. For example, in Deitchman v. E.R. Squibb & Sons, Inc., the United States Court of Appeals for the Seventh Circuit ruled that Squibb was entitled to discover information contained in the files of third-party researchers when the plaintiff relied upon that research as a basis for her claim.
- In letters to attorneys for Drs. DiFranza and Fischer, the company specifically asked that the names of the kids in the studies be redacted, and offered to pay the expense of a third-party reviewer to look at the records and assure us it had been conducted as reported in the JAMA articles.

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## JOE CAMEL

### Nose Issues

#### Background

In 1989, the company first learned from a reporter that some people saw phallic images in the facial features of Joe Camel. In fall, 1990, a radio ad produced for the California anti-smoking campaign questioned the facial features of "a two-humped zoo animal" used in tobacco advertising. In June 1991, an "Op Ad" by Leslie Savan in *The Village Voice* crudely described the controversy, noting that STAT (Stop Teenage Addiction to Tobacco) was running a contest, "That's Not a Camel" contest with a \$100 prize for the best "spoof" ad. Stories in sister publications *AdWeek* and *BrandWeek* by Barbara Lippert, "War of the spokes-genitals," comparing Joe Camel to a test "Willie the Penguin" ad campaign Brown & Williamson had in market for *Kool* cigarettes.

While the company's response, which included side-by-side prints of Joe Camel and a real camel, largely ended media inquiries about Joe Camel's nose, a *New York Times* op-ed by a Harvard English professor graphically lobbed a parting "print" shot -- "Joe Camel, an X-rated Smoke" -- in March 1992.

While little is heard of the nose issue now, it has not gone away. In September 1994, Chairman Jim Johnston received a letter from the executive director of United Churches of America, Inc. in West Hills, Calif. inquiring about the allegation.

#### Recommendation

Respond to questions raised about the facial characteristics of Joe Camel, providing the side-by-side photograph wherever appropriate.

#### Key Points

- The Joe Camel caricature is just that -- a caricature, which by their nature exaggerate facial features. Nonetheless, a comparison to a real camel is proof positive that Joe Camel looks just like a real camel.
- Suggestive findings in advertising are generally found by those who have a proclivity for looking for them. We think these accusations say more about the person making them than of our advertising. (Seth -- bet you this point will never see light!)

## JOE CAMEL

### Women's Issues

#### Background

In 1989, the brand ran a series of "Smooth Moves." One of these, "Bored, Lonely and Restless," included "Smooth Move 334" which pictured a man carrying a woman out of the ocean. Led by the National Organization for Women (NOW), protesters deluged the company with calls and letters complaining about what they saw as a "sexist" ad. A letter from Chairman Jim Johnston to Congressman Sikorski in June 1989 reiterated the company's apology for the ad, stated the ad should never have run and assured the congressman it would not run again.

Despite company apologies, the ad continues to surface in anti-smoker comments and was held up by Rep. Synar at the Waxman hearing on April 14, 1994.

#### Recommendation

Continue to apologize for the incident, provide copies of Mr. Johnston's letter to Cong. Sikorski as appropriate, and outline revised procedures for handling ads that resulted.

#### Key Points

- R.J. Reynolds Tobacco Co. has apologized for the ad, which was one in a series of light-hearted "Smooth Move" tips developed during a campaign that ran in 1989. Other tips in the series covered subjects like not having furniture in your apartment, being late for work and how to impress your in-laws.
- It was a mistake on the company's behalf not to see that the "tip" in question could be construed as sexist. Certainly, we do not condone violence against anyone, and we are sincerely sorry that the "tip" offended some people.
- RJR ran the ad only once; it has never been run again.
- Internal company procedures for reviewing brand advertising were strengthened to ensure that ads reflect appropriate messages for adult smokers of competitive products.

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