

June 8, 1981

Mr. R. M. Sanders

Re: MORE Family Strategy

This provides my thoughts on a MORE Family strategy based on our discussion in Phoenix. It is presented to give the Brand Group an opportunity to resolve our stand on the issue, prior to forwarding a strategy document to MGM and proceeding with our 1982 marketing plans.

I. What Purpose - Family Marketing Strategies

I have been asked to review the opportunity which positioning and marketing MORE as a brand family represents. Family marketing strategies are pursued, I understand, because we recognize such strategies as efficient mechanisms for positioning and marketing cohesive sets of brands. The sets of brands comprising "families" are first identified as products similarly named and packaged, and with some mutual heritage.

According to precedents we see in cigarette marketing, however, the combination of these elements alone does not comprise a brand family. The crucial marriage of brand family "members" is established by our determining a singular and unifying imagery position for the brand family. This image or "attitude" is as logical and precise for each brand style as for any other style in the family and is the same for each brand style in the family. This singular, unifying family image is most relevant, meaningful, or important to a particular consumer group (as defined primarily in terms of sex and age). Brand styles within the family, each delivering the singular family focus, give these consumers a choice of alternative tar levels, flavors, lengths and package styles. The singular image, therefore, minimizes consumer interpretation of what the Brand "stands for" and, once responding affirmatively to the Brand image, allows smokers to concentrate on the secondary choices (tar, flavor, length) offered across brand styles.

I. What Purpose - Family Marketing Strategies (Cont.)

Specification of the family images or positions for cigarettes are generally logically derived: The parent brand's heritage/ "reason for being" is generally assumed for the family, as this normally represents the strongest, most firmly entrenched definition of the Brand. Additional brand styles, extending from the parent heritage, offer the secondary choices of "tar," flavor, length, pack style. While differences in the composition of each brand style's franchise obviously exist, these reference the secondary choices described above (e.g., upscale, older women tend to choose a family's ultra low tar 100mm style, etc.). Choices between brand styles do not and should not indicate delivery of, "purchase" of, or expectation of a different image from the individual brand styles.

For example, this family philosophy of singularity of image allows that CAMEL Lights, Filters and Regulars are all "Where A Man Belongs"... and not that CAMEL Lights is "Where A Gentleman Belongs," CAMEL Filters is "Where A Macho Man Belongs," etc. The CAMEL image is a single image; different degrees of the attribute of "masculinity" do not coincide with different CAMEL brand styles. A single family focus allows Marlboro Lights "the spirit of Marlboro in a low tar cigarette" and not "the refined, urbane spirit of Marlboro in a cigarette which is lower tar." NOW is positioned as an ultra low tar brand family; there is no implication that a NOW 100's smoker is less concerned or less tar motivated than a NOW Box smoker simply because NOW 100 is higher in tar. NOW's modern, clinical image includes and identifies all of the Brand's styles. As is the case for each of the above examples, all marketing elements can be used to reiterate and solidify the image once the family focus is specified (e.g., family packaging, family advertising).

As each of these precedents indicate, a strong family image must be inclusive and singular. The benefit accrued from a family positioning rests on this singularity of focus and, therefore, cannot accommodate variance from or degrees of imagery or attitude for each brand style. Extreme variance from the positioning focus per style undermines the family benefit; subtle difference between styles in the strategic/imagery sense are probably indiscernable or unnoticed when translated into executions. The underlying tenet of traditional family positioning is obviously achievement of maximum volume and growth potential for the

I. What Purpose - Family Marketing Strategies (Cont.)

Total Brand: By "owning" an image and offering tar, flavor, length and package alternatives, a larger share of smokers, (all responsive to the same image but with differing secondary wants) can be gained than without the family focus. The aforementioned corollary to this tenet is equally important: The singular family image must be equally believable and logical for each brand family member.

II. MORE Lights 100's "Reason For Being"

As this family issue relates to MORE, let me first reference my knowledge of MORE Lights 100's reason for being. The project was conceived and pursued as:

- A franchise extension to MORE 120's ... a brand designed to attract a different smoker group from the parent and for different reasons. A conscious and purposive decision was made with MORE Lights 100's to be different from MORE 120's, most importantly in two respects:
 - Product Appearance - MORE Lights 100's was designed to be distinctive yet less excessive in appearance -- beige, 100mm long, slim -- in contrast to the MORE 120's unique, exaggerated 120mm brown configuration. This decision reflected our knowledge that the MORE 120's product configuration is not and was not intended to be universally appealing or acceptable. Thus, the total MORE franchise could be expanded by offering a more mainstream yet still distinctive product configuration in the lights styles.
 - User Imagery - In keeping with and because of the less exaggerated product configuration, a more refined user image could be and was developed for MORE Lights 100's. The MORE 120's product is, in and of itself, a blatant statement about the user. The exaggerated, noticeable, unique, individualistic, 120mm, brown, slim product infers like personality traits to the smoker.

MORE Lights 100's product is not, in and of itself, a blatant statement about the user. Through its "softened" product appearance, MORE Lights 100's was able to address a similar softening in terms of user image (as seen in our package and advertising). Again, the more broadly acceptable user image afforded us the opportunity to expand the Total Brand's business by appealing to a broader base of smokers who would be attracted to a more mainstream, yet still discriminating and distinctive, user image.

II. MORE Lights 100's "Reason For Being" (Cont.)

To reiterate: Very real differences exist between MORE 120's and MORE Lights 100's by design. Those differences, while of late construed as ones of degree, are basic to the success of the MORE Lights 100's proposition and were intentionally constructed.

MORE Lights 100's was also pursued as:

- The sole corporate entry which could compete directly and specifically for smokers switching into and out of the Virginia Slims family. MORE 120's simply does not satisfy and cannot be construed as the entry which fills that corporate gap, and little about the Brand's market dynamics indicate that it competes with Virginia Slims. The strong imagery communicated by the unique MORE 120's product largely precludes this. Had MORE 120's already competed effectively with Virginia Slims, MORE Lights 100's would have been a traditional low tar line extension vis a vis Virginia Slims Lights; MORE Lights 100's would have been a 120mm, dark brown, low "tar" rendition of the parent and encompassed in its image. It obviously is not, nor could it accomplish its competitive objective were it thus configured.

III. Recent Research Findings

Our recent qualitative research in Phoenix validated and elucidated the significant differences which consumers perceive between MORE 120's and MORE Lights 100's. The perceptual differences are numerable and will be detailed in the MDD Focused Group Report. In the final analysis, however:

- Competitive smokers expressed purchase interest/acceptance of either one or the other brand style and rejection of the remaining brand style. This dichotomy of acceptance/rejection was chiefly related to brand imagery. This imagery, in the case of both MORE 120's and MORE Lights 100's was conveyed strongly through product cues, and developed even in the absence of a knowledge/perception of the advertising. MORE 120's was viewed as an outlandish, highly visible product smoked by eccentric, flamboyant women; MORE Lights 100's was viewed as a very feminine, pretty cigarette which would appeal to a wider range of women who are distinctive in a much more subtle way. This result is consonant with the Brand's previous

III. Recent Research Findings (Cont.)

analyses of MORE 120's image perceptions and further verifies that MORE Lights 100's intended positioning is attractive and achievable.

- Without forcing the issue, women in the Phoenix groups acknowledged that both MORE styles were cigarettes for women, albeit very different types of women. Most smokers did recognize that some MORE 120's smokers are men, however. (This perception likely references the Brand's product-is-hero and dual gender advertising history -- in other words, the Brand's non-gender specific advertising past -- and the conflicting masculine [dark brown] and feminine [long, slim] product components.) That MORE 120's can be positioned as exclusively a woman's brand, however, is feasible. Indeed, this shift is currently reflected in our copy pool/media plans. MORE Lights 100's (largely due to the soft beige, slim product and elegant package) was almost immediately perceived as female.

Conclusions - Desirability and Feasibility of a MORE Family Positioning/Image.

- Both MORE 120's and MORE Lights 100's can be positioned against the same consumer segment -- younger adult women smokers. Targeting of a specific consumer segment by both brands means that the brand styles are basically compatible and mutually supportive: MORE, as a brand family, is a brand which is for women. While this is fairly self-evident for MORE Lights 100's, this "repositioning" is equally logical and credible for MORE 120's.
- A brand family which is simply defined as a "brand for women" is neither preemptively nor precisely positioned. With that focus alone, Virginia Slims or any other female brand could easily be described as a MORE family member. That MORE is a "brand for women" simply positions both styles within the same consumer segment.
- There is definitely an imagery link between our brand styles -- that both brands are "an expression of the smokers of femininity/femaleness." This desire for self-expression is enhanced and best accommodated by smoking MORE because of the expressive, "different" appearances of the MORE products relative to other cigarettes.

Conclusions - Desirability and Feasibility of a MORE Family Positioning/Image (Cont.)

- While this "self expression/distinctive product" commonality, on-face, appears to constitute a MORE family positioning it is still too nebulous to maximize each brand styles' relative strengths, reasons for being and differences from each other. Although women are "saying" something about themselves by smoking either style of MORE, their "message" is considerably different depending upon their brand style choice: Their expression is purposely very obvious, highly visible with MORE 120's; their expression is subtle, less obtrusive with MORE Lights 100's. The product for each brand style accommodates these different levels of expression. To use an analogy, a woman could wish to change her appearance by dying her hair and she could accomplish this by peroxidizing it brassy blond or highlighting her natural hair color. While either of these actions accomplishes the objective, they hardly evoke or result in the same image or perception. So is MORE 120's to MORE Lights 100's, and to a large extent, the MORE styles do not share a singular image because of this relationship to each other.

- The non-emergence of a singular, solid image focus for a MORE family is not surprising, since MORE Lights 100's was intentionally not cloned from the parent brand. This begs two family-related questions:
 - 1) After electing, for solid marketing/corporate reasons, to position MORE Lights 100's as an adjunct to and not as an appendage of MORE 120's, would we really want a traditional cigarette family positioning for MORE? My best judgement tells me that even if this family image could be developed, it most likely does not represent a better business opportunity than two independently marketed MORE brand styles. Each of these styles has potential in its own right because they appeal to different psychographic groups of women for different reasons. Thus, the logic and major benefit of a single family image would not accrue to MORE; it would actually impose a ceiling on each brand style's imagery potential.

 - 2) If we did opt to develop a traditional MORE family positioning (e.g., single image), do we have products which, simply by virtue of their different "intensity" of appearance, could believably support this positioning? The product itself, in our case, is a statement

Conclusions - Desirability and Feasibility of a MORE Family Positioning/Image (Cont.)

of imagery. Regardless of any generic "activity" depicted in future family advertising, a very specific and different tone or perception of that action is set, depending upon whether we show 120's or Lights 100's in the smoker's hand. This, I might add, probably represents our worst "family" case, since advertising whose tone is set by the product alone could, necessarily, not capture the heart or depth of either products' correspondent user image. We have two products which are smoked ideally by two different people; to represent them as products smokable by the same person is a fallacious averaging or mixing of images under the auspices of family advertising.

Overall Conclusions

Based on Phoenix and our preceding discussions, both MORE styles can be positioned as brands for younger adult females whose brand of cigarettes serves as an expression of their femaleness/femininity/selves. That MORE is a brand for women is simply a statement of a common consumer target segment. Positioning both styles against this one consumer segment is an important element to maintain and develop so that each brand style supports and is compatible with the other.

Beyond that, I have serious doubt that we can or would want to develop a singular image across brand styles. The degree of "differences" in product/perceptions/images of MORE 120's versus MORE Lights 100's indicate that the brands are indeed distinct entities and address different wants within the target segment. To avoid these differences by developing a restrictive/compromise family positioning or advertising approach does not address the maximum potential of either one or both brand styles. Certainly there are ways which our future advertising can have a family "look" (e.g., copy, format, etc.) but this is an executional consideration to be dealt with much further down the road.

Recommended Next Steps

Assuming you are in agreement with the thinking behind the long-term strategic positioning of the MORE brands as outlined above, the following next steps are recommended:

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Recommended Next Steps (Cont.)

- Finalize a formal MORE Family Brand Positioning Statement for submission to Executive Management for review/approval on 6/18/81. This Positioning Statement should clearly delineate the important user imagery differences existing between MORE 120's and MORE Lights 100's which are necessary to the long-term success of both brand family members.
- Develop individual Copy Strategies/Copy Platforms for both MORE 120's and MORE Lights 100's which specifically identify and emphasize the unique user imagery benefits required for both brand family members within their respective Focus of Sale sections. Forward same for Management review/approval on 6/25/81.
- Initiate a creative review and exploratory on MORE 120's based upon the revised Copy Strategy to determine:
 1. The need for changes in the current "Huge Packs" campaign as a result of our decision to reflect a specific user imagery emphasis as the Focus of Sale (versus the current product emphasis).
 2. The degree to which the MORE 120's campaign and the MORE Lights 100's campaign can share a more unified "look" (e.g., copy, pack placement, format, etc.) while still clearly communicating the desired user imagery benefits which are unique to each style. MORE 120's campaign improvements should be prepared for implementation effective January, 1982.

Please advise of your further thoughts. Would like to resolve quickly to expedite our 1982 planning.

MMS/kk

M. M. Sheridan

MMS/kk
Attachments