

LORILLARD > PROVIDED

NEWPORT

OVERVIEW

Introduced in May of 1957 by Lorillard Tobacco Company, it was their first single entry mentholated brand.

Performance

Market Share: 4.8% MSA, 4.8% Maxwell year-end 1992

Volume: 25b units - 3rd largest brand; #1 menthol; only growing full-price menthol

Major Competitors

Kool
Salem

Advertising

Agency: Ally & Gargano Advertising Inc., New York

Major Campaign: "Alive with Pleasure"

Lights: "The Lighter Side of Pleasure"

Slims: "Your Style of Pleasure"

Company Headquarters

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Newport is a single entry menthol, and is currently the only full price menthol brand in the industry that is growing. It recently passed Kool and Salem in both share and volume, to become the #1 selling menthol cigarette. Newport posted continuous growth over the past 20 years, concurrent with the running of the "Alive with Pleasure" advertising campaign (along with Marlboro and Virginia Slims, this is one of the longest running in the industry). As a result, it has a very strong and well established brand image.

At year-end, Maxwell reported a 4.67 SOM for Newport, which edged it ahead of Salem (4.54) for the first time. This moved the brand up to its new rank of #3 selling cigarette in the industry overall.

BRAND HISTORY

Lorillard introduced their first entry into the menthol category, Newport, following the success of Kool and, at the time, newcomer Salem. Named after the Rhode Island seaport where the P. Lorillard family lived during the summers, the brand experienced steady growth through the mid-Sixties (reaching a volume high of 8.7b units in 1965). Sales were strongest on the East and West coasts.

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Volume and share began to experience losses however, after product and package changes were introduced. Sales dropped to a low of 4.1b units in 1972.

The downward trend began to reverse in that year, when the brand introduced its current advertising. Since 1972, sales have continuously climbed.

BRAND MARKETING STRATEGY

The Newport product was developed to appeal to consumer demand for a lightly mentholated product with more tobacco taste. The cigarette itself was, in fact, deliberately positioned in taste between the market leader Kool (with a heavy menthol taste) and the newer (sweeter) Salem. Newport had what they called "a hint of mint," which allowed smokers to retain the tobacco taste they liked with just a bit of refreshment.

Newport was offered initially in an 85mm soft pack only, and later added a 100mm version. The box was not introduced until 1967, when a Box 80 was created. In 1980, Lights introduced a Box 80, followed by a 100mm soft pack in 1981. Based on the increasing popularity of the Box, both Parent and Lights developed Box 100's in 1984.

In 1985, Newport introduced a 25's packing to accommodate consumers' average daily consumption. Although a higher price was originally charged for the extra-large product, the proliferation of reduced price brands and retailer confusion has resulted in utilization of 25's as a promotional pack.

In 1977, Lorillard introduced Newport Lights, its entry into the Lotar category. Newport Lights was created as a defensive action, to protect the franchise against the successful reduced tar products Kool and Salem were selling. To date, the bulk of Newport's business still comes from its Parent brand.

In 1984, Lorillard introduced Newport Stripes, a line-extension created to compete in the then-emerging "designer women's brands" category. Both menthol and non-menthol versions were developed, in order to tap into the potential volume that non-menthol brands offer (markedly greater than menthol alone). Unfortunately, Stripes did not meet sales expectations.

Newport then created Newport Slim Lights, a slim circumference white-tip designed to appeal to smokers of Salem Slim Lights, Virginia Slims and B&H. This product was launched with a reformulated product and package (from that originally tested) in the Fall of 1992.

PACKAGING

The original Newport package was a solid turquoise blue with white lettering. A spinnaker design graced the cover to represent the

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seafaring theme. In the mid-60's, the Newport package was modernized to its current look--alternating horizontal blue and green lines on a white field (used to reinforce its menthol "refreshment"), accompanied by the brand-identifying spinnaker.

Newport Lights packaging was designed as a companion to Newport Parent. It was created to be immediately identifiable as a Newport product, but to reflect the fact that it was a Lotar. The result was a package that was clearly familial, but with an emphasis on a whiter/lighter look.

Both Newport Stripes and Slim Lights offered packaging created to appeal to the female target audience. Stripes utilized vertical pastel stripes as a more stylish representation of the Newport motif; both products featured the more feminine white-tip.

ADVERTISING

From the late 50's to the early 60's, Newport used advertising that supported its seafaring theme. The tagline, "A Hint of Mint Makes the Difference," created by Lennin and Newell, was utilized in jingles.

In 1968 Newport moved its account to Grey Advertising. They created the theme line, "Newport makes your world taste good," for use in the early 70's. The account then shifted to the Will Graham Co., which through several mergers and acquisitions, eventually became Ally & Gargano, the Agency that continues to create Newport's advertising today.

As Newport's sales began to erode in the early '70's, research was undertaken for the first time to determine the demographics of the brand's franchise. Results indicated that Newport's sales were geographically concentrated in the Northeast, particularly in Urban areas. In addition, the brand was most popular with young adult smokers, even though advertising had never specifically targeted this group.

To build its business upon the "pockets of growth" identified by the research, Newport began to expand its advertising to the Southeast, and later, the West coast. Geographically targeted outdoor was used to support its urban and regionalized business.

In 1972, Newport introduced the "Alive with Pleasure" campaign, a spin-off of a copy line used in a Grey-created ad. The new advertising elevated AWP to the headline, and added the tagline, "After all if smoking isn't a pleasure, why bother?" The AWP thought became the embodiment of the Brand's strategy, and remains essentially unchanged today.

Overall, Newport's creative looks to portray both men and women having highly **pleasurable** experiences, in a uniquely "Newport way." Each

photo either communicates a special spirit or has a "twist" that makes it an exemplification of "Newport Pleasure."

Every print/outdoor ad created for the brand utilizes a bright, kelly green background, upon which a half-tone photo is integrated, to communicate Newport's menthol refreshment. In addition, a large, intrusive logo announces the brand name in bright day-glo orange (first available in magazines in 1984). Continued use over the years of the vibrant green and fluorescent orange have made them clearly recognizable as Newport's signature colors.

When Lights was introduced in 1977, the advertising reflected its defensive posture against Kool's and Salem's Lotars. Initial advertising featured the line, "Lighten Up With Newport Lights," and compared the brand to the competition.

Following a six-month launch, a sustaining campaign, "Revive Your Taste" was created. It used Parent advertising's format and lettering style, but substituted a bright yellow background for the green, and focused on a "water/snow refreshment" theme. Less than 2 years later, this campaign was dropped, and Lights adopted the same visual style as Parent, maintaining only the yellow, and green type used for the logo as differentiation.

In 1988, Newport Stripes was launched with female-targeted creative, featuring women in social situations enjoying a sense of camaraderie and pleasure consistent with the brand's overall image. The format and execution were designed to be clearly non-menthol and more feminine, utilizing a bright fuchsia background color.

The introduction of Stripes advertising resulted in folding the Lights campaign into Parent. To more clearly focus Newport's overall message, the green background was used exclusively for Parent and Lights. The only differentiation was the continued use of Lights' tagline, "The Lighter Side of Pleasure."

Newport Slim Lights was also launched with its own advertising "look." The tagline "Your Style of Pleasure" was combined with a softened, teal-colored background, to appeal to its female target.

Currently, Newport maintains its high visibility through extensive magazine print and out-of-home advertising, and a strong year-round promotion program.

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