



LEO BURNETT U.S.A.

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June 24, 1994

**FAX TO:**

Ms. Kay Galeotti  
Ms. Diane Laska  
PHILIP MORRIS USA  
120 Park Avenue  
New York, NY 10017

**RE: OUTDOOR CIGARETTE COMPETITIVE JANUARY-MAY 1994**

Dear Kay and Diane:

Attached you will find a summary of all reported tobacco spending January through May, 1994. Overall, tobacco spending is down vs. year ago, but some trends are developing:

**Twelve Month Advertisers**

Marlboro (28.8% SO\$), Newport (13.4% SO\$), and Kool (10.5% SO\$) are the only brands that have advertised at consistently high levels during 1994. Newport increased their spending in May (+45% vs. Jan-Apr Avg.) by adding 30-sheets in many markets. Kool has doubled its monthly spending in May by adding many bulletin locations to its twelve month pool.

**Discount Brands**

GPC (10.5% SO\$), Basic (9.0% SO\$), Doral (7.4% SO\$) and Montclair (5.0% SO\$) are fighting it out in the discount arena. GPC and Doral started out very strong January-March, but have dwindled down to almost no support since April.

**Other Highlights**

- ◆ Misty had an extensive 30-sheet buy in May.
- ◆ Carlton had a top 15 market bulletin buy in February-April
- ◆ Some local stores are beginning to advertise their own house brands (Brons, Crown, Jack, Prime)

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### Competitive Intelligence

RJR, B&W and American Tobacco have all signaled their intentions to buy substantial amounts of outdoor August-November. The RJR buys appear to be national at #65 to #100 showing levels. Both Camel and Doral have been mentioned as brands to be advertised. B&W and American are looking for #100 showings at the same time, probably for their discount brands. It is highly unlikely that all of this activity will be able to be scheduled given the amount of Philip Morris business already placed.

### Conclusion

This is only the first report off of our new competitive system. We hope to have January-May data to MSA on Tuesday. I hope this helps with your presentation, please let me know what additional reports you will need.

Sincerely,

LEO BURNETT U.S.A.



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/cb  
scott

cc: J. Maggio, R. Camisa - PM  
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