

MORE SIGNIFICANT ACTIVITIES REPORT

Week of 7/15/85

- 1) A dual coupon offer (B1G1F pack, \$1.50-off carton) was delivered via co-op FSI on 7/14 in the Brand's top 30 markets. The offer will be repeated 8/11 in 10 of the 30 markets and also in the SASA in order to place added promotional weight against those areas where MORE's recent performance has been soft. All MORE coupons are dual to address the Brand's dual trial and purchase continuity objectives.
- 2) In order to assess the potential for a family marketing strategy in 1986, a comprehensive research plan has been proposed with the objective of confirming hypotheses on Brand/user similarities/differences between MORE 120's and MORE Lights, and also to determine consumer purchase motivators for the two styles.

A three-stage plan has been designed with results scheduled to be available as follows:

<u>Research Steps</u>	<u>Results Available</u> (Week of)
1) Analysis of existing data	7/22/85
2) Qualitative research (Sid Levy)	10/21/85
3) Quantitative research (exact design TBD)	1/20/86

- 3) Brand reconfirmed with Purchasing and Quality Assurance that the fading problem identified on MORE Lights CPB and cartons was due to materials provided by a secondary supplier, Virginia Folding Box (VFB). Approximately 16% of CPB (Filter and Menthol) and 3% of cartons (Menthol only) used between September, 1984 and March, 1985 was supplied by VFB.

The problem was corrected at the end of March. No box/carton materials from VFB have been used or ordered.

A DM letter explaining the situation was sent to Field Sales pointing out that some remaining VFB materials will inevitably appear in the field over the next few months as the product moves through channels of distribution. Product pick-up will not be recommended, although the sales force will be requested to return faded materials in the case of major consumer or retailer complaints.

Additionally, Brand has requested that PRO isolate returned MORE Lights boxes and cartons which Brand will examine periodically to absolutely confirm that all faded materials were supplied by VFB.

4) Results of MORE 120's first 1985 competitive testing among franchise and target smokers revealed the following:

- MORE Non-Menthol's overall acceptance remains unchanged among franchise and target smokers alike.

	<u>MORE 120's Non-Menthol</u>	
	<u>% 70+ Acceptance</u>	
	<u>4/84</u>	<u>5/85</u>
		(Full Sample)
Franchise, 18+	87	88
Target Female FF NM 100mm+ Acceptors, 30-49	39	36

- However, while overall acceptance of MORE 120's Menthol remained stable among franchise smokers, it declined significantly among target smokers in 1985 relative to 1984.

	<u>MORE 120's Menthol</u>	
	<u>% 70+ Acceptance</u>	
	<u>4/84</u>	<u>5/85</u>
		(Full Sample)
Franchise, 18+	86	86
Target Female FF M 100mm+ Acceptors, 30-49	47 ←	36

It is hypothesized that the decline reported on MORE 120's Menthol may be due to the lower menthol delivery of the product as indicated by the difference in menthol mg. per cigarette and mg. per puff between the 1984 and 1985 products. R&D does not feel the lower menthol delivery of the 1985 product resulted from recent tipping changes, but was due to the 1985 product running low on menthol when it was pulled versus the 1984 product which ran high.

Still, there are indications that the target prefers a product which delivers a higher amount of menthol taste. Brand will meet with R&D this week to discuss 1) how to ensure that menthol in the current product does not run too low, and 2) appropriate steps to initiate prototype development to obtain a product which better addresses target preferences for higher menthol levels.

The research report with Brand's perspective will be forwarded this week.

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