

INTERNAL CORRESPONDENCE

LIMITED

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FROM T. E. ALBERT/smc DATE May 6, 1983
 SUBJECT ARIES SUMM RESULTS - ITERATION #1

The purpose of this memo is to provide direction for the Aries product and advertising development. This is the first iteration in a series of simulated marketing strategies which will be tested via the SUMM model in order to assess the potential of various product positionings. Iteration #1 addresses the following topics:

- . Relative importance of the Aries product benefits
- . Attraction to Aries product benefits by demographic group

A. Relative importance of Aries product benefits (Table 1)

SUMM simulations were run for Aries so that an assessment could be made concerning the relative importance of the Aries product benefits. In order to isolate each product benefit, we simulated the event that all consumers know nothing about this new brand except for the fact that it has a particular product benefit. Thus, a different SUMM score was obtainable for each simulation of a new brand with 100% consumer awareness* of a given product benefit. Below is an "importance hierarchy" for the major product benefits of Aries:

1. Low tar/lot of flavor
2. Very easy to draw
3. Leaves you very satisfied
4. Non-menthol with a cooling sensation
5. Special filter
6. Plastic filter

B. Attraction to Aries product benefits by demographic group (Table 2)

An analysis was conducted on the demographic composition of the groups of people who were attracted to particular product benefits. Below are the findings:

- . Smokers who were attracted to low tar/lot of flavor tended to be/have:
 - . Older
 - . Lower income
 - . Men
 - . Less educated
 - . Full-taste non-menthol kings smokers

*Although 100% is an unrealistic awareness level, it was used to estimate the maximum potential of effectively communicating a particular product benefit. Thus, the assessment of the relative importance of various product benefits can be made.

- . Smokers who were attracted to very easy to draw tended to be/have:
 - . Older
 - . Less educated
 - . Lower income
 - . Full-taste non-menthol smokers
 - . Smokers of all lengths
 - . Men
- . Smokers who were attracted to leaves you very satisfied tended to be/have:
 - . Older
 - . More educated
 - . Higher income
 - . Full-taste non-menthol kings and 100's smokers
 - . Both men and women
- . Smokers who were attracted to non-menthol/cooling sensation tended to be/have:
 - . Older
 - . Moderately educated
 - . Lower income
 - . Full-taste non-menthol 100's smokers
 - . Both men and women
- . Smokers who were attracted to the special filter tended to be/have:
 - . Younger
 - . More educated
 - . Higher income
 - . Lights non-menthol 100's smokers
 - . Women
- . Overall, smokers who were attracted to the combination of all of the Aries benefits tended to be/have:
 - . Older
 - . Less educated
 - . Moderate income
 - . Full-taste non-menthol kings smokers
 - . Both men and women

These findings are summarized in the following matrix:*

	<u>Sex</u>	<u>Age</u>	<u>Education</u>	<u>Income</u>	<u>Style</u>
. Low tar/lot of flavor	Male	Older	Less educated	Lower income	Full-taste NM Kings
. Very easy to draw	Male	Older	Less educated	Lower income	Full-taste NM (all lengths)
. Leaves you very satisfied	Male & Female	Older	More educated	Higher income	Full-taste NM Kings & 100's
. Non-menthol/cooling sensation	Male & Female	Older	Moderately educated	Lower income	Full-taste NM 100's
. Special filter	Female	Younger	More educated	Higher income	Lights NM 100's

. Combination of all of the above benefits	Male & Female	Older	Less educated	Moderate income	Full-taste NM Kings

*This matrix identifies the segments from which the highest percentage of Aries triers came. However, a significant percentage of triers also came from other segments; therefore, refer to Table 2 for more detailed information regarding the composition of the Aries triers.

- 3 -

As mentioned previously, this is only the initial stage of the iterative SUMM process. The next step is to utilize our findings in this first iteration to create various product positionings which will then be simulated in the next iteration.

If you have any questions or comments, please call.

Thyone E. Albert

T. E. Albert

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TABLE 1

SIMM SIMULATIONS

	<u>SIMM Score</u>
1. A new brand which no one knows anything about except that it has <u>low tar and a lot of flavor</u>	3.50
2. A new brand which no one knows anything about except that it is <u>very easy to draw</u>	2.01
3. A new brand which no one knows anything about except that it <u>leaves you very satisfied</u>	1.18
4. A new brand which no one knows anything about except that it is a <u>non-menthol with a cooling sensation</u>	.47
5. A new brand which no one knows anything about except that it has a <u>special filter</u>	.36
6. A new brand which no one knows anything about except that it has a <u>plastic filter</u>	.00
7. A new brand which no one knows anything about except that it has <u>all of the above attributes</u>	5.34

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TABLE 2
 ATTRACTION TO ARIES PRODUCT BENEFITS BY DEMOGRAPHIC ENDS

	Sex		Age					Education			Income						
	M	F	21-24	25-34	35-44	45-54	55+	Some H.S.	H.S. Grad.	Some Coll.	Coll. Grad.	Grad. School	<10K	10,000-19,999	20,000-29,999	30K+	Refused
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
1. Low tar and a lot of flavor (SS=3.50)	61	39	8	12	9	49	22	13	60	10	8	9	2	37	41	16	4
2. Very easy to draw (SS=2.01)	66	36	12	24	18	25	20	43	23	20	10	4	42	38	2	17	1
3. Leaves you very satisfied (SS=1.18)	46	54	11	20	43	11	15	21	16	41	17	5	9	15	33	43	--
4. Non-menthol with a cooling sensation (SS=.47)	52	48	3	9	8	49	31	36	--	50	--	16	42	38	2	17	1
5. Special filter (SS=.36)	2	98	16	28	25	13	19	4	--	46	38	13	2	19	16	39	23
6. Plastic filter (SS=.00)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7. Combination of all of the above benefits (SS=5.34)	56	44	6	16	17	42	21	15	45	24	8	9	2	28	36	20	5

*SS = SUM Score

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TABLE 2
 (CONT'D)

	Tar Level			Menthol/Non-Menthol		Length			Filter-Non-Filter	
	Full-Taste %	Light %	Ultra %	Menthol %	Non-Menthol %	Regular %	Kings %	100's %	Filter %	Non-Filter %
1. Low tar and a lot of flavor (SS=3.50)	59	16	25	7	93	12	61	27	93	7
2. Very easy to draw (SS=2.01)	76	13	11	21	79	29	30	40	79	21
3. Leaves you very satisfied (SS=1.18)	64	20	15	26	74	18	33	48	74	26
4. Non-menthol with a cooling sensation (SS=.47)	50	32	18	--	100	11	1	88	100	--
5. Special filter (SS=.36)	2	60	38	--	100	31	2	66	100	--
6. Plastic filter (SS=.00)	--	--	--	--	--	--	--	--	--	--
7. Combination of all of the above benefits (SS=5.34)	56	22	23	14	86	7	58	35	86	14

*SS = SIMM Score

