



THE
AMERICAN
TOBACCO
COMPANY

Memorandum

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To Mr. C. H. Mullen
Chairman and Chief Executive Officer

Date July 16, 1992
M. B. (File)

From D. Moreira
Executive Secretary/Analyst

Re: Industry Tar Category Analysis

Attached is an updated Facts Book page B5 report of share data by category through May, 1992.

- Total non-filters are down 0.33 share points for the 12-month period ending May, 1992 vs. 1991.
- The full flavor category showed a decrease of 1.11 points for the current 12-month period versus year-ago.
- The total reduced tar category increased 1.40 points for the 12 months ending May, 1992 vs. 1991. Ultras increased 0.06 share points and low tars were +1.35 points.

When shared against the total ultra low tar category for the 12-month period ending May, 1992:

- The CARLTON Franchise held a 11.6% share, down 0.76 points vs. May, 1991.
- Total Merit Ultra held a 11.05% share for May, 1992, down 1.08 points vs. year-ago.
- Merit Ultima held a 2.04% share of the category (introduced nationally in February, 1992.)
- Now held a 6.35% share, down 0.97 points for the 12 months ending May, 1992 vs. 1991.
- The decrease in share of category, for CARLTON, Now, Merit Ultra, can be partially accounted for by increases in the Sub-Generic segments as well as lowest entries. The Branded Generic Category decreased slightly 12 months ending May, 1992 vs. 12 months ending May, 1991. The price segments combined increased to 27.3% of the Ultra Category in 1992 versus 21.3% of the category in 1991.
- Total "Lowest" held a 21.1 share of ultra for the 12-month period ending May, 1992 which is +0.84 vs. 12-month period ending May 1991. CARLTON's share of "Lowest" was 55.02%, off 6.07 points versus the 1991 period.

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- In the most recent 3-month period, increases were experienced by the Total Full Flavor (+0.90) and Total Low Tar (+0.03) categories. The Total Non-Filter, Total Ultra Low Tar, and Total Reduced Tar categories were each down (0.18, 0.75, 0.73 respectively) versus the previous 3-month period.

D. Moreira

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TAR CATEGORY BREAKDOWN May, 1992

(TOTAL UNITED STATES)

	12 MOS. ENDING <u>May, 1992</u>	12 MOS. ENDING <u>May, 1991</u>	3 MOS. ENDING <u>May, 1992</u>	3 MOS. ENDING <u>Feb., 1992</u>	3 MOS. ENDING <u>Nov., 1991</u>
TOTAL NFLT	3.61	3.94	3.55	3.73	3.50
FULL FLAVOR KINGS	24.62	25.69	24.97	23.80	24.75
FULL FLAVOR 100's	11.74	11.67	11.60	11.79	11.89
FULL FLAVOR 120's	0.64	0.75	0.62	0.70	0.58
TOTAL FULL FLAVOR	36.99	38.10	37.19	36.29	37.22
LOW TAR KINGS	25.43	24.50	25.11	24.78	25.61
LOW TAR 100'S	19.93	19.48	20.21	20.45	19.90
LOW TAR MEN 100'S	1.19	1.22	1.14	1.19	1.24
TOTAL LOW TAR	46.56	45.21	46.45	46.42	46.75
ULTRA LOW TAR KINGS	4.08	4.10	4.09	4.41	3.86
ULTRA LOW TAR 100's	8.38	8.29	8.38	8.79	8.24
ULTRA LOW TAR 120's	0.29	0.31	0.28	0.30	0.30
TOTAL ULTRA LOW TAR	12.76	12.70	12.75	13.50	12.40
TOTAL REDUCED TAR	59.31	57.91	59.20	59.93	59.14
<u>ULTRA CATEGORY</u>					
CARLTON	1.48	1.57	1.41	1.48	1.48
CARLTON SHARE OF ULTRA	11.60	12.36	11.06	10.96	11.94
MERIT ULTRA	1.41	1.54	1.23	1.34	1.57
MERIT ULTRA SHARE OF ULTRA	11.05	12.13	9.65	9.93	12.66
MERIT ULTIMA	0.26	0.00	0.50	0.65	0.00
MERIT ULTIMA SHARE OF ULTRA	2.04	0.00	3.92	4.81	0.00
NOW	0.81	0.93	0.74	0.88	0.76
NOW SHARE OF ULTRA	6.35	7.32	5.80	6.52	6.13
TOTAL B&W/PL SUB-GEN. ULTRA	1.50	0.89	1.91	1.65	1.31
B&W/PL Subgen. Share of Ultras	11.76	7.00	14.98	12.22	10.56
TOTAL GENERIC BRANDED ULTRA	1.25	1.28	1.18	1.23	1.27
Generic Branded Ultra Share of Ultras	9.80	10.08	9.25	9.11	10.24
TOTAL BRANDED SUB-GEN. ULTRA LIGHT	0.73	0.54	0.76	0.71	0.80
Branded Sub-Generic Ultra Share of Ultras	5.72	4.25	5.96	5.26	6.45
BRISTOL LOWEST TOTAL	0.04	0.01	0.02	0.03	0.10
Bristol Lowest Share of Ultra	0.31	0.08	0.16	0.22	0.81
CAMBRIDGE LOWEST TOTAL	0.10	0.06	0.09	0.10	0.09
Cambridge Lowest Share of Ultra	0.78	0.47	0.71	0.74	0.73
"LOWEST" TOTAL	2.69	2.57	2.76	3.14	2.43
"LOWEST" Share of Ultra	21.08	20.24	21.65	23.26	19.60
CARLTON Share of "LOWEST"	55.02	61.09	51.09	47.13	60.91

"Lowest" Brands are CARLTON, Now, Merit Ultima, Bristol Lowest, and Cambridge Lowest