

## Advertising Support For Gratis II Catalogue Agency Recommendation

### The Role Of Gratis

Gratis was intended as an essentially defensive move, against the economy aspects of Embassy and Regal, gained through their Focus collection schemes. Primarily, we wanted to shore-up our own franchise. The initial target audience was therefore our own smokers. We needed to gain awareness of the scheme, push collection and re-balance our value for money offer. This last objective was to be achieved without losing too much of Special Filter's premium image therefore the need to balance Gratis activity with a new campaign that would assert the special quality of Benson & Hedges.

Now that Gratis has been in operation for some time and the new campaign is in full swing, it is only right and proper to reassess the relation between the two. Especially as we run up to the launch of the Gratis II catalogue.

### Results To Date

In looking at the measures to date, what we should be looking for is evidence that suggests a more aggressive role for Gratis. As long as we only see it as a defensive instrument, designed to keep current B&H smokers in the fold, then it remains difficult to argue for any major increase in Gratis specific, advertising activity. This is on the basis that the easiest way to communicate with current smokers is through the packet and through our extensive direct communications activities. If this is the case then it doesn't mean that we shouldn't do anything about launching the new catalogue. It just means that the nature of the decision is tactical rather than strategic - what's the best job we can do at the time, rather than moving on the strategic role that we expect Gratis to play for us. Evidence that we have on the progress of Gratis, does suggest that our primary task is being completed, with our current smokers.

By May 95, 92% of our own smokers were aware of the scheme with awareness amongst Embassy/Regal smokers had reached 60%. By May, 63% of our own smokers were collecting coupons. The figure for Embassy/Regal smokers collecting Focus points was 76%, only a 13% gap, despite the fact that Focus has been in operation for longer. Since then the figures have actually declined. Our own smokers awareness of the scheme, by the end of August, had declined to 81% but awareness amongst Embassy/Regal smokers had increased to 64%. In terms of usage the 63% May figure has declined to 56% of our own smokers collecting. Interestingly the figure for Embassy/Regal smokers, collecting Focus points, has also gone down from the 76% figure to 67%. The gap in collection of the two schemes, amongst their respective smokers, has therefore closed to 11%. It isn't therefore a clear cut picture of Gratis growth over the summer. Some measures have declined, others have improved. It's probably a sign of the scheme maturing and possibly a reflection of some early over claim in previous rounds of research. After only a year in operation these are still very high figures and certainly stand comparison to those for the much older Focus scheme.

On top of these figures, we have also seen some of the image scores for B&H, on measures that refer to matters of economy, moving in our direction. 'More expensive than most' has moved from 83% to 68%, and 'Good value for money' has increased from 28% to 38%. This has all helped to produce the most important result, which is a brand share figure that has now stabilised, after years of decline. All currently available evidence on Gratis seems to indicate that all things are going well.

With regard to the advertising we had a satisfactory verdict from some small scale qualitative research, before the campaign broke. The first major quantitative data will be available next week. The only thing that we have to go on therefore is the pre-testing research we did. This seem to indicate that the advertising was appreciated and would meet the strategic goals of re-establishing the 'specialness' of Benson & Hedges.

From the currently available data there is no explicit evidence that suggests that we should put Gratis onto an overtly aggressive footing and try and use it as our only direct conversion tool. This is the approach recently adopted by Embassy. All Embassy advertising is now pushing the Focus scheme. Presumably Embassy's thinking is that this is the only conversion tool at the disposal of the brand. I think we would all agree that B&H has more going for it than just the Gratis scheme. Unlike Embassy, B&H has further values that encourage conversion therefore one would envisage Gratis playing a support role for the brand, rather than the dominant role that Focus plays for Embassy. Anything that we do with the launch of the new catalogue would not therefore seek to change our overall strategy. What we need to concentrate on is doing the best job, in a concentrated timescale, for the new catalogue.

Gratis is doing a good job meeting the defensive role that it was designed to do. At the same time the quality shift that we are making through the new catalogue, would lend itself to a more aggressive approach. If we simply publicise the new catalogue, without making a point out of it's up-grading, then by default we would give it a rather 'so what' flavour. If we are going to make a point of communicating and evidencing the improvement in the catalogue, then this has to come over as aggressive and competitive to the Focus scheme.

The best way to think about what we should do for the launch of the new catalogue, is not to think in terms of whether it requires a shift of emphasis between 'theme' and 'scheme' advertising. We just need to think about doing the best job for Gratis and B&H sales. We need to produce a communications package that is true to the immediate objectives of the new catalogue. The overall strategic relationship between Gratis and other B&H values, carried by the advertising remains the same. This summer, however, we have a very big Gratis story to tell people and we should make sure all the improvements are communicated to the widest group of smokers.

## Gratis Objectives

The role of the new catalogue is to indicate our commitment to the scheme and up grade the quality of the gifts and the accessibility of the gifts. Better gifts, more relevant to our smokers' lives and more gifts that can be saved up for, quicker. Over and above all this we're also making the look and feel of the catalogue more contemporary and interesting. Before we look at possible media options for the introduction of the new catalogue, we need to think about the specific objectives we have for this piece of advertising.

We of course want to ensure that as many smokers as possible know that the new catalogue is now out. Other forms of communications, over and above advertising will, however, be playing a role in this. Our demonstration programmes and general events do bring the scheme to people. What might be more interesting is trying to communicate something more about the catalogue than simply the fact that it is now available. Awareness is important but so communicating the improvements.

Often on a new catalogue piece of communications, there would be a throw away line about the new catalogue being 'even better'. There is rarely, however, any support to justify this claim. It therefore becomes just another hype claim, which consumers can easily dismiss. Benson & Hedges does hopefully stand apart from other full priced cigarette brands, by being more special. It would make sense for B&H therefore to really evidence that it's collection scheme is of better quality than others. It would therefore follow that in introducing a new Gratis Catalogue we make an effort to really justify it's superior quality. This means advertising that tries to evidence why the new catalogue is better. The best way of undertaking this task is to carry more information concerning some of the exciting gifts that you can get from Gratis and how much easier it is to access them.

If this is the way forward, then it would suggest that advertising could play a role for the launch which is more information led, rather than simply adding to the awareness

drive. We'd be looking for advertising that communicated something about the quality of the gifts that the new catalogue carried. If this was the way forward then we would recommend press advertising for Gratis II. Press would allow you to carry more of the information that you'd need to carry the point over quality of gifts. Leaving to one side the question of which press media and what size, press advertising is generally consumed in a way that lends itself better to the carrying of information. In this way we would still be helping to push general awareness of the scheme but we would also be adding something unique to the mix - the quality story. Additionally, press could allow you to use 'Tip Ons' or cut out coupons, helping to encourage people into the scheme.

It does also allow you more freedom in terms of target audiences. Early research did indicate some biases in Gratis take-up. In setting out the press to be used, we could either concentrate on these biases or try to iron them out. This is something to be discussed. As a general point press does deliver your current brief for coverage and OTS for Gratis launch, more effectively than Posters. In press 80% coverage at 3.5 OTS can be delivered for £385k, whereas a 2 week poster burst, for £400k, would deliver only 58%, at 12 OTS. There is an argument, however, concerning the fact that posters do carry a sense of scale and help to indicate to consumers that this is big news. In terms of general awareness building there is no doubt that posters could play a big role.

Overall what we would say is that if resources are available to do both posters and press, then that would be ideal. If it comes to deciding between the two then we would recommend press because it could perform a role for us that few other communication channels could do, with the same level of efficiency.

A final thing that might be worth thinking about, is the relationship of any advertising to the other communications you'd be running at this time. Point of sale, the catalogue itself, any additional mailers or handouts, it would be useful if all these items had shared elements rather than all being different. If we were to do poster and press advertising then we should approach the planning and subsequent creative work as a mini campaign. It's a case of trying to make the whole bigger than the constituent parts. As we have some time before the launch it might be helpful if we start to think about the overall look and feel of the launch and all associated materials. We might be able to do something clever in press that ties in with other elements of the launch. If there is a role for press advertising which carries the Gratis quality story, then maybe we can discuss the brief and possible executional avenues more, over the next few weeks. At that stage we could also look at all the communications being planned for the launch and plan through a total launch package for the new catalogue.