

PROJECT DOLPHIN
ADVERTISING BRIEF

SECRET

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Background

As part of our on-going portfolio management, Imperial has kept a close eye on the development of the 'Ultra Low Price' sector (ULP). It has been our stance (as quoted to the City on various reviews) that we resisted launching a brand into this sector as there was no profit to be made and, therefore, it was damaging to the whole market. Imperial comforted itself with the knowledge that Golden Virginia was becoming a more and more successful brand that operated within the sector of cheaper smoking – the 'ultimate' low priced product.

Recent Developments

However, the ULP cigarette sector continues to grow at a very rapid rate as smokers react to the Chancellor's price increases. Whilst Imperial is well positioned with Lambert & Butler in the low price sector, many smokers are moving straight into the ULP sector. **The ULP sector is forecast to grow to 31% of market by 2003.** Furthermore, Mayfair is becoming a very strong brand, indeed it is already the UK's third best selling brand. As Mayfair becomes more popular it becomes much more acceptable to more smokers, thus the brand and the ULP sector grows at such a rapid rate. With so many smokers moving towards cheaper brands of cigarettes, particularly away from premium brands and into ultra low priced brands, Gallahers have experienced a disastrous drop in their profitability. With their confidence in Mayfair now being such a large brand, Gallahers have taken the opportunity at the last Budget increase and the latest MPI to add a few extra pennies to the RRP of Mayfair in order to generate some profit from the brand. Therefore, the ULP sector is now no longer the profitless marketplace that it used to be.

Accordingly, Imperial has decided that for strategic reasons we will launch a new brand into the ULP sector.

The New Brand

A new brand entitled RICHMOND from "The House of John Player" will be launched. The brand will be available in normal King Size and King Size Lights in 20s, 10s and 100 multipacks. We believe that the full range launch demonstrates our confidence in the brand (rather than the traditional route of just launching one or two packings and, if successful, introducing the other packings afterwards).

Richmond will be clearly positioned alongside Mayfair and will always be the same price. However, Richmond will not be a "me too" to Mayfair because it brings a better quality cigarette into the ULP sector. Richmond's quality perceptions will be supported by a better cigarette (product), better packaging and the reassurance of coming from "The House of John Player".

The Launch

Richmond will be launched on 1st September 1999. This will be a major event for Imperial, in fact the biggest cigarette launch for over 15 years.

The launch will achieve very high levels of distribution in a very few weeks and we aim to have 80% shop distribution by mid October. Our excellent Sales Force will be armed with a full, very extensive range of point of sale material and trade incentive items.

Below-the-line activity has been recognised as a key factor in achieving success with this brand. Richmond will benefit from having a consumer "pack front free offer" where smokers will be able to collect pack fronts for a free stylish refillable lighter and free cigarettes. This offer will be communicated via in-pack inserts and POS material (15 pack fronts for a lighter, 25 pack fronts for a lighter plus 20 cigarettes). Rather than generate trial (although it will attract some), the main purpose of this promotion is to lock in trialists to continue purchasing Richmond for (say) 4 weeks and become more committed to the brand. Trial will mainly be generated through shop presence, advertising, in-store promotions and, especially, database activity.

We will use our database to switch large numbers of smokers from our competitors brands into Richmond by making them a very attractive offer. Other major in-store activity is also planned to promote awareness, trial and conversion to Richmond. *~ Interfocus working on this*

Naturally, for such a major event we plan a significant advertising campaign to complete the marketing mix of this launch.

Timings

In an ideal scenario, we would probably have launched Richmond in January or February 2000. However, as you are aware, the Government plans to ban all advertising and promotions by 10th December 1999. Consequently, we have rushed the launch forward to 1st September 1999.

The approximate schedule of events is:

Launch	-	1 st September
Sales Force Conference	-	2 nd /3 rd September
National Accounts & Retail Distribution	-	6 th September to mid October
Major in-store agency girl promotion	-	mid October to 9 th December
Above-the-line advertising	-	last week October to 9 th December
Database mailing	-	last week October

The Advertising

Given the proposed ad-ban, it must be recognised that the above-the-line advertising for Richmond will be the one hit only at its launch. The advertising must work immediately, we cannot consider executions that need to build into a campaign because the life of the 'campaign' is restricted to only 5 or 6 weeks.

The media for this advertising will be:

- National 48 sheet posters, end October to early December (£900k)
- National press and magazines, end October to early December (£750k)

(The budgets shown are for media spends only, there will be additional funding to cover the appropriate production costs and agency fee).

The advertising should be aimed towards smokers of competitors ULP brands, especially Mayfair smokers. IPM and Western International have already been briefed. The profile of Mayfair is attached as a guide.

With regard to the nature or tone of the advertising, as the brand is completely new we have the opportunity to establish the desired brand personality. At this stage it is probably worth re-stating the overall brand propositions, namely:

"a major new ULP brand that is the same price as Mayfair, but offers smokers much more in that it is a better quality brand, a real brand, a brand that benefits from its John Player parentage, better quality tobacco, therefore a better cigarette".

The packaging and the point-of-sale material have been designed to complement this position. In essence, Richmond is offering smokers real brand quality at ULP value.

The advertising must announce the launch, build the awareness and establish the brand proposition **in a very short period of time.**

Accordingly, the advertising needs to be impactful/very visible (November = dark) but still with an overall feel of quality (without being pretentious).

One *possible* route to consider is that in order to help Richmond stand out from other ULP brands we have designed a quality pack, reinforced with "The House of John Player". This is designed such that Richmond is a better quality brand than other ULP brands. Other ULP propositions concentrate on their price only. Richmond will offer the same price but with the added benefit of **quality**. Virtually no cigarette advertising these days ever refer to the actual product. We believe (through consumer market research) that Richmond is a better product than other ULP brands. This, therefore, raises the question of should the advertising feature or include specific reference to the actual cigarette product quality?

Response

Because of the very tight timescales, we require initial feedback by Monday, 23rd August so that we can select which agency to appoint and work with/develop the advertising with thereafter.

If there are any questions, or if we can assist further, the contacts are:

Peter Manzi, Marketing Manager
Paul Jenkins, Brand Controller
Mike Ashton, Market Research Manager

Attached:

Sample packs
Sample POS design
Smoker profile data

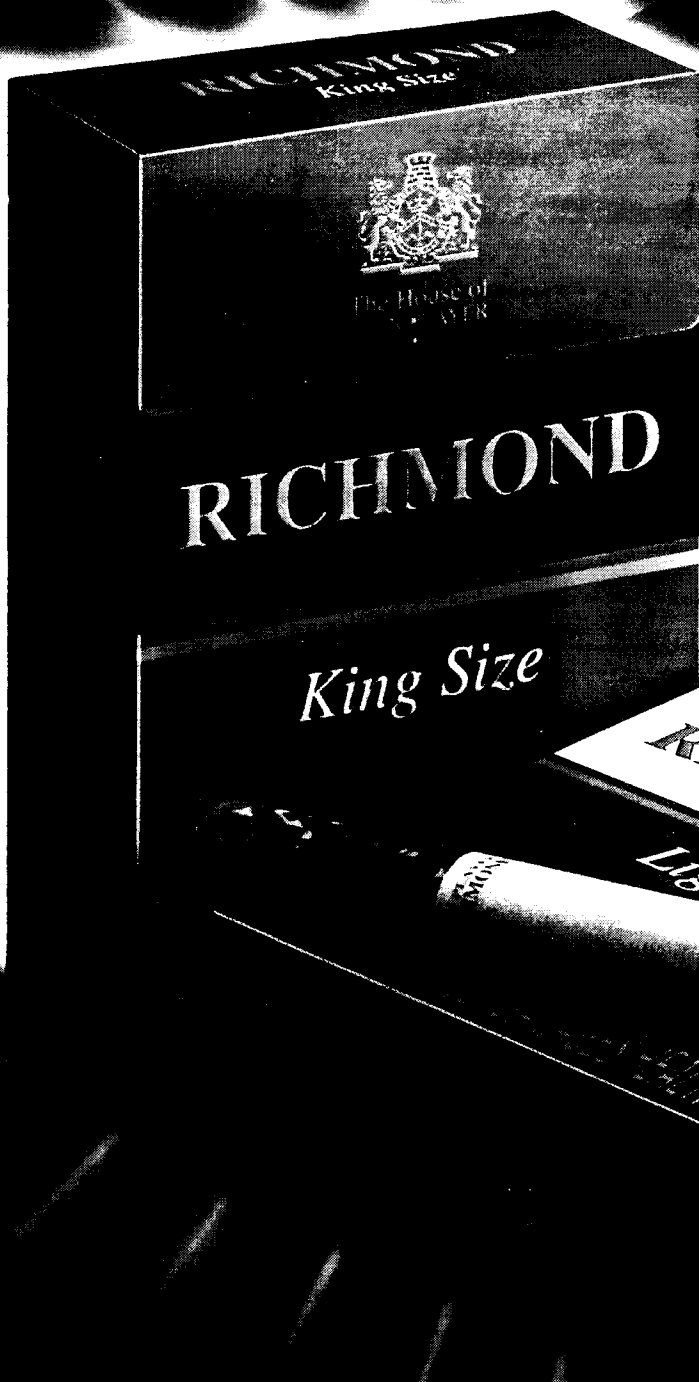
Smoker Profile

	All Cigarettes %	All ULP %	Mayfair %
Male	46.1	41.0	38.5
Female	53.9	59.0	61.5
<u>Age Group</u>			
18-24	19.1	11.3	16.3
25-34	24.4	24.1	34.7
35-44	18.6	20.9	19.8
45-54	16.5	19.6	13.4
55+	21.4	24.1	15.8
<u>Social Class</u>			
AB	12.6	6.3	6.0
C1	24.4	17.9	17.0
C2	22.8	25.1	24.6
DE	40.2	50.7	52.4

Source: Taylor Nelson (6m/e Jun'99)

Quality & Value

£3.25
RRP For 20



From
John Player

TOBACCO SERIOUSLY DAMAGES HEALTH

Chief Medical Officers' Warning

RICHMOND KING SIZE
12mg Tar 1.0mg Nicotine

RICHMOND LIGHTS
5mg Tar 0.5mg Nicotine