

A HISTORICAL PERSPECTIVE ON
FEMALE-ORIENTED BRANDS

This analysis was undertaken to give the M2 marketing group a comprehensive, yet concise review of the women's cigarette market. Specifically, the marketing of the brands in this segment will be investigated with a detailed look at brand concepts. This marketing analysis will hopefully be a guide to M2 marketers to the areas that can be linked to past success or failure in the women's cigarette market.

FEMALE-ORIENTED BRANDS - HISTORICAL PERSPECTIVE

I. MARKET STRUCTURE

The first successful woman's cigarette, Virginia Slims, was nationally introduced in September, 1968. Other brands specifically targeted at women were later introduced or repositioned as direct competitors with Virginia Slims such as EMBRA (RJR), Silva Thins (ATC), Eve (L&M) and 120mm entries, DAWN (RJR) and Max (P. Lor.). These brands, however, have not affected the success of Virginia Slims. The female-oriented market, therefore, is in the same position today as in the late 60's, with Virginia Slims as the only successful 100mm product. The 120mm cigarettes in this segment have not been successful due apparently to the limited demand for an extra-long (120mm) cigarette that is specifically targeted at women.

Although times have changed, the Virginia Slims woman has not changed. She is still regarded as ahead of most women in her independence of men, family and home. She is perceived as modern, young, fashionable, aggressive, self-centered and career-oriented. Women, however, have changed. They want both a devoted family life and a successful career. Women want to be independent and active but not an activist like Gloria Steinem. Likewise, they want to be warm and loving individuals who care about their family, but also have a meaningful, self-fulfilling career.

Although today's women in general do not completely identify with Virginia Slims, a reason for the brand's continued growth is probably due to its imagery of still desirable female attributes such as independence, self-confidence and an active life-style. This, in combination with the slim configuration of the cigarette and no viable competitors, gives Virginia Slims the women's 100mm cigarette market virtually to itself.

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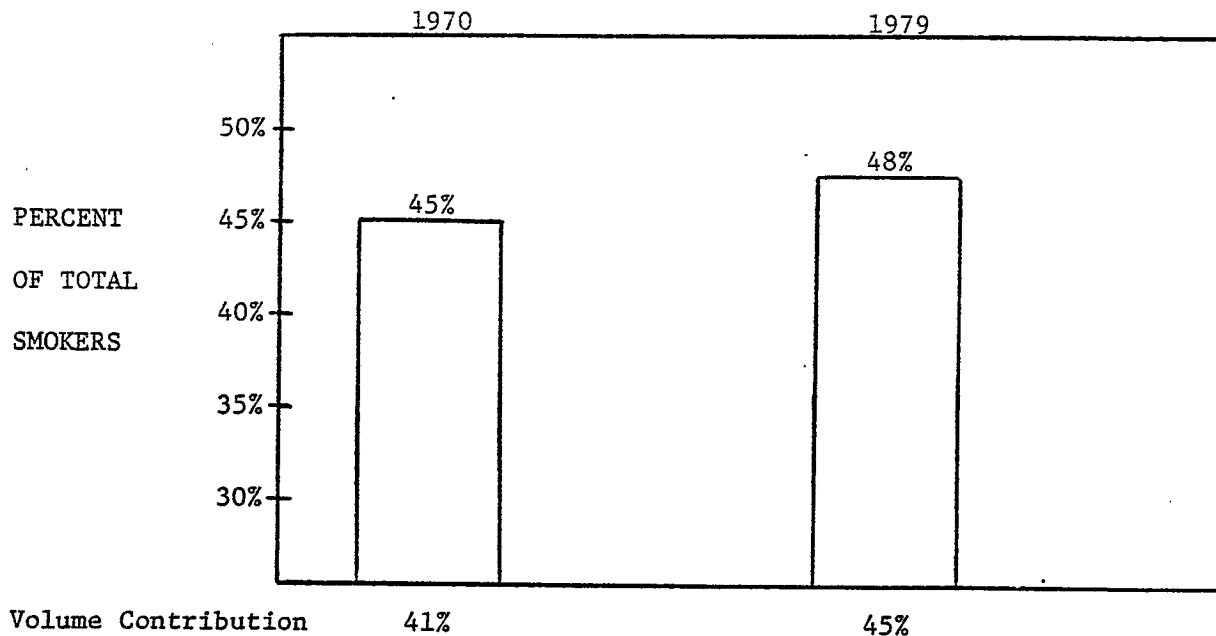
FEMALE-ORIENTED BRANDS - HISTORICAL PERSPECTIVE (Continued)II. SHARE OF MARKET

Market share for the female-oriented category, which includes Virginia Slims (Parent and Lights), Silva Thins, Eve and Max, continues on an upward trend of approximately .08 share points a year. This performance was strengthened by Virginia Slims Lights introduction in October, 1979. Of the four brands specifically targeted at women, only Virginia Slims experienced a market share increase in the past three years. Silva Thins, Eve and Max have decreased market share. Share of market for brands specifically targeted at women increased from 1.7% in 1970 to 2.8% (1980 July YTD) with Virginia Slims increasing its share of the category from 59% (1.0 share points) in 1970 to 80% (2.25 share points) in 1980. Therefore, Virginia Slims is growing enough to offset the market share losses by the other female-oriented brands and still show growth for the category.

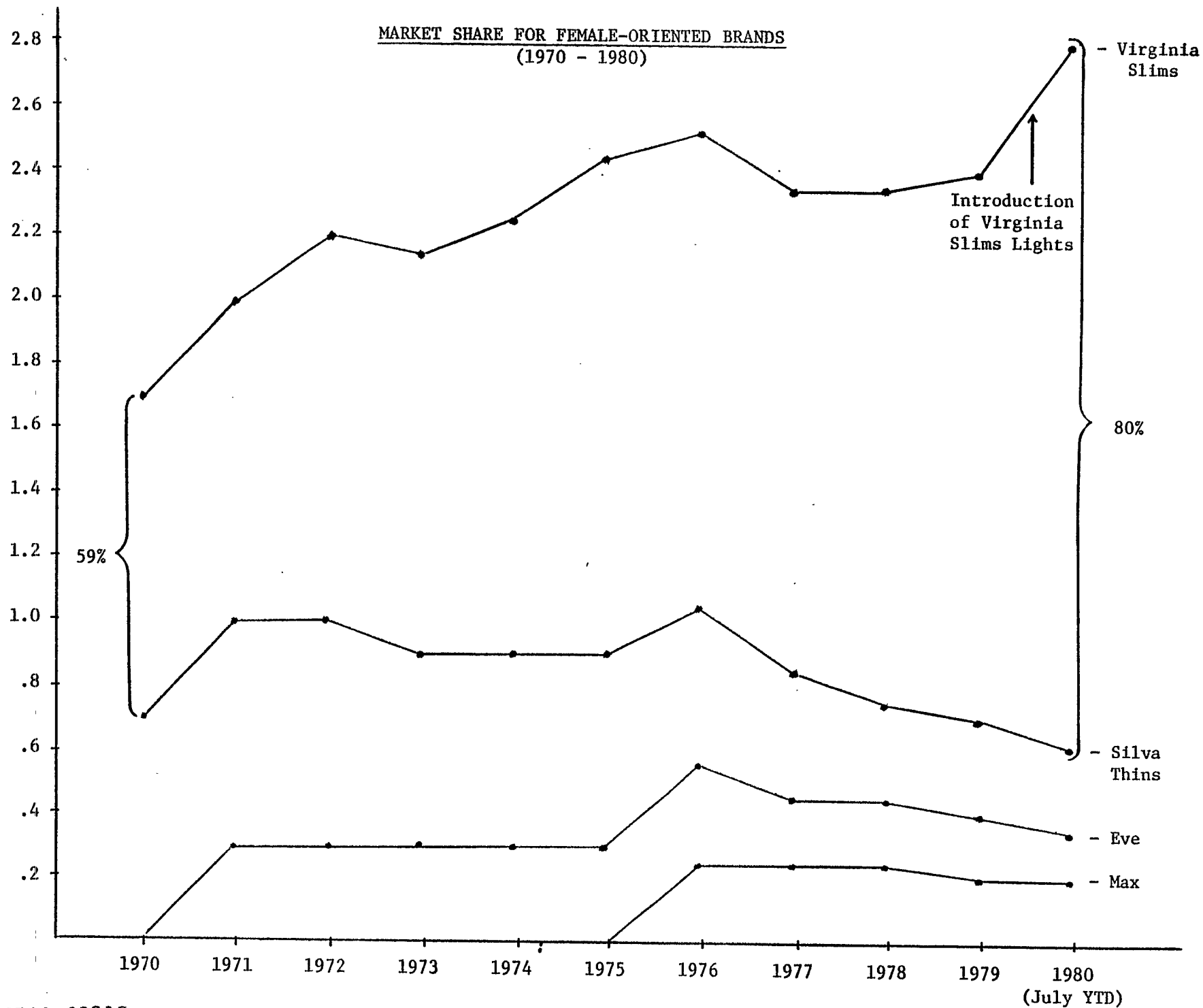
100MM CATEGORY SHARE OF MARKET

<u>1976</u>	<u>1978</u>	<u>1980</u> (July YTD)
24.15	28.51	31.61
	+4.36	+3.10

This category should continue to grow due to the dramatic rise in popularity of 100mm cigarettes and the increase of female volume contribution to the cigarette industry.

WOMEN SMOKERS

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FEMALE-ORIENTED BRANDS - HISTORICAL PERSPECTIVE (Continued)CONCLUSIONS

One of the major reasons for the success of Virginia Slims in the female-oriented cigarette market is the brand's acceptability to women in general. It appears that other female-oriented brands either positioned themselves too narrowly or have limited their potential market by utilizing unique characteristics that are not widely accepted by women in general such as Eve's floral tipping.

Another difference between Virginia Slims and its competitors in the female-oriented cigarette market is marketing consistency. Virginia Slims has been an excellent example of consistency with its contemporary, high fashion imagery and "You've Come A Long Way, Baby" copy. Its competitors, however, have either repositioned or changed their creative or packaging in the past ten years.

Finally, the success of Virginia Slims can be traced to its superior marketing strategy and execution. The brand has a successful concept (the first long, lean cigarette exclusively for women) that was crystalized in impactful advertising that communicated its female positioning and desired imagery. In addition, Virginia Slims was very consistent with its message and its use of premiums and sports sponsorships to enhance and expand the brand's image and appeal.

VIRGINIA SLIMS

Virginia Slims is a superior example of both image and consistency. The brand was introduced in September 1968 using the clever line "You've Come A Long Way, Baby" with a lovely, contemporary woman in high fashion accompanied by old-time flashbacks. Only the women have changed in the past eleven years; the message remains the same.

The concept of the brand was:

"The new, extra long cigarette for women. It is thinner than other cigarettes and has a rich, mild kind of flavor that women like."

A Virginia Slims concept test was conducted by RJR in 1968 to determine the nature of Virginia Slims' apparent marketing success. The Virginia Slims' concept received high acceptance which was equal to or better than similarly tested WINSTON 100's and SALEM 100's.

Virginia Slims recorded a significantly higher awareness (79%) level ten weeks after introduction than either WINSTON Super King (66%) or WINSTON Menthol (59%). However, its trial (27%) and purchase (14%) was equal to the two WINSTON brand styles.

The advertising campaign for Virginia Slims was highly successful in portraying the modern woman image and generated strong interest among female smokers, particularly younger (18-34) female smokers. DAR recall scores for Virginia Slims averaged 24% which is above the full flavor cigarette norm of 19%. Recall among female (31%) and younger (27%) smokers was also above norm. Salespoint communication among women showed a high recall (56%) of the message that Virginia Slims was "a woman's cigarette".

Although Virginia Slims can not be product tested due to banding problems, it appears that Virginia Slims is a good product and delivers to the brand's concept of "rich, mild flavor".

After being banned from the use of electronic media, cigarette marketers had to learn to make the most of other media, and no one has come a longer way in creating imaginative premium offers than Virginia Slims.

Virginia Slims premium offers have been successful because they go along with the brand and its image. Also, the premiums have been quality products at a reasonable price and evoked a good feeling about the product from consumers. The main premium offered by the brand has been the Virginia Slims "Book of Days" engagement calendar. This book contains information on a variety of topics of interest to women. It also has space to record personal memorandums and engagements. This promotion was begun in 1970. Other premiums have included a "little black book" for women and a small tool kit. Traditionally a male item adapted for women. In 1976, the brand offered a tennis sweater and jersey which matched neatly with the brand's role as a promoter of women's tennis tournaments.

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VIRGINIA SLIMS (Continued)

Virginia Slims' role as promoter of the "Slims Tennis Tour" was an excellent sports promotion. It had an objective of extending the advertising image of a cigarette for women. It illustrated that Virginia Slims cared about women enough to back the tennis commitment with promotional dollars which helped end women player's role as the stepchildren of professional tennis.

Every step of this promotion was geared to extend Virginia Slims' advertising image. It was promoted using on-carton incentives and point-of-sale materials. Also, tour tickets were given to the trade to promote goodwill for the brand. Related, image-building premiums liked the successful "Ginny Jogger Suit" offer were used to further enhance and communicate the Virginia Slims' image and logo. The entire Virginia Slims sports promotion package did an excellent job of communicating the brand's image via on-site identification through publicity, point-of-sale and premiums.

The success of Virginia Slims can be attributed to the brand's unique and important product concept (the first long, lean cigarette exclusively for women). This successful concept was crystalized in impactful advertising that communicated its female positioning and desired imagery. Through the consistency of its message and its use of premiums and sports sponsorships, Virginia Slims has been extremely successful in positioning itself as the only female cigarette that is acceptable to a large segment of women smokers.

