

VIRGINIA SLIMS  
1990 - 1994

ACTION PLAN:

1990 - 1991

- . Increase percent of promoted volume on Virginia Slims from a historical level of 2-3 percent to 6-10 percent of volume (1990-1991).
- . Conduct 3 to 4 innovative media delivered incentive offers with coupons to hold current smokers and generate volume. Target older price sensitive Virginia Slims smokers (1990-1991).
- . Support Superslims with continuous advertising, regular product promotions and image-enhancing incentive promotions, direct mail and grassroots sampling events (1990-1991).
- . Expand breadth of promotional placement beyond current "promoted stores" through distributors via MASTERS to build volume in stores not usually reached (1990-1991).
- . Contemporize packaging for the Virginia Slims family (1990) and launch with aggressive promotion and advertising program (1991).
- . Explore other Virginia Slims event promotions relevant to target audience and offer volume generating retail promotions. Test new innovative event promotion (1990-1991).
- . Expand Slims Club direct mail (1990-1991).
- . Develop and implement target marketing programs to build business in key regional opportunity areas (1990-1991).
- . Implement Virginia Slims advertising in Hispanic markets (1990).

1992-1994

- . Assess result of increased level of promoted volume for Virginia Slims and increase if proven successful.
- . Consider increasing number of publications in which innovative media delivered incentive continuity offers are featured (1992-1994).
- . Expand Virginia Slims event promotion if successful (1992-1994).

CONFIDENTIAL: MINNESOTA TOBACCO LITIGATION

2040328737

MARKETING  
FULL MARGIN - VIRGINIA SLIMS

| <u>STATED STRATEGY</u> | <u>STATED ACTION PLAN</u>  | <u>STATUS</u>  | <u>INDICATED CHANGE</u> |
|------------------------|--|--|-------------------------|
| . No change            | . Increase percent of promoted volume to 8% in 1990.   | . Heavy promotional activity on national level:<br><br><u>Retail:</u> 3 pack promotions<br>1 carton promotion<br><br><u>Media:</u> 3 media liquidators w/coupons scheduled (May, July, Nov.)<br><br><u>Direct Mail:</u> Superslims trial programs and Virginia Slims Slimsclub program, CIP program: on-going.<br><br><u>Couponing:</u> Superslims retail coupons Jan.-Feb.  | . No change.            |
|                        | . Develop and target marketing programs to build business in key regional opportunity areas. | . Regional/targeted promotions<br><br>-Misty defensive efforts Jan-April at retail in California, Atlanta, Augusta and Shreveport. ROP advertising w/B1G1F coupon in development for tentative April insertion.<br><br>-March ActNow Superslims in-store couponing program in 39 key Capri/Virginia Slims markets.<br><br>-April T-shirt carton promotion in 31 key markets. |                         |

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MARKETING  
FULL MARGIN - VIRGINIA SLIMS

| <u>STATED STRATEGY</u> | <u>STATED ACTION PLAN</u>                                    | <u>STATUS</u>   | <u>INDICATED CHANGE</u> |
|------------------------|--|---|-------------------------|
| . No change            | . Conduct 3-4 media-delivered incentive offers with coupons. | . T-shirt offer w/coupons scheduled for May magazines (30mm circ.).<br><br>. Superslims Slimsphone offer in development, to be fielded in July magazines (40mm circ.; 2 coupons).<br><br>. Book of Days offer with coupons will be fielded in November. | . No change             |

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**MARKETING**  
**FULL MARGIN - VIRGINIA SLIMS**

| <u>STATED STRATEGY</u> | <u>STATED ACTION PLAN</u>  | <u>STATUS</u>  | <u>INDICATED CHANGE</u>   |
|------------------------|--|--|---|
| . No change            | . Support Superslims with increased advertising and continuous couponing, free product and incentive promotions (1990-1991). | <ul style="list-style-type: none"> <li>. New ad campaign finalized for May 1990 launch. Media funds sufficient to advertise brand separately thru Sept. 1990 only.</li> <li>. Introductory retail couponing continued thru Feb. 1990.</li> <li>. Two Superslims-specific product promotions scheduled: Jan. 1990 B1G1F; June 1990 B2G1F. In 1991, SS will have one pack and one carton promotion.</li> <li>. Media liquidator with Slimsphone offer scheduled for June; includes two coupons (40mm circ.).</li> <li>. 1989 Direct Mail program expanded significantly due to over-response. New 1990 program in development for June 1990 launch.</li> <li>. Grassroots sampling/event promotion (bar nights) in development for the 4th Qtr. 1990.</li> <li>. Superslims to be supported within VS family promotions during 1990 and 1991 as well (2 pack, 2 carton per year).</li> </ul> | . Support Superslims with continuous advertising, regular product promotions and image-enhancing incentive promotions, direct mail, and grassroots sampling events. |

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MARKETING  
FULL MARGIN - VIRGINIA SLIMS

| <u>STATED STRATEGY</u> | <u>STATED ACTION PLAN</u>       | <u>STATUS</u>   | <u>INDICATED CHANGE</u> |
|------------------------|---------------------------------|---|-------------------------|
| . No change            | . Expand Slimsclub direct mail. | . 1990 program currently in production. Offer to be mailed to 500,000 female smokers in April. Expect 200,000 new members in 1990 (99,000 existing Slimsclub members).<br><br>. Entire program enhanced in 1990, including creative, incentive, offers and coupon values. | . No change             |

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MARKETING  
FULL MARGIN - VIRGINIA SLIMS

| <u>STATED STRATEGY</u> | <u>STATED ACTION PLAN</u>   | <u>STATUS</u>  | <u>INDICATED CHANGE</u> |
|------------------------|---|--|-------------------------|
| . No change            | . Implement Virginia<br>Slims advertising in<br>Hispanic markets. | . Magazine, outdoor and<br>POS advertising<br>approved and in<br>production.<br><br>Outdoor - May start<br>Print - June start<br>POS - July/August | . No change             |

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PRIMARY FORMAT

Marketing  
(FUNCTION)

Other Full Margin (Parliament)  
(CONCENTRATION)

STATED  
STRATEGY

o Focus Parliament's strategic execution on the 22- to 35-year-old smoker segment in Region 1 and the expansion markets.

STATED  
ACTION PLAN

o Use Parliament Kings box to gain share among young adult males and Asian smokers.

o Expand Parliament beyond Region 1 to west coast and selected midwest markets, establishing equity in the Perfect Recess campaign.

STATUS

o Share amongst 22- to 35-year-old smokers in Region 1 has been increasing, gaining .75 share points in the past year to 5.0%

o In 1990 the brand expanded to LA, SF & Chicago. Parliament will spend \$6.7 MM in advertising to establish the campaign.

INDICATED CHANGE\*

Parliament Menthol

o Increase volume in Region 1 through line extension, minimizing cannibalization.

o Launch Parliament menthol in early third quarter 1990 throughout Region 1. Introduce with a kings and a 100s packing.

o Advertising and production are set and awaiting final packaging prior to development of a marketing plan.

\* Indicate changes in the stated action plans, as well as the addition of new action plans that were not originally included in your plan draft.

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ACCORDING TO BOX INDEX**

**Merrill Coproration • St. Paul, Minnesota**



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NEW PRODUCTS

2040328748

PRIMARY FORMAT

Marketing  
(FUNCTION)

New Products  
(CONCENTRATION)

STATED  
STRATEGY

o Develop and successfully introduce technologically advanced products which improve the social acceptability of smoking without compromising taste and smoking satisfaction.

STATED  
ACTION PLAN

o Next/De Nic packaging modification.

o Next/De Nic blend modification.

o Next/De Nic advertising review.

STATUS

o New packaging has been approved by management and will be used in Tampa test market. National roll-out QIV 1990.

o Tar and nicotine modifications have been made for use in upcoming Tampa test market.

o New advertising has been approved by management and will begin with upcoming Tampa test market.

INDICATED CHANGE\*

\* Indicate changes in the stated action plans, as well as the addition of new action plans that were not originally included in your plan draft.

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PRIMARY FORMAT

Marketing  
(FUNCTION)

Other New Products  
(CONCENTRATION)

STATED  
STRATEGY

STATED  
ACTION PLAN

STATUS

INDICATED CHANGE\*

o Develop and test  
Ultima ultra low tar  
cigarette.

o Packaging and ad-  
vertising is under  
development. Product  
under development  
with R & D. Test  
market anticipated  
for QI 1991.

o Develop and test  
Superlights as a  
possible line extension  
for Merit, to be at  
ready stage.

o see Ultima  
development.

o Develop and test  
Ambrosia concept.

o Creative concepts  
currently in consumer  
research. Campaign to  
be selected in QII 1990.  
Packaging finalized  
subject to management  
approval QII 1990.  
Product under development  
with R&D. Test market  
planned for 2nd half 1990.

\* Indicate changes in the stated action plans, as well as the addition of new action plans that were not originally included in your plan draft.

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PRIMARY FORMAT

Marketing  
(FUNCTION)

New Products  
(CONCENTRATION)

STATED  
STRATEGY

STATED  
ACTION PLAN

STATUS

INDICATED CHANGE\*

o Develop and test low smoke and aroma plus line extensions for Virginia (VA) Slims.

o See VA Slims strategic review submission.

o Develop and test cigarette offering lower smoke odor.

o Project in development, slated for 1992 testing. Pending RD results project can be moved up for testing in 1991.

o Development of Sigma, a technological breakthrough cigarette.

o Project under development slated for testing as soon as R&D is ready with final product.

o Develop and test low burn propensity cigarette.

o Project under development at R&D. Slated for testing, pending R&D results.

o Develop and test no ashtray odor cigarette.

o Project under development at R&D. Slated for 1992/93 testing.

\* Indicate changes in the stated action plans, as well as the addition of new action plans that were not originally included in your plan draft.

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FORMAT FOR CHANGED  
STRATEGY

MARKETING  
(FUNCTION)

CARTIER  
(CONCENTRATION)

CURRENT STRATEGY

o Launch Cartier in  
LA appealing to largely  
female, upscale, highly  
image-conscious consumers.

CHANGED SITUATION

o Introduction of  
the first premium  
priced cigarette focus  
in LA showed the need  
to stay in LA for a  
longer introductory  
period.

REVISED STRATEGY

o In order to boost  
volume, expand Cartier to  
SF/Oakland and Hawaii by  
Aug. 1990, drawing from LA  
experience.

o Introduce to the  
balance of US on  
Jan 1, 1991 since a  
national launch is  
appropriate in view of  
the fact that the  
premium category is  
viable, albeit small.

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RETAIL  
MERCHANDISING &  
PROMOTION

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**FUNCTION: MARKETING**

**CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION**

**ISSUE: MARKET-SPECIFIC/LOCAL MARKETING**

**STATED  
STRATEGY**

Provide the Field Sales organization with a variety of materials to draw upon as needed. Set aside budget dollars and Sales Force time to be employed on a local basis. Perfect a method to evaluate and approve local requests in a timely manner.

**STATED  
ACTION PLAN**

Produce a number of different materials (displays, incentives, coupons, POS) which can be drawn upon as needed during 1990. Expand the magnitude and variety of these materials in subsequent years.

**STATUS**

Consumer Promotions is preparing a menu of promotional ideas for brand approval. Once approvals obtained, development of materials will proceed.

Identifying items currently in KOC which can be used.

Purchasing is researching items which can be placed in inventory.

\$2.00 coupons for B&H, Merit, V.S. and Parliament produced and placed in inventory.

**INDICATED  
CHANGE**

In addition to a variety of on-hand items, recommend providing a menu of promotions from which appropriate ones can be selected and sold in as multi-step programs for specific accounts/markers. Envision Marketing, Field Sales and National Accounts identifying volume-generating opportunities to put against this menu.

Menu would take the form of a notebook/manual highlighting each offer, cost and development leadtimes needed for field delivery.

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**FUNCTION: MARKETING**

**CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION**

**ISSUE: MARKET-SPECIFIC/LOCAL MARKETING**

**STATED  
STRATEGY**  
(See Page One)

**STATED  
ACTION PLAN**

**STATUS**

**INDICATED  
CHANGE**

Develop and provide sales sections with promotional vehicles (mobile kiosks, booths, tents, store opening kits) to enhance delivery of local promotions to adult smokers.

Development of these items is in progress.

Beginning in 1990 and expanding each year, set aside a portion of each brand's budget to fund local initiatives. Work with Sales in 1990 to determine how this budget will be administered and controlled.

Budget recommendation to be prepared for Second Revised and 1991 O.B.

Recommend separate budget for this activity instead of having the funds contained in each brand's budget.

Develop permanent POS materials and displays which can be customized in the field based on individual store needs.

Current customization efforts being coordinated with Sales. New tests include awnings, store fronts and illuminated signs.

Developing "PM Look" for all PM-USA merchandising vehicles (displays, permanent POS, fixtures).

Planning to conduct focus groups with Field Sales to identify incremental POS opportunities and evaluate current items.

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FUNCTION: MARKETING

CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION

ISSUE: MARKET-SPECIFIC/LOCAL MARKETING

**STATED  
STRATEGY**  
(See Page One)

**STATED  
ACTION PLAN**  
Identify and continually evaluate third party organizations who can implement local marketing programs (bar nights, store sales) without direct sales force involvement.

Work with Sales to determine the feasibility of creating Sales Section teams who would be charged with blitzing markets with POS as appropriate. If proven to be beneficial, test in one section and roll out nationally.

**STATUS**  
Third parties have been used successfully on Marlboro Bar Nights, SuperSlims Sampling and Cartier Sampling. Continuing to investigate additional groups.

"Check Out" coupons are being tested to target competitive smokers.

While creation of special "teams" is still being considered, blitz efforts have occurred on behalf of Marlboro in Phoenix and additional blitzes are planned for the second and third quarter.

**INDICATED  
CHANGE**  
Third party efforts need Sales Force coordination to be successful.

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FUNCTION: MARKETING

CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION

ISSUE: MARKET-SPECIFIC/LOCAL MARKETING

**STATED  
STRATEGY**  
(See Page One)

**STATED  
ACTION PLAN**  
On an ongoing basis, review the Brand and Sales organization to ensure that the proper structure exists to maximize local opportunities.

**STATUS**  
New group created (Retail Merchandising Programs) to develop merchandising "look" PPR planning/tracking and local promotions.

New group established in Events for the same purpose.

Marlboro Brand Group has been restructured and now includes a Brand Manager who is responsible for regional/local marketing.

**INDICATED  
CHANGE**

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**FUNCTION: MARKETING**

**CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION**

**ISSUE: MARKETING/SALES COORDINATION**

**STATED  
STRATEGY**

Provide opportunities for interaction between Marketing and Sales while encouraging contacts in New York and in the Field whenever business needs dictate. Work to improve communication vehicles (PPP, elements memos) while searching for new ways of communicating objectives and expectations in a clear, concise manner.

**STATED  
ACTION PLAN**

Increase exposure to Sales Force needs by requiring periodic field visits for all brand personnel and members of Marketing Services.

Bring Field personnel to New York to participate in promotional development, competitive response decisions and strategy sessions.

**STATUS**

Visits occurring as appropriate by Brand and Marketing Services. Several visits have been conducted in conjunction with test market activities, Bristol launch and competitive initiatives (Houston, Phoenix, etc).

Visits by Section Directors to work with Brand are increasing. Through physical meetings and phone contacts Section Directors are being incorporated into planning sessions for specific initiatives and consulted on the validity/appropriateness of possible PM-USA actions.

**INDICATED  
CHANGE**

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**FUNCTION: MARKETING**

**CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION**

**ISSUE: MARKETING/SALES COORDINATION**

**STATED  
STRATEGY**  
(See Page One)

**STATED  
ACTION PLAN**

Require marketing trainees to spend at least one month in the field. Expand this requirement to Brand Assistants in 1991.

Increase the number of job transfers between Marketing and Sales.

Establish quarterly meetings between Region Directors and Group Brand Directors to coordinate upcoming activities.

**STATUS**

We are in the process of recruiting Marketing trainees. This action plan will be implemented when they have been hired.

This is an ongoing activity as opportunities arise. Several Sales candidates have been interviewed for openings in Brand and Marketing Services. Recently a brand manager and two brand assistants have come directly from the Sales organization. A candidate from Sales is also being considered for the Custom Merchandising area.

To be incorporated into the scheduled Region Directors Meetings held in New York as appropriate.

**INDICATED  
CHANGE**

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**FUNCTION: MARKETING**

**CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION**

**ISSUE: MARKETING/SALES COORDINATION**

**STATED  
STRATEGY**

(See Page One)

**STATED  
ACTION PLAN**

Continue to refine Marketing's PPP process to better match actual field activity and take into account local efforts.

**STATUS**

Project underway to both broaden the scope of the PPP to include all in-store visibility and display opportunities (pack and carton outlets) and to geographically rank PM-USA's brands so that multiple PPP's can be created which increase brand presence in key markets.

**INDICATED  
CHANGE**

Expanded tracking effort is being implemented to set and hold to strict developmental due dates for promotions, track the flow of all materials and ensure on-time delivery to the Field. Weekly meetings are being conducted with key Marketing Services and Sales personnel to better coordinate materials flow and resolve programs which are behind schedule.

Expand communication to the field through videos, visual aids and improved elements memos.

Use of PPP videos for specific promotion communication has been tested and is currently being evaluated.

New formats for proposals, elements memos and field communication of promotions are nearing completion.

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**FUNCTION: MARKETING**

**CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION**

**ISSUE: MARKETING/SALES COORDINATION**

**STATED  
STRATEGY**  
(See Page One)

**STATED  
ACTION PLAN**  
Participate to the fullest  
extent possible in Sales  
Planning events.

Increase Sales Force  
knowledge of upcoming  
Marketing activities,  
including those which will  
not require direct Sales  
Force involvement.

**STATUS**  
Group Directors and key  
Marketing Services  
personnel participated in  
First Half 1990 planning  
session in Dallas (Dec.)

Selected Brand and  
Merchandising personnel  
participated in recent  
CPP meeting in Dallas  
(Feb.)

Working with Headquarter  
Sales to communicate key  
promotion information  
(fact sheets) 3-6 months  
in advance of field date.

Field communication memo  
for promotions will also  
include information  
regarding elements of a  
promotion which will not  
be executed by the Sales  
Force (advertising,  
PSI's, etc).

**INDICATED  
CHANGE**

Develop a  
tracking/scheduling system  
which will be able to  
identify all activities  
scheduled in a Sales  
Section/market -- either  
Marketing or Sales  
initiated.

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FUNCTION: MARKETING

CONCENTRATION: RETAIL MERCHANDISING AND PROMOTION

ISSUE: MARKETING/SALES COORDINATION

**STATED  
STRATEGY**  
(See Page One)

**STATED  
ACTION PLAN**  
Provide Sales with long  
range (6-12 months  
promotional plan so that  
retail space can be  
reserved.

**STATUS**  
Work has begun on the  
1991 PPP three months  
earlier than in past  
years. Promotion  
allocations to be given  
to brand w/o 4/2 with a  
preliminary Promotion  
Plan to be issued w/o  
5/28 and modified as  
necessary once  
budgets/brand plans are  
approved in October.

Promotion schedule will  
be issued to New York  
Sales and disseminated to  
the field when  
appropriate.

**INDICATED  
CHANGE**

Recommend a quarterly  
Field notification for  
promotions to be fielded  
6-9 months later.  
Example: In July notify  
Field of First Quarter  
1991 promotions.

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**Merrill Coproration • St. Paul, Minnesota**



**PHILIP MORRIS U.S.A.****INTER-OFFICE CORRESPONDENCE**

120 PARK AVENUE, NEW YORK, N.Y. 10017

**TO: David Dangoor****DATE: March 16, 1990****FROM: Rick Stirlen****SUBJECT: Five-Year Plan**

Attached is a status report on progress toward Five Year Plan media goals. For all of our action plans, we are on or ahead of schedule.

Please note, the budget figures referenced in the opening paragraph should be revised to reflect final 1989 totals of \$297.1MM and current 1990 1st revised which will be available shortly.

Please let me know if you need any additional information.

*Feb*

**RLS/mcf:**  
**Attachment**

**cc: Diane Kraft**  
**Ellen Merlo**

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2040328769

**PHILIP MORRIS USA**  
1989 - 1994

**Media**

Over the past five years, Philip Morris U.S.A. has spent approximately \$300MM per year in brand advertising support. Since 1986, this has resulted in the most prominent share-of-voice in the industry. Spending for 1989 will total \$299MM and for 1990, current established brands are budgeted at slightly more than \$260MM. These levels of advertising support will maintain not only overall PM-USA prominence, but provide a leadership position in both magazines and out-of-home as PM-USA continues to outspend the competition. It is presumed that the overall advertising support strategy will remain in place during the plan period, although increased emphasis on local promotional activity may shift dollars from magazines to out-of-home, ROP and supplements. This shift will also be influenced by the media strategies employed by our competitors.

**Issues:**

**PROVIDE MAXIMUM IMPACT AND EFFICIENCY IN ALL MEDIA PROGRAMS CONSISTENT WITH AN INDUSTRY LEADERSHIP POSITION.**

**Strategy:**

Develop print and out-of-home evaluation systems to maximize effective and efficient delivery of defined target audiences consistent with brand creativity. These systems will evaluate current media vehicles on both a quantitative (efficiency) and qualitative (impact) basis. In addition, they will factor in non-media tie-in opportunities to include consumer promotions, customer/opinion leader entertainment and synergistic opportunities with other Operating Companies. Finally, they will identify all appropriate new media opportunities.

**Action Plans****1990-1991**

- Develop and implement print evaluation systems. (1990)
- Clarify PM-USA strategy regarding print and out-of-home multi-year discount commitments to balance the desire for flexibility against the reality of \$ discounts. (1990)
- Define a framework for maximizing all rate efficiencies through Operating Companies media commitments. (1991)
- Define, evaluate and catalog media merchandising/promotional opportunities for all vehicles. Implement as appropriate. (1990-1991)
- Conduct review of the current out-of-home evaluation systems and develop specific recommendations for improvement. (1991)

**1990-1991**

- Maximize effectiveness of the Media Planning Group through full implementation of computerized scheduling system. (1990)

**1992-1994**

- Fully implement the out-of-home evaluation system and integrate into the print system. (1992)
- Institute specific programs with Operating Companies to maximize all media rate efficiencies. (1992-1994)
- Fully utilize all media merchandising/promotional opportunities on a PM-USA and PM Companies basis (1992-1994)

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2040328770

**PRIMARY FORMAT**

**MARKETING-P.M. USA**

**PAGE 1**

**(FUNCTION)**

**MEDIA**

**(CONCENTRATION)**

**STATED  
STRATEGY**

**1990-1991  
STATED  
ACTION PLAN**

**STATUS**

**INDICATED CHANGE\***

DEVELOP PRINT/OOH EVALUATION SYSTEM TO MAXIMIZE EFFECTIVE AND EFFICIENT AUDIENCE DELIVERY. THE SYSTEM SHOULD ALSO FACTOR-IN PROMOTIONAL AND MERCHANDISING CONSIDERATIONS, NEW MEDIA OPPORTUNITIES AND COMPANIES' SYNERGISTIC OPPORTUNITIES.

- DEVELOP/IMPLEMENT PRINT EVALUATION SYSTEM (1990).

- EVALUATION DATA BASE IN PLACE - MEDIA/BRAND PRINT REVIEW MEETINGS UNDERWAY - NEW PRINT MEDIA REVIEW PROCEDURES BEING FORMALIZED - ON SCHEDULE FOR 1991 PLANNING CYCLE IMPLEMENTATION.

- CLARIFY PRINT/OOH MULTI-YEAR DISCOUNT COMMITMENT STRATEGY (1990).

- ARE CURRENTLY NEGOTIATING ALL PRINT DISCOUNT COMMITMENTS ON A SINGLE YEAR BASIS WITHOUT RETROACTIVE SHORT-RATES WHERE POSSIBLE. THIS WILL ALLOW P.M. MAXIMUM DISCOUNTS PLUS YEARLY PLANNING FLEXIBILITY.

GUIDELINES FOR OOH MULTI-YEAR COMMITMENTS CONSISTENT WITH STADIUM PROCEDURES IN-PLACE. STILL NEED TO CLARIFY DESIRABILITY AND BENEFITS OF MULTI-YEAR COMMITMENTS, ESPECIALLY FOR CORPORATE OOH INVENTORY. RECOMMENDATION DUE AS PART OF 1991 PLANNING PROCESS.

\* INDICATED CHANGES IN THE STATED ACTION PLANS, AS WELL AS THE ADDITION OF NEW ACTION PLANS THAT WERE NOT ORIGINALLY INCLUDED IN YOUR PLAN DRAFT.

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**PRIMARY FORMAT**

**MARKETING-P.M. USA**

**PAGE 2**

**(FUNCTION)**

**MEDIA**

**(CONCENTRATION)**

**STATED  
STRATEGY**

**SEE PAGE 1**

**1990-1991  
STATED  
ACTION PLAN**

**STATUS**

**INDICATED CHANGE\***

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>- DEFINE FRAMEWORK - TO MAXIMIZE ALL RATE EFFICIENCIES THROUGH OPERATING COMPANIES COMMITMENTS (1991).</li><br/><li>- DEFINE, EVALUATE - AND CATALOG MEDIA MERCHANDISING/ PROMOTIONAL OPPORTUNITIES (1990-1991).</li></ul> | <ul style="list-style-type: none"><li>UNDER CURRENT SYSTEM MAXIMIZE PRINT EFFICIENCY THROUGH P.M. USA NEGOTIATION AND COMMITMENT EXECUTION - FSI'S THROUGH KGF - OOH NOT A FACTOR AT THIS POINT. DURING 1990 WILL EXPLORE DESIRABILITY/ BENEFITS/FEASIBILITY OF COMPANIES VERSUS INDIVIDUAL OPERATING COMPANY COMMITMENTS.</li><br/><li>BASIC CATALOG FORMAT DEVELOPED - DATA BASE UNDER DEVELOPMENT. DISCUSSIONS UNDERWAY BETWEEN PM AND AGENCY MEDIA AND ACCOUNT GROUPS TO FORMULATE EVALUATION PROCEDURES AND INCLUDE MEDIA PROMOTIONAL OPPORTUNITIES AS PART OF THE 1991 MEDIA PLANNING PROCESS.</li></ul> |
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\* INDICATED CHANGES IN THE STATED ACTION PLANS, AS WELL AS THE ADDITION OF NEW ACTION PLANS THAT WERE NOT ORIGINALLY INCLUDED IN YOUR PLAN DRAFT.

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**CONFIDENTIAL: MINNESOTA TOBACCO LITIGATION**

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**PRIMARY FORMAT**

MARKETING-P.M. USA

(FUNCTION)

MEDIA

(CONCENTRATION)**STATED  
STRATEGY**

SEE PAGE 1

**1990-1991  
STATED  
ACTION PLAN****STATUS****INDICATED CHANGES**

- REVIEW AND IMPROVE OOH EVALUATION SYSTEM (1991).
- MAXIMIZE GROUP EFFECTIVENESS THROUGH FULL IMPLEMENTATION OF COMPUTERIZED SCHEDULING SYSTEM. (1990)
- REVISED EVALUATION FRAMEWORK UNDER DEVELOPMENT - FIELD WORK AND TABULATION FOR NEW SYSTEM PILOT COMPLETE AND READY FOR PRESENTATION TO BRAND. NEW POSITION TO BE ADDED AT BURNETT TO EVALUATE/DEVELOP NEW INNOVATIVE OOH OPPORTUNITIES. PRELIMINARY SYSTEM WILL BE IN PLACE FOR 1991 PLANNING PROCESS.
- PRINT SCHEDULING SYSTEM FULLY OPERATIONAL - OOH AND ROP TO COME ON-LINE BY MID-YEAR.
- HAVE BEGUN DISCUSSIONS WITH HSA TO DEVELOP/IMPLEMENT MEDIA ANALYSIS SOFTWARE TO IMPROVE P.M. MEDIA CONTROL OVER AND CONTRIBUTION TO THE PLANNING PROCESS.

\* INDICATED CHANGES IN THE STATED ACTION PLANS, AS WELL AS THE ADDITION OF NEW ACTION PLANS THAT WERE NOT ORIGINALLY INCLUDED IN YOUR PLAN DRAFT.

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**PRIMARY FORMAT**

**MARKETING-P.N. USA**

PAGE 4

**(FUNCTION)**

**MEDIA**

**(CONCENTRATION)**

**STATED  
STRATEGY**

SEE PAGE 1

**1992-1994  
STATED  
ACTION PLAN**

**STATUS**

**INDICATED CHANGE:**

- FULL IMPLEMENTATION OF OOH EVALUATION SYSTEM (1992).
- SPECIFIC PROGRAMS TO MAXIMIZE OPERATING COMPANIES RATE EFFICIENCIES (1992-1994).

FULLY UTILIZE ALL MEDIA MERCHANDISING/PROMOTIONAL OPPORTUNITIES.

- ALL THREE OF THESE ELEMENTS ARE EXTENSIONS OF 1990-1991 ACTION PLANS AND SHOULD BE COMPLETED ON OR BEFORE SCHEDULE.

\* INDICATED CHANGES IN THE STATED ACTION PLANS, AS WELL AS THE ADDITION OF NEW ACTION PLANS THAT WERE NOT ORIGINALLY INCLUDED IN YOUR PLAN DRAFT.

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