

ZACK ATTITUDE, AWARENESS AND USAGE STUDY

ATLANTA TEST MARKET - WAVE II

MRD #5546/2075

91241611

LORILLARD MARKETING RESEARCH DEPARTMENT

ZACK ATTITUDE, AWARENESS AND USAGE STUDY

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MRD #5546/2075

Research Conducted by

M/A/R/C

Field Dates:

September 22 - October 6, 1975

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BACKGROUND

In October, 1974, Zack was introduced into mini-test markets in Modesto, California and Lubbock, Texas in a lo-fi non menthol version using Formula 9075. It was offered in both soft pack and box.

This brand is positioned to appeal to young adults in the under 30 age group. It is anticipated that this is being accomplished through Zack's denim package design, unusual name and advertising executions.

Zack was initially targeted at the lo-fi non-menthol market segment, with its prime competition being Marlboro, Winston, Camel Filter and Viceroy.

In April 1975, Zack Menthol (soft pack) was introduced into the mini-markets to gain some absolute volume increases and to test the viability of al line extension. At this time the non-menthol box was withdrawn from the Lubbock market area.

Based on our experience in mini-market, it was decided to expand Zack to the more projectable test market of Atlanta on June 2, 1975. Zack was introduced in both non-menthol and menthol, available in soft packs only.

The first interviewing wave of this study was conducted 8 weeks after the start of advertising (July 28th to August 9th). Overall performance of Zack in Atlanta was acceptable. Wave I data showed Zack to be comparable to our test market experience with Luke on all the key measures of awareness, trial and purchase.

This topline report covers the second wave of tracking Zack's performance conducted 16 weeks after the initial start of advertising. Interviewing was conducted September 22nd to October 6th.

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OBJECTIVES

The objective of this study is to track the test market performance of Zack in the Atlanta test market. The key areas that will be evaluated are:

- Brand Awareness
- Trial and Purchase
- Advertising Awareness
- Reaction to Zack Advertising
- Future Purchase Intent
- Reaction to Zack Cigarettes

This report covers the second wave of tracking 16 weeks after the start of advertising in the Atlanta test market.

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METHODOLOGY

The sample of 794 includes the total random group of 499 and a booster group of 295 (randomly selected), 50% male/50% female between the ages of 18 and 49, who smoke 10 or more cigarettes a day. The sample was boosted between the ages of 18 to 29 to obtain a more statistically reliable number of respondents in these groups to be analyzed individually.

All interviewing was conducted via telephone from M/A/R/C's copyrighted TELNO system, a three stage probability sample of telephone households and included the 15 counties in the Atlanta SMSA.

Interviewing was conducted during daytime and evening hours as well as on weekends to insure a representative sample.

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SUMMARY OF FINDINGS

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SUMMARY OF FINDINGS

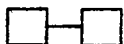
After four months of activity in Atlanta test market, Zack is performing basically at the same level as two months previous.

The only key measures which show any meaningful change from Wave I are Unaided Brand and Unaided Advertising Awareness, which have declined from Wave I. All other key measurements (total brand awareness, trial, purchase and total ad awareness) are at the same levels as two months age.

	<u>Wave I</u> <u>%</u>	<u>Wave II</u> <u>%</u>
Base: Total Random	(500)	(499)
Unaided Brand Awareness	43	32
Total Brand Awareness	68	70
Trial	14	13
Purchase	4	5
Unaided Advertising Awareness	26	17
Total Advertising Awareness	61	61

Positive purchase intent is at the same level as found in Wave I.

	<u>Wave I</u>	<u>Wave II</u>
Base: Total Aware	(349)	(348)
Positive Purchase Intent (Definitely/Probably would buy)	37%	37%



Significant at 95% confidence level

As was found in Wave I, Zack continues to perform better on most key measures among younger smokers (18 - 24 years old) and still exhibits weakness among the 25 - 29 year olds. Additionally, performance on key measures was basically equal among men and women.

The primary elements that Zack advertising is communicating to smokers in Atlanta continues to be that Zack has a distinctive pack, that it appeals to young adults and that it is low in tar & nicotine.

Billboards continue to be the main source of Zack advertising.

The Zack package was, again, the most mentioned "like" about Zack advertising.

"Appealing package" was still the characteristic most smokers agreed with to the greatest degree. Smokers, in Wave II as in Wave I, do not generally see Zack as a brand for themselves or their friends or one that has good flavor.

Menthol triers reported a somewhat higher degree of likes than non-menthol triers in Wave II, while the converse was true in Wave I. The levels of dislikes substantiate this relationship.

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As was the case in Wave I, about half of the Wave II triers of non-menthol Zack (48%) said they liked something about the taste of Zack, while about 4 out of 10 triers said they disliked something about non-menthol Zack's taste. The mildness of non-menthol Zack is still the main specific like (31%). The main dislikes are still the strong taste (14%) and mildness (10%).

A directional increase in the number of menthol Zack triers who reported liking something about the taste of menthol Zack was seen from Wave I to Wave II. The converse was true for dislikes about taste with the Wave I levels being somewhat higher than Wave II levels. The mildness of menthol Zack was still the main specific like (16%). Although the menthol taste continues to be the highest mention of dislike in Wave II (11%), this level of mention decreased from Wave I (18%). Additionally, menthol taste is one of the most frequently cited "likes" in Wave II (11%); however, this was not mentioned as a reason in Wave I.

Consistent with the likes and dislikes of Zack cigarettes, menthol triers rated Zack somewhat higher than non-menthol triers in Wave II, while the converse was true in Wave I.

	<u>WAVE I</u>		<u>WAVE II</u>	
	<u>Menthol</u>	<u>Non-menthol</u>	<u>Menthol</u>	<u>Non-menthol</u>
Base: Total Triers	(22)	(58)	(37)	(42)
Average Overall Product Rating*	4.45	4.84	4.67	4.31

* Based on a 9-point scale.

DETAILED FINDINGS

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I. BRAND AWARENESS

A. Overall Random

Four months after the start of advertising in Atlanta, 32% of the smokers interviewed claimed to be aware of Zack on an unaided basis. This is significantly* lower than the 43% unaided awareness registered in Wave I.

An additional 38% of the smokers in Wave II said they were aware of Zack on an aided basis, bringing Zack's current total awareness to 70% which is the same as the total awareness level found in Wave I (68%).

* 95% confidence level

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B. By Age

Although unaided brand awareness* is considerably lower than in Wave I in all age groups, it continues to be greatest among smokers under 25 years of age.

These low levels of unaided brand awareness could be a result of the proliferation of new 120 MM brands in the marketplace, i.e. Zack is no longer perceived as a new brand introduced in the last six months.

	<u>Unaided Awareness</u>			
	<u>18-20</u>	<u>21-24</u>	<u>25-29</u>	<u>30 & over</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Average Base:	(101)	(199)	(199)	(211)
Wave I	<div>70</div>	60	47	31
Wave II	<div>47</div>	53	40	25

*Frequently, unaided awareness tends to be a more meaningful and discriminating measure than total awareness. This is particularly true when awareness is high. For this reason, unaided awareness is being utilized as the primary reference point in the comparison by age and sex.



Significant at the 95% confidence level

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C. By Sex

Whereas in Wave I both males and females reported the same level of unaided brand awareness, in Wave II males reported a significantly* higher level of unaided brand awareness than did females (36% vs 28%).

In the primary target group, the 18-24 year olds, there is, again as in Wave I, no difference in the unaided brand awareness levels of men and women (50% vs 53%).

D. By Smoker Classification

Heavy smokers reported a lower unaided brand awareness level than either the light or medium smokers. However, there is no meaningful difference in awareness of Zack between lo-fi non-menthol smokers and all others.

* 95% level of confidence

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AWARENESS OF ZACK

		<u>(Base)</u>		<u>Unaided</u>		<u>Total</u>	
		<u>Wave I</u>	<u>Wave II</u>	<u>Wave I</u>	<u>Wave II</u>	<u>Wave I</u>	<u>Wave II</u>
		<u>#</u>	<u>#</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Total	Random	(510)	(499)	43	32	68	70
Total Males	"	(251)	(248)	40	36	69	75
Total Females	"	(259)	(251)	45	28	68	65
<u>18 - 20*</u>							
Total		(100)	(102)	70	47	93	83
Males		(50)	(49)	68	47	92	82
Females		(50)	(53)	72	47	94	85
<u>18 - 24*</u>							
Total		(300)	(298)	63	51	91	84
Males		(150)	(150)	61	50	90	85
Females		(150)	(148)	65	52	92	82
<u>25 - 29*</u>							
Total		(198)	(200)	47	40	78	84
Males		(96)	(99)	41	39	75	83
Females		(102)	(101)	53	41	81	84
<u>Under 30 Random</u>							
Total		(219)	(203)	58	42	86	82
Males		(116)	(115)	54	39	86	83
Females		(103)	(88)	61	47	85	82
<u>30 and Over Random</u>							
Total		(291)	(296)	31	25	55	61
Males		(135)	(133)	28	32	54	68
Females		(156)	(163)	34	18	56	56

(Cont'd)

* Includes random plus boosted interviews.

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AWARENESS OF ZACK (CONT'D)

	(Base)		Unaided		Total	
	Wave I #	Wave II #	Wave I %	Wave II %	Wave I %	Wave II %
<u>Brand Smoked</u>						
<u>Most Often</u>						
Total Lo-Fi	(352)	(339)	46	34	73	71
Lo-Fi Non-Menthol						
Filters	(227)	(185)	45	33	73	67
Total Menthol	(152)	(187)	43	35	70	75
Hi-Fi/Super Hi-Fi						
Non-Menthol						
Filters	(92)	(90)	45	28	65	70
Marlboro	(82)	(43)*	50	40	82	79
Winston	(81)	(80)	42	38	73	69
All Others	(347)	(376)	41	30	64	69
<u>Amount Smoked</u>						
Light Smokers	(168)	(204)	45	38	70	73
Medium Smokers	(196)	(181)	46	30	69	66
Heavy Smokers	(146)	(114)	35	25	65	71
<u>Zack Awareness</u>						
Total Tried	(73)	(66)	89	64	100	100
Total Aware	(349)	(348)	62	46	100	100
Total Purchased	(21)*	(26)*	100	65	100	100
Total Definite						
Purchase Intent	(18)*	(23)*	50	48	100	100
Total Negative						
Purchase Intent	(217)	(217)	62	44	100	100

* Caution: Small Base

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II. TRIAL, PURCHASE AND REASONS FOR PURCHASE

A. Trial and Purchase

1. Overall Random

Four months after the start of advertising, 13% of total smokers reported trying Zack. This represents no meaningful difference from the 14% trial found in Wave I.

The level of purchasers of Zack also is unchanged in the two months since the first wave of interviewing (5% vs 4%).

2. By Age

As was found in the first wave, both trial and purchase are heavily skewed toward younger adult smokers. Among those smokers 24 years of age or younger, both trial and purchase are significantly* higher than among the smokers 25 years of age or older.

3. By Sex

Overall, males and females reported the same levels of trial and purchase as registered in Wave I. Also, as in Wave I, the levels of trial and purchase are basically the same for men and women after 4 months of advertising.

* 95% level of confidence

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In Wave II, males 18-24 and males 30 & over reported a somewhat higher trial than did the females in those age groups. The only difference between males and females in respect to purchase was the purchase level reported by females under 30, which was significantly* higher than that reported by males in that age group.

4. By Smoker Classification

The levels of trial and purchase among total menthol smokers has increased from Wave I (14% vs 18% for trial and 2% vs 7% for purchase).

*90% confidence level

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TRIAL AND PURCHASE OF ZACK

	<u>(Base)</u>		<u>Tried Zack</u>		<u>Purchased Zack</u>	
	<u>Wave I</u> #	<u>Wave II</u> #	<u>Wave I</u> %	<u>Wave II</u> %	<u>Wave I</u> %	<u>Wave II</u> %
Total Random	(510)	(499)	14	13	4	5
Total Males Random	(251)	(248)	16	15	4	4
Total Females Random	(259)	(251)	13	11	5	6
<u>18 - 20*</u>						
Total	(100)	(102)	33	35	10	14
Total Males	(50)	(49)	40	37	8	14
Total Females	(50)	(53)	26	34	12	13
<u>18 - 24*</u>						
Total	(300)	(298)	28	29	10	10
Total Males	(150)	(150)	34	33	10	10
Total Females	(150)	(148)	22	24	10	11
<u>25 - 29*</u>						
Total	(198)	(200)	13	12	5	4
Total Males	(96)	(99)	16	11	4	3
Total Females	(102)	(101)	11	13	6	4
<u>Under 30 Random</u>						
Total	(219)	(203)	22	24	8	9
Total Males	(116)	(115)	24	23	6	6
Total Females	(103)	(88)	18	25	10	14
<u>30 and Over Random</u>						
Total	(291)	(296)	9	6	1	2
Total Males	(135)	(133)	9	9	2	3
Total Females	(156)	(163)	9	4	1	2

(cont'd)

* includes random plus boosted interviews.

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TRIAL AND PURCHASE OF ZACK (CONT'D)

	<u>(Base)</u>		<u>Tried Zack</u>		<u>Purchased Zack</u>	
	<u>Wave I</u>	<u>Wave II</u>	<u>Wave I</u>	<u>Wave II</u>	<u>Wave I</u>	<u>Wave II</u>
	#	#	%	%	%	%
<u>Brand Smoked Most Often</u>						
Total Lo-Fi	(352)	(339)	16	15	4	6
Lo-Fi Non-Menthol Filters	(227)	(185)	16	12	5	5
Total Menthol	(152)	(187)	14	18	2	7
Hi-Fi/Super Hi-Fi Non-Menthol Filters	(92)	(90)	15	10	5	3
Marlboro	(82)	(43)*	23	16	7	12
Winston	(81)	(80)	12	14	6	4
All Others	(347)	(376)	13	13	3	5
<u>Amount Smoked</u>						
Light Smokers	(168)	(204)	14	17	4	5
Medium Smokers	(196)	(181)	17	11	4	4
Heavy Smokers	(146)	(114)	10	11	4	7
<u>Zack Awareness</u>						
Total Tried	(73)	(66)	100	100	29	39
Total Aware	(349)	(348)	21	19	6	8
Total Purchased	(21)*	(26)*	100	100	100	100
Total Definite Purchase Intent	(18)*	(23)*	33	44	17	22
Total Negative Purchase Intent	(217)	(217)	18	13	5	4

* Caution: Small Base

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B. Repeat Purchase

Again, as in Wave I, because of the very small number of purchases, it is impossible to render a meaningful evaluation of repeat purchases.

However, by combining the purchasers from Wave I & Wave II, a somewhat more reliable evaluation can be made. Of the total of 47 purchasers found in both waves, 51% claimed they had purchased Zack two or more times. None of the respondents, however, considered Zack to be his/her regular brand.

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C. Reasons for First Purchasing Zack

Due to the small number of purchasers (26), it is difficult to arrive at any definite, meaningful conclusions about the reasons for first purchasing Zack. However, combined purchasers from Waves I and II (47) mentioned packaging, newness, advertising and desire to try the brand as the main motivations for first purchase.

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REASONS FOR FIRST PURCHASING ZACK
(Selected Mentions)

COMBINED WAVES I AND II

	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>18 to 20*</u>	<u>18 to 24*</u>	<u>25 to 29*</u>	<u>Under 30</u>	<u>30 & Over</u>
(Base = Total Purchased)	(47)**	(20)**	(27)**	(24)**	(61)**	(17)**	(36)**	(11)**
<u>Package (Net)</u>	<u>32</u>	<u>20</u>	<u>41</u>	<u>21</u>	<u>25</u>	<u>47</u>	<u>36</u>	<u>18</u>
Denim packaging	15	10	19	17	16	12	19	-
Liked package/box	13	5	19	4	7	24	11	18
<u>New/Different (Net)</u>	<u>36</u>	<u>25</u>	<u>44</u>	<u>46</u>	<u>43</u>	<u>47</u>	<u>42</u>	<u>18</u>
New Cigarette	23	20	26	17	20	29	28	9
<u>Advertising (Net)</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>25</u>	<u>23</u>	<u>24</u>	<u>28</u>	<u>36</u>
Ads	21	15	26	25	18	12	19	27
Store Display	9	15	4	-	7	12	8	9
<u>To Try It</u>	32	45	22	25	33	24	36	18

* Includes random plus boosted interviews.

** Caution: Small Base

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III. ADVERTISING AWARENESS

A. Advertising Awareness

1. Unaided Advertising Awareness

a. Overall

While Zack is still the one brand for which smokers claim unaided advertising awareness most (17%), the level of this awareness is significantly* lower than that found in Wave I (26%).

Other major brands, however, also showed significant decreases in unaided ad awareness from Wave I to Wave II, including Winston, Marlboro and More.

b. By Sex

As was found in Wave I, both overall and in the primary target group, there are no differences between males and females on the level of unaided advertising awareness.

c. By Age

Smokers 18-24 years of age reported a higher level of unaided advertising awareness than those 25-29 years old and those 30 & over (29%, 21% and 13% respectively).

d. By Smoker Classification

No differences in the levels of unaided advertising awareness were reported among any of the classification groups.

* 95% confidence level

UNAIDED ADVERTISING AWARENESS

	<u>Wave I</u>	<u>Wave II</u>
	(510)	(499)
	<u>%</u>	<u>%</u>
Zack	26	17
Winston	20	16
More	18	14
Salem	11	13
Marlboro	15	10
Kool	9	8
Virginia Slims	3	4
Long Johns	3	4
Vantage	3	4
Benson & Hedges	2	4
Camel	3	4
Carlton	1	3
Saratoga	7	3
True	3	3
Max	3	2
Kent	3	2
Pall Mall	1	2
Viceroy	3	2

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UNAIDED ADVERTISING AWARENESS

	<u>Total Random</u>	<u>Male</u>	<u>Female</u>	<u>18 - 20*</u>	<u>18 - 24*</u>	<u>25 - 29*</u>	<u>Under 30</u>	<u>30 & Over</u>
	(499)	(248)	(251)	(102)	(298)	(200)	(203)	(296)
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Zack	17	19	16	28	29	21	24	13
Winston	16	19	14	22	24	21	22	12
More	14	10	19	22	15	16	18	12
Salem	13	14	14	17	20	16	18	10
Marlboro	10	13	8	16	20	14	13	8
Kool	8	11	6	17	17	8	14	4
Virginia Slims	4	2	6	1	5	5	5	3
Long Johns	4	3	5	13	8	3	5	3
Vantage	4	4	4	1	2	5	4	4
Benson & Hedges	4	3	4	9	6	4	5	3
Camel	4	4	4	2	3	4	3	4
Carlton	3	3	4	-	1	4	3	4
Saratoga	3	2	3	6	5	3	3	2
True	3	1	4	1	1	3	3	2
Max	2	1	3	2	2	3	3	1
Kent	2	1	3	-	1	2	3	1
Pall Mall	2	1	2	-	1	2	1	2
Viceroy	2	2	1	4	3	2	1	2

* includes random plus boosted interviews.

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2. Total Advertising Awareness

The current total awareness of Zack's advertising (61%) is the same as was reported in Wave I. Males reported a higher total awareness than females; menthol smokers had a higher level of ad awareness than non-menthol smokers; light smokers reported a higher total ad awareness than medium smokers and those under 30 year of age had a higher total awareness than those 30 years of age and over.

	(Base)	<u>Total Ad Awareness</u> %
Total	(499)	61
Males	(248)	66
Females	(251)	57
Menthol smokers	(187)	69
Non-menthol smokers	(311)	57
Light smokers	(204)	67
Medium smokers	(181)	54
Heavy smokers	(114)	63
Under 30 years of age	(203)	74
30 & over years of age	(296)	52

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B. Source of Zack Advertising

Billboards continue to be the primary source of Zack advertising awareness. Again, as in Wave I, magazines and in-store advertising are the next most mentioned sources of awareness.

	<u>Wave I</u>	<u>Wave II</u>
(Base: Aware of Zack Advertising)	(313)	(306)
	%	%
Billboard	65	68
Magazine	34	30
Saw in store	29	26
Newspaper	19	16
Trucks/Automobiles	6	8
Free sample	4	2

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C. Perceived Advertising Message/Main Point in Ad

The primary elements that the Zack advertising seems to be communicating to total smokers in Atlanta are the package (17%), that it appeals to young adults (13%), and that it is low in tar & nicotine (13%). These are the main points also perceived by triers and purchasers.

Overall, the levels of playback of specific messages in Wave II are unchanged from the levels in Wave I, except for mentions of the name. Name mentions were played back more frequently in Wave II than in Wave I.

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MAIN POINT IN AD
(Selected Mentions)

(Base = Aware of Zack Advertising)	<u>Wave I</u> (313)	<u>Wave II</u> (306)	<u>Combined Total Triers</u> (131)	<u>Combined Total Purchasers</u> (45)**
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<u>Product Attribute (Net)</u>	<u>23</u>	<u>24</u>	<u>32</u>	<u>38</u>
Low in tar/nicotine	9	13	13	13
New Cigarette	3	5	4	7
Better/good tasting	1	3	5	2
May be mild	2	2	5	7
Better for you	1	2	2	-
Good/best cigarette	*	1	2	2
The taste (NFI)	3	*	2	2
New/different taste	3	*	3	4
<u>Package (Net)</u>	<u>26</u>	<u>22</u>	<u>23</u>	<u>29</u>
Denim/Blue jean package	21	17	19	27
Just remember package	2	3	2	-

(cont'd)

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MAIN POINT IN AD (CONT'D)
(Selected Mentions)

(Base = Aware of Zack Advertising)	<u>Wave I</u> (313) <u>%</u>	<u>Wave II</u> (306) <u>%</u>	<u>Combined</u> <u>Total</u> <u>Triers</u> (131) <u>%</u>	<u>Combined</u> <u>Total</u> <u>Purchasers</u> (45)** <u>%</u>
<u>Character Image (Net)</u>	<u>20</u>	<u>22</u>	<u>24</u>	<u>38</u>
Appealing to young adults	12	13	15	24
Carefree people/casual	3	3	3	9
All people appeal	2	2	5	7
Country type	2	2	2	2
Appeals to cool/"in"/"now" people	5	1	3	2
Active/outdoor people	2	-	1	2
<u>Name (Net)</u>	<u>5</u>	<u>10</u>	<u>4</u>	<u>-</u>
Name	5	8	4	-
Trying to get you to try them	5	3	8	11

* Less than 0.5%

** Caution: Small Base

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IV. REACTION TO ZACK ADVERTISING

A. Overall Reaction

1. Overall

Favorable reaction to Zack's advertising in Wave II (47%) is at the same level as was reported in Wave I (50%).

Unfavorable reaction to Zack advertising remains at a relatively low level.

2. By Sub-Group

Again, as in Wave I, there are no meaningful differences by sex in attitude toward Zack advertising. Smokers under 30 reported a higher favorable reaction than those 30 years of age and older.

Triers and purchasers disposition toward Zack advertising was more favorable than smokers in general.

91241643

ATTITUDE TOWARD ZACK ADVERTISING

	(Base: Aware of advertising)	<u>Favorable</u> %	<u>Unfavorable</u> %	<u>Neutral</u> %
Total Wave I (Random)	(313)	50	12	38
Total Wave II (Random)	(306)	47	10	43
Males (Random)	(164)	44	12	44
Females (Random)	(142)	51	9	40
18-20 years*	(76)	57	7	37
21-24 years*	(146)	49	14	38
25-29 years*	(145)	52	7	41
30 years & over (Random)	(155)	39	11	50
Total triers (2 waves)	(131)	68	11	21
Total purchasers (2 waves)	(45)**	73	9	18

* Includes random plus boosted interviews

** Caution: Small Base

91241644

B. Likes About Zack Advertising

The package continues to be the most mentioned "like" about the Zack advertising. No other specific responses were mentioned with any meaningful frequency.

Young adult smokers, especially those 18-20 & 25-29 years of age, reported a higher level of liking something about the advertising, than did those 30 years of age and over.

91241643

LIKES ABOUT ZACK ADVERTISING

	WAVE II								Non-Menthol Smokers (177)	Menthol Smokers (129)	Combined Total Triers (131)	Combined Total Purchasers (45)**
	Wave I (313) %	Total (306) %	Males (164) %	Females (142) %	18-20* (76) %	21-24* (146) %	25-29* (145) %	30 & over (155) %				
(Base: Aware of Zack Advertising)												
<u>Liked Something</u>	<u>67</u>	<u>70</u>	<u>69</u>	<u>70</u>	<u>78</u>	<u>66</u>	<u>72</u>	<u>63</u>	<u>67</u>	<u>74</u>	<u>82</u>	<u>93</u>
<u>Package (Net)</u>	<u>42</u>	<u>39</u>	<u>33</u>	<u>47</u>	<u>50</u>	<u>36</u>	<u>48</u>	<u>28</u>	<u>35</u>	<u>46</u>	<u>47</u>	<u>49</u>
Blue jean/Denim look pack	23	18	15	21	25	20	17	14	18	18	25	29
Colorful pack/appealing colors	10	12	10	13	15	8	15	10	7	18	14	18
Package design/the pack	2	4	3	5	3	4	6	2	3	5	7	-
Package is different	6	4	4	4	4	7	3	2	3	4	3	4
<u>Character Image (Net)</u>	<u>13</u>	<u>11</u>	<u>13</u>	<u>8</u>	<u>8</u>	<u>19</u>	<u>12</u>	<u>8</u>	<u>11</u>	<u>10</u>	<u>18</u>	<u>16</u>
People in ad having good time/carefree/casual	5	3	4	2	1	4	2	3	3	3	6	4
Nice looking people in ad	3	3	4	1	1	3	4	1	3	2	5	7
Youth/youth appeal	4	2	1	3	4	5	3	1	2	2	2	-
<u>Name (Net)</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>6</u>	<u>8</u>	<u>6</u>	<u>10</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>4</u>
Name	3	4	5	4	3	3	5	3	3	6	4	-
Unusual/striking/catchy name	5	3	4	3	5	3	5	3	5	2	5	4
Just barely noticed it	4	6	10	2	1	3	4	8	5	8	1	-
Eye catching	5	5	6	5	4	5	8	7	6	5	5	7
Low tar/nicotine/safer	1	4	4	4	4	2	3	5	4	5	4	4
Mentions of car with advertising	1	2	3	1	4	4	2	2	3	2	3	7
<u>Liked Nothing</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>14</u>	<u>25</u>	<u>15</u>	<u>27</u>	<u>24</u>	<u>17</u>	<u>9</u>	<u>2</u>
<u>Don't Know</u>	<u>13</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>8</u>	<u>10</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>8</u>	<u>4</u>

* Include random plus boosted interviews

** Caution: Small Base

91241646

C. Dislikes About Zack Advertising

As in Wave I, only about one in five smokers said they disliked something about the Zack advertising. No specific mentions were reported with any meaningful frequency.

91241647

DISLIKES ABOUT ZACK ADVERTISING

WAVE II

(Base: Aware of Zack Advertising)

	Wave I (313) %	Total (306) %	Males (164) %	Females (142) %	18-20* (76) %	21-24* (146) %	25-29* (145) %	30 & over (155) %	Non- Menthol Smokers (177) %	Menthol Smokers (129) %	Combined Total Triers (131) %	Combined Total Purchasers (45)** %
<u>Disliked Something</u>	<u>22</u>	<u>21</u>	<u>22</u>	<u>20</u>	<u>18</u>	<u>30</u>	<u>17</u>	<u>23</u>	<u>20</u>	<u>23</u>	<u>20</u>	<u>20</u>
<u>Name (Net)</u>	<u>6</u>	<u>3</u>	<u>4</u>	<u>2</u>	<u>3</u>	<u>6</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>1</u>	<u>2</u>	<u>2</u>
Don't like name	4	2	2	1	1	3	3	2	3	1	2	2
<u>Character Image (Net)</u>	<u>4</u>	<u>3</u>	<u>4</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>-</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>2</u>
Don't like trying to appeal to young people	2	1	1	1	-	1	-	3	2	1	1	2
<u>Package (Net)</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Don't like blue denim pack	3	1	2	1	-	3	1	1	1	2	2	-
<u>Disliked Nothing</u>	<u>62</u>	<u>64</u>	<u>62</u>	<u>68</u>	<u>75</u>	<u>55</u>	<u>70</u>	<u>62</u>	<u>66</u>	<u>62</u>	<u>70</u>	<u>76</u>
<u>Don't Know</u>	<u>16</u>	<u>15</u>	<u>17</u>	<u>13</u>	<u>7</u>	<u>15</u>	<u>14</u>	<u>15</u>	<u>14</u>	<u>15</u>	<u>10</u>	<u>4</u>

* Includes random plus boosted interviews

** Caution: Small Base

84914216

V. FUTURE PURCHASE INTENT

1. Overall

Among total smokers, the level of positive purchase intent currently is the same as reported in Wave I. Approximately one out of four smokers expressed a positive interest in purchasing Zack.

	<u>Wave I</u>	<u>Wave II</u>
(Base: Aware of Zack)	(349)	(348)
	<u>%</u>	<u>%</u>
Definitely would buy	5	7
Probably would buy	32	31
Total Positive	37	37
Total Negative	62	62

2. By Age

18-20 year old smokers reported a higher positive purchase interest than did smokers in other age groups.

3. By Sex

In total, no difference in purchase intent was reported by sex. However, females under 30 reported a somewhat higher definite intention to buy than did males under 30 (11% vs 6%). Conversely, males 30 and over reported a higher definite purchase intent than did 30 year old and over women (8% vs 2%).

91241649

4. By Smoker Classification

Menthol smokers reported a higher definite purchase intention than did non-menthol smokers (11% vs 4%). No other meaningful differences were reported.

5. Among Triers and Purchasers

About half of the triers and 6 out of 10 purchasers intend to buy Zack in the future.

	Combined Total Triers	Combined Total Purchasers	Combined Total triers Non buyers	Combined Total aware/ Non-Triers
Base:	(139) %	(47)* %	(92) %	(558) %
Definitely would buy	12	17	9	5
Probably would buy	40	43	39	29
Total Positive	52	60	48	34
Total Negative	48	40	52	66

91241650

PURCHASE INTENT

	<u>(Base = Aware of Zack</u>	<u>Definitely Would Buy</u>	<u>Probably Would Buy</u>	<u>Total Positive</u>
		%	%	%
Total Random	(348)	7	31	37
Total Males Random	(185)	7	31	38
Total Females Random	(163)	6	30	36
<u>18 to 20*</u>				
Total	(85)	6	39	45
Males	(40)*	-	43	43
Females	(45)*	11	36	47
<u>18 to 24*</u>				
Total	(250)	5	32	37
Males	(128)	5	34	39
Females	(122)	5	30	34
<u>25 to 29*</u>				
Total	(167)	4	30	34
Males	(82)	4	27	31
Females	(85)	5	33	38
<u>Under 30 (Random)</u>				
Total	(167)	8	33	41
Males	(90)	6	34	40
Females	(72)	11	32	43
<u>30 and Over (Random)</u>				
Total	(181)	5	29	34
Males	(90)	8	29	37
Females	(91)	2	29	31
<u>Brand Smoked Most Often</u>				
Total Lo-Fi	(240)	7	33	40
Lo-Fi Non-Menthol	(124)	3	36	39
Lo-Fi Menthol	(116)	11	30	41
Total Menthol	(140)	11	28	39
Total Non-Menthol	(208)	4	33	37
Hi-Fi/Super Hi-Fi				
Non-Menthol	(63)*	5	32	37
Marlboro	(34)*	12	32	44
Winston	(55)*	-	46	46
All Others	(259)	7	27	35
<u>Amount Smoked</u>				
Light Smokers	(148)	9	30	39
Medium Smokers	(119)	3	34	36
Heavy Smokers	(81)	9	28	37

* Includes random plus boosted interviews

** Caution: Small Base

91241651

VI. BRAND IMAGE

A. Reaction to Zack Characteristics

The order in which the Zack characteristics were rated coincides exactly with the results of the first wave. However, the ratings obtained in Wave II are somewhat lower overall than those from Wave I.

"Appealing package" was still the characteristic most smokers agreed with to the greatest degree.

Smokers still do not generally see Zack as a brand for themselves or their friends or one that has good flavor.

Females, smokers 18 - 24 years old, and menthol smokers generally reported higher levels of strong agreement with Zack characteristics.

91241652

SUMMARY OF AGREE STRONGLY WITH ZACK SPECIFIC CHARACTERISTICS

WAVE II

	Wave I	Total	Males	Females	18-20*	21-24*	25-29*	30 & over	Non-Menthol Smokers	Menthol Smokers	Combined Total Triers	Combined Total Purchasers
(Base: Aware of Zack)	(349)	(348)	(185)	(163)	(85)	(165)	(167)	(181)	(140)	(208)	(139)	(47)**
	%	%	%	%	%	%	%	%	%	%	%	%
Appealing Package	52	42	39	45	58	50	47	30	48	38	63	77
A modern up-to-date brand	42	33	32	33	42	41	32	29	39	28	46	49
A brand for people who think young	38	32	28	36	37	36	31	31	38	27	39	47
A brand for both men & women	37	31	31	31	48	44	38	23	33	29	43	49
Appealing name	30	26	24	28	33	27	28	19	30	23	40	45
A brand for happy socialable, out going people	23	25	23	27	26	21	21	26	26	24	33	47
A brand that is different from most others	23	22	24	20	24	28	17	22	23	22	33	34
A brand that my friends would smoke	15	11	11	10	20	14	8	8	11	11	22	28
A cigarette that has a good flavor	11	11	11	10	18	14	7	8	12	10	29	40
A brand that would be for you	7	7	5	9	8	6	4	5	7	7	14	30

* Includes random plus boosted interviews

** Caution: Small Base

91241653

Summary of Agree Strongly With Zack Specific Characteristics

WAVE I

	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>18-20*</u>	<u>18-24*</u>	<u>25-29*</u>	<u>Under</u> <u>30</u>	<u>30 &</u> <u>Over</u>	<u>Non-</u> <u>Menthol</u> <u>Smokers</u>	<u>Menthol</u> <u>Smokers</u>	<u>Combined</u> <u>Total</u> <u>Triers</u>	<u>Combined</u> <u>Total</u> <u>Purchasers</u>
(Base=Aware of Zack)	(349)	(173)	(176)	(93)	(273)	(155)	(188)	(161)	(243)	(107)	(139)	(47)**
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Appealing package	52	45	59	57	54	49	57	46	49	58	63	77
A modern, up-to-date brand	42	38	46	45	43	34	43	40	40	46	46	49
A brand for people who think young	38	45	42	39	34	32	39	37	37	41	39	47
A brand for both men & women	37	32	42	50	35	36	44	29	35	42	43	49
Appealing Name	30	25	35	34	34	25	32	28	28	36	40	45
A brand for happy, socialable, outgoing people	23	20	26	22	28	16	21	24	20	28	33	47
A brand that is different from most others	23	24	21	34	21	17	26	19	20	31	33	34
A brand that my friends would smoke	15	14	16	19	14	12	17	13	14	16	22	28
A cigarette that has good flavor	11	12	11	18	15	12	13	9	11	11	29	40
A brand that would be for you	7	5	8	9	8	4	7	6	6	8	14	30

* Includes random plus boosted interviews

** Caution: Small Base

91241654

B. Brands Perceived To Be Most Like Zack

Two thirds of all aware smokers said they did not know which brand was most like Zack.

Although, Winston, Marlboro and Kools are the brands most perceived to be like Zack by triers and purchasers, the percentages reported were quite low for each.

91241655

WAVE II

(Base: Aware of Zack)	Wave I	Total	Total	Lo-Fi	Hi-Fi/Super	Combined Marlboro	Combined Winston	Combined All Others	Combined Total Triers	Combined Total Purchasers
	(349) %	(348) %	Lo-Fi (240) %	Non- Menthol (124) %	Hi-Fi Non- Menthol (63) %					
Winston	9	7	7	7	6	9	12	6	20	19
Marlboro	7	4	4	3	-	11	3	5	11	17
Kool	2	4	4	2	-	1	3	4	10	13
Salem	2	3	3	1	2	1	1	3	5	11
Camel	4	2	2	2	-	5	5	2	6	6
Kent	1	2	2	3	3	2	1	1	2	-
Don't Know	63	67	65	69	76	62	63	65	29	19

* Caution: Small Base

95914716

VII. REACTION TO ZACK CIGARETTES

A. Likes and Dislikes

Because of the small number of triers, none of the differences stated in the following section of this analysis are statistically significant but should be viewed as valuable directionally.

1. Overall

Menthol triers reported a somewhat higher degree of likes than non-menthol triers in Wave II while the converse was true in Wave I. The levels of dislikes substantiate this relationship.

When looking at combined non-menthol triers (from Wave I & II) in comparison to combined menthol triers, no major differences are seen in either the levels of likes and dislikes or the main specific likes and dislikes.

2. Non-Menthol Zack

Among the triers of non-menthol Zack, the degree of liking of something about non-menthol Zack was significantly* lower in Wave II than in Wave I (57% vs 76%). However, the level of disliking something about non-menthol Zack show no meaningful change from Wave I.

As was the case in Wave I, about half of the Wave II triers on non-menthol Zack (48%) said they liked something about the taste of Zack, while about 4 out of 10 said they disliked something about Zack's taste

* 95% level of confidence

The mildness of Zack is still the main specific like (31%).

The main dislikes are still the strong taste (14%) and mildness (10%).

3. Menthol Zack

Among menthol triers the level of liking something was unchanged from Wave I to Wave II (64% vs 68%) but the level of reporting disliking something about menthol Zack is significantly* lower in Wave II than in Wave I (77% vs 51%).

A directional increase in the number of triers reporting liking something about the taste of menthol Zack was seen from Wave I to Wave II. The converse was true for dislikes about taste with the Wave I levels being somewhat higher than Wave II levels.

The mildness of menthol Zack was still the main specific like (16%). Although the menthol taste continues to be the highest mention of dislike in Wave II (11%), this level of mention decreased from Wave I (18%). Additionally, menthol taste is one of the most frequently cited "likes" in Wave II (11%); however, this was not mentioned as a reason in Wave I.

* at the 95% level of confidence

LIKES ABOUT ZACK
(Selected Mentions)

(Base: Triers)	Total Triers			Non-Menthol Triers			Menthol Triers		
	Wave I	Wave II	Combined	Wave I	Wave II	Combined	Wave I	Wave II	Combined
	(80) %	(79) %	(159) %	(58) %	(42)* %	(100) %	(22)* %	(37)* %	(59) %
Liked Something (Net)	73	62	67	76	57	68	64	68	66
Product Attribute (Net)	58	56	57	60	52	57	50	60	56
Taste (Sub-net)	50	52	51	52	48	50	46	57	53
Mild/not strong	18	24	21	14	31	21	27	16	20
Not harsh/smooth	6	13	9	5	12	8	9	14	12
Good/better taste	-	8	4	-	-	-	-	16	10
Tastes alright/not bad	1	6	4	2	7	4	-	5	3
Menthol/menthol taste	-	5	3	-	-	-	-	11	7
Smooth taste	4	3	3	5	2	4	-	3	2
Didn't burn mouth/throat	3	3	3	2	2	2	5	3	3
No after taste	-	3	1	-	5	2	-	-	-
Strong	3	1	2	3	2	3	-	-	-
Flavor similar to Marlboro/Winston	5	1	3	7	2	5	-	-	-
Different taste	-	1	1	-	-	-	-	3	2
Low in tar/nicotine	4	5	4	5	7	6	-	3	2
Not a menthol	1	2	2	2	2	2	-	3	2
Package (Net)	19	9	14	19	10	15	18	8	12
Packaging	9	6	8	7	7	7	14	5	8
Blue jean/denim pack	10	3	6	12	3	8	5	3	3
Liked Nothing	21	34	27	17	41	27	32	27	29
Don't Know	6	4	5	7	2	5	5	5	5

* Caution: Small Base

65914216

Dislikes About Zack
(Selected Mentions)

	Total Triers			Non-Menthol Triers			Menthol Triers		
	Wave I	Wave II	Combined	Wave I	Wave II	Combined	Wave I	Wave II	Combined
	(80) %	(79) %	(159) %	(58) %	(42)* %	(100) %	(22)* %	(37)* %	(59) %
(Base: Triers)									
<u>Disliked Something</u>	<u>61</u>	<u>57</u>	<u>59</u>	<u>55</u>	<u>62</u>	<u>58</u>	<u>77</u>	<u>51</u>	<u>61</u>
<u>Product Attribute (Net)</u>	<u>51</u>	<u>46</u>	<u>48</u>	<u>43</u>	<u>50</u>	<u>46</u>	<u>73</u>	<u>41</u>	<u>53</u>
<u>Taste (Sub-net)</u>	<u>45</u>	<u>39</u>	<u>42</u>	<u>40</u>	<u>38</u>	<u>39</u>	<u>59</u>	<u>41</u>	<u>47</u>
Strong taste/too strong	10	10	10	10	14	12	9	5	7
Too Mild/not enough flavor	13	9	11	12	10	11	14	8	10
It's a menthol/menthol taste	5	5	5	-	-	-	18	11	14
Taste/Didn't like the taste	5	3	4	5	2	4	5	3	3
Harsh taste	4	3	3	5	2	4	-	3	2
Menthol not strong enough	3	3	3	2	-	1	5	5	5
Sweet taste/sweet	-	1	1	-	-	-	-	3	2
Burns throat	3	1	2	2	-	1	5	3	3
Dry taste	3	1	2	3	2	3	-	-	-
Stale taste	-	1	1	-	2	1	-	-	-
Not menthol	1	5	3	2	10	5	-	-	-
Too high in tar & nicotine	-	4	2	-	5	2	-	3	2
Pack	-	4	2	-	2	1	-	5	3
Prefer own/other brand	8	4	6	9	5	7	5	3	3
<u>Disliked Nothing</u>	<u>36</u>	<u>39</u>	<u>38</u>	<u>41</u>	<u>36</u>	<u>39</u>	<u>23</u>	<u>43</u>	<u>36</u>
<u>Don't Know</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>-</u>	<u>5</u>	<u>3</u>

*Caution: Small Base

09914216

B. Overall Rating

Because of the small number of triers, none of the differences stated in the following section of this analysis are statistically significant but should be viewed as valuable directionally.

1. Overall

Consistant with the likes and dislikes of Zack cigarettes, menthol triers rated Zack somewhat higher than non-menthol triers in Wave II, while the converse is true in Wave I.

While non-menthol Zack was rated somewhat higher among women in Wave I, it was rated directionally higher by men in Wave II.

Menthol Zack was rated somewhat higher among women in both Waves I and II.

2. Non-Menthol Zack

Although there are minor differences in the average rating of non-menthol Zack from Wave I to Wave II none of these differences are statistically significant due to the small bases.

Non-menthol Zack received the highest overall ratings in Wave II among the 18 - 20 year old triers. The average rating among males is somewhat higher than among females.

The overall average rating of Zack in Wave II among triers (and all sub-groups) is considerably lower than that of the smokers regular brand. (4.31 vs 8.08). However, the consumer traditionally rates his own usual brand being superior to others.

91241661

3. Menthol Zack

Similarly to non-menthol Zack, although minor wave to wave differences are reported, none of the differences in the ratings of menthol Zack from Wave I to Wave II are statistically significant due to the small bases.

Menthol Zack received the highest ratings from women, 18-20 year olds and purchasers. The rating of menthol Zack was somewhat higher among those under 30 than those 30 and over. (4.90 vs 3.20)

As with non-menthol Zack, the average rating of menthol Zack is considerably lower than the rating of the smokers regular brand (4.67 vs 8.08). Again, it should be noted that consumers usually rate their own brand higher.

71241662

AVERAGE RATING* OF NON-MENTHOL/MENTHOL ZACK

	Non-Menthol Zack				Menthol Zack				Regular Brand			
	(Base)	WaveI	(Base)	WaveII	(Base)	WaveI	(Base)	WaveII	(Base)	WaveI	(Base)	WaveII
Total triers(Random)	(58)	4.84	(42)	4.31	(22)	4.45	(37)	4.67	(73)	8.41	(66)	8.08
Males (Random)	(32)	4.75	(27)	4.59	(13)	3.85	(18)	4.28	(40)	8.25	(38)	8.16
Females (Random)	(26)	4.96	(15)	3.80	(9)	5.33	(19)	5.06	(33)	8.61	(28)	7.96
18 - 20**	(24)	4.92	(22)	5.73	(12)	5.83	(25)	5.32	(33)	7.94	(36)	7.89
18 - 24**	(55)	4.49	(59)	4.54	(37)	4.14	(44)	4.86	(84)	7.99	(86)	8.19
21 - 24**	(31)	4.16	(37)	3.84	(25)	3.32	(19)	4.22	(17)	8.02	(50)	8.40
25 - 29**	(19)	5.21	(12)	3.92	(9)	4.78	(14)	4.14	(26)	8.38	(24)	8.38
Under 30	(39)	4.77	(28)	4.36	(14)	4.50	(31)	4.90	(47)	8.53	(48)	8.17
30 & Over	(19)	5.00	(14)	4.21	(8)	4.38	(6)	3.20	(26)	8.19	(18)	7.83

CAUTION: ALL BASES ON THIS TABLE ARE SMALL

* Based on a 9 point scale

** The 18 - 29 year age sub groups include random plus boosted interviews

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VIII. PROFILE OF ZACK PURCHASERS/TRIERS

A. Purchasers

Because of the small number of purchasers in this wave, it is impossible to draw a definite picture of the Zack purchasers. Even combining the purchasers from both Wave I & Wave II yields only a base of 47.

However, on the combined data available, the Zack purchaser tends to be a younger (55% under 25 years of age), and regular smokers of menthol (30%) and non-menthol (45%) lo-fi cigarettes, especially Marlboro (23%) and Winston (17%).

B. Triers

Triers tend to be light and medium smokers (42% & 38%), younger (48% under 25 years of age) and regular smokers of lo-fi, non-menthol and menthols (42% & 35%) especially Marlboro (19%) and Winston (15%).

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