

Demonstrative 21: Images and Themes in Salem Marketing

U.S. Exhibit 17,575

Image	Trial Exhibit	Bates Number	Document Title or Topic	Document Date	Quote/Example
	U.S. Ex. 71,114	520371448-1628	Salem Brand Review 20-Year Marketing History	Circa 1976	<p>“1956-1963: Salem enters period of heavy media spending as brand grows. Salem spending dominates Kool spending.” (at 1477)</p> <p>“Reasons for Kool’s Growth: ...18-24 age group growing significantly and dramatically faster than any other age segment.” (at 1503)</p> <p>Another reason: “Growing incidence of smoking among younger smokers (14-17 years)...” (at 1504)</p> <p>“Strong cigarettes (Kool, Marlboro) with independent/macho/contemporary user imagery become admission card to peer group acceptance among young Americans.” (at 1507)</p> <p>Identifies as a problem for Salem “Failure to motivate/attract adequate share of young, urban, male smokers” due to a problematic brand user image. (at 1567)</p> <p>Under “Creative Strategy” “Create a positive/clearly defined brand user image: Masculine, active, contemporary, emulatable.” (at 1580)</p> <p>Reports copy pre-testing results as positive. Includes, “young smokers strongly attracted to models.” (at 1583)</p> <p>Since the introduction of the “Smoking Enjoyment” campaign (circa 1974/1975), “Brand SOM among younger smokers showing increasing strength.” (at 1587)</p> <p>“Research shows advertising campaign effectively correcting previous problems: Brand image more contemporary” (at 1608)</p> <p>“Position Salem: ...As cigarette for contemporary, independent, self-assured smokers, with younger male emphasis (continue to update brand image)” (at 1617)</p>

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	U.S. Ex. 48,727	501156901-6934	Total Salem Brand Marketing Plan	Circa 1976	“The brand’s SOM among 14-17 year old smokers is in excess of 10% and growing rapidly.” (at 6904) “...Salem Brand, as well as the user of the brand, was perceived as being old-fashioned, passive, feminine, and not compelling. Through an emphasis on male models/personalities and by visualizing the Salem smoker as very young, contemporary, active, and appealing, the ‘Enjoyment’ campaign seeks to overcome these negatives.” (at 6906)
	U.S. Ex. 78,790	501162135-2173	Management Summary Salem Cigarettes	Circa 1977	One growing user segment is “younger smoker...” (at 2139) The age breakdown is for 15-34 vs. those 35 and over. Shows that the former group is growing as a percent of the population. (at 2141) Execution of the advertising for 1977-1979 includes: “More ‘real’, masculine, emulatable models.” (at 2157)
	U.S. Ex. 50,420	503704778-4800	Salem Spirit Spring Scene ‘83	December 14, 1982	“Emphasis should be placed on reaching the target smokers in feeder cities during the months [sic] of February.” (at 4783) “Salem Spirit Travel Kits...will be used by [travel] agencies as added incentive to purchase.” (at 4783) The kits will include a t-shirt, towel, playing cards, magazine, etc. (at 4783) Another type of kit will be delivered to vacationers at the destination sites. There will be 300,000 of them distributed. Salem will provide a coupon book, an area map and special Salem Spirit Button Game. (at 4785) Salem will advertise in <i>Spring Spirit Magazine</i> , 250,000 of which will be distributed during spring break. (at 4786)

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	U.S. Ex. 50,415	503588196-8201 Also: Exhibit 5 from Burrows Deposition	Salem Spring Resort Awareness / Attitude / Memorability Study	June 28, 1983	<p>“The Spring Resort Program provided Salem an opportunity to reach over 1.0mm [a million] target young adults (18-24) concentrated in a minimal number of markets...it was possible that Salem reached these target consumers three to four times per day through retail promotions, sampling, imagery enhancement activities, special media publications, concerts and free premium items.” (at 8198)</p> <p>Notice that those reached were not restricted to current smokers. (at 8198)</p>
	U.S. Ex. 68,553	517000411-0493	Salem Female Innovations Advertising Communication Test I Final Report	April 1996	<p>“Key image attributes: (i.e., male/female/21-34 users, for 90’s/for today/modern/up-to-date, innovative).” (at 0414)</p> <p>“Proposition communication attributes: (i.e., daring, savvy, innovative, interesting/exciting, new/different).” (at 0414)</p> <p>Ads evaluated: <i>Innovation</i> and <i>Portrait</i>. Adjectives on which they were evaluated included: daring, savvy, and exciting. (at 0421)</p>

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	U.S. Ex. 68,552	516937537-7833	Salem Ad Test Salem Innovations vs. MVP	October 24, 1996	<p>Two distinctive positionings and corresponding advertising campaigns have been developed to revitalize the Salem brand: "Salem Innovations repositions Salem as a company/brand that cares about its smokers and their concerns." (at 7539) This is primarily developed for 25-34 menthol smokers. Previous research indicated that the campaign communicated this proposition to 21-34 year olds in a persuasive manner. (at 7539)</p> <p>"MVP (Motivating Values Positioning) repositions Salem as the owner of the primary menthol attributes and benefits of cool and fresh by providing the first translation of these key menthol product attributes into relevant and compelling imagery among 21-24 year old smokers. --Exclusively developed for 21-24 competitive smokers." (at 7539)</p> <p>They have done a lot of qualitative, but not any quantitative testing of this campaign. Each campaign had six executions. Innovations had the "...Up Close' campaign, consisting of 2-page spreads entitled: 1-800 # Team, Smoking Lounges, Town Hall, Slide Box, Gold, and Flavors." (at 7540)</p> <p>MVP had the "...Green campaign, consisting of 4-page inserts entitled: Ace, Lava Lamp, Alien, Tattoo, Medusa, and Manhattan." (at 7540)</p> <p>500 competitive smokers per cell, 50% aged 21 to 24 and 50% aged 25-34, half male, 30% African American, 50% Newport smokers. Also, 250 franchise smokers per cell. (at 7542)</p>

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Image	Trial Exhibit	Bates Number	Document Title or Topic	Document Date	Quote/Example
	U.S. Ex. 68,552	516937537-7833 (continued)	Salem Ad Test Salem Innovations vs. MVP	October 24, 1996	<p>Under Summary and Conclusions: Motivating Values Positioning has advantages over Salem Innovations. It is more engaging and more apt to be perceived as geared toward the key 21-29 year old smoker. (at 7566). Ratings were obtained on cool/hip. The image of the Salem Brand was rated for both ads. Among 21-24 year olds, MVP was better on "Cool, in style, contemporary; different, unique; youthful; bold, free-spirited; wild, crazy, bizarre." (at 7591)</p> <p>Among 21-24 year olds, MVP did better on "In tune with what's happening. Do their own thing. Free spirited and fun" (at 7593)</p> <p>Also did better on fun, hip/cool, imaginative, and humorous. Respondents were much more likely to say that the MVP ads were for younger people. Also asked about lifestyle descriptors, with a number of items involving risk taking and rebelliousness. (at 7610)</p>

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	U.S. Ex. 68,739	519851127-1158	Salem Repositioning	Circa 1997	<p>Describes 21-24 year old Menthol smoker as: "Experiential; Wired for discovery, 'Up' and tuned in; [and] Not afraid to change." (at 1129)</p> <p>"Menthol has an 'attitude': --More 'up' and stimulating; --More experiential; --More sensory/sensational; --Less expected." (at 1130)</p> <p>The prime prospect is 21-24 year old smokers.</p> <p>The repositioning would involve the proposition: "Only Salem is the fresh and unexpected cigarette that redefines the menthol experience for the 21st century." (at 1131)</p> <p>Compares reactions to Salem MVP: Green with Winston ads. MVP Green outperformed Winston No Bull on attracting attention and entertaining. (at 1132)</p> <p>Describes plans for increased marketing in certain regions.</p>
	U.S. Ex. 71,109	516757556-7557	Salem "Green" Campaign OOH SIFT Test	April 30, 1997	<p>Tested ads that portray Salem as "the 'Unexpected Cool' menthol cigarette that will redefine the menthol experience into the 21st Century for 21-30 year old smokers." (at 7557)</p> <p>Four of the executions were liked more than they were disliked. "Global Cooling" was better by 44 percentage points (i.e., percent liked minus percent disliked.) (at 7557)</p>

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	U.S. Ex. 71,110	516757613-7615	Salem "Green" Campaign Print Advertising SIFT Test	May 30, 1997	"Successful print ads will portray Salem as the 'Unexpected Cool' menthol cigarette that will redefine the menthol experience into the 21st century for 21-30 year old smokers." (at 7614) "'Tattoo' outperformed all other executions in terms of net likability (among trendsetters, 21-24 year olds, and females), all five brand/user perceptions, interest in Salem, ADSAM emotional responses, and talk value." (at 7614)
	U.S. Ex. 89,197	516848240-8252	Summary of Advertising Research Results	July 2, 1997	Gives adjective ratings for Salem ads. Ads are listed in the table. MVP: Green performed better than SI ads on Daring, humorous, fun, hip/cool among 21-24 year olds. (at 8248)
	U.S. Ex. 68,819	520380509-0605	Salem Lead Market Tracking Post Wave I	March 1998	Shows higher rates of trial in past month than the Winston No Bull--though the age group and geographic areas differ. Among 21-29 year olds, the ad campaign increased reports of liking for the advertising, 'cool/up-to-date,' and 'imaginative/unexpected things'. Survey items in back of document. (at 0584-0605)
	U.S. Ex. 68,816	520345993-6072	Salem Tagline and Pack Graphic Study Topline	March 1999	Participants were 21 to 59. Obtained ratings of various taglines and pack characteristics. Attributes included "Has a cool, up-to-date feeling" "gives you a strong sense of adventure," "Has an exiting [sic], energetic feeling." (at 6021) The newer pack design scored significantly higher than the old one on: "modern/up-to-date; unique looking; bold; proud to carry; high quality looking, and masculine looking." (at 6031)

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	U.S. Ex. 58,932	LB0068733-8759	Topline of Salem Focus Groups in New York	April 30, 1999	Report of focus groups done in New York City among YAMS 21-29, the majority of whom were 24+. “While respondents seemed to understand that this was something different from Salem, the campaign did not resonate with any of the groups and was seen as ‘trying too hard,’ ‘over the top,’ and for adult smokers ‘younger than themselves.’” (at 8733)
	U.S. Ex. 68,911	526173154-3206	Quantitative Research among Current Salem Female Smokers	October 1999	“The new brand proposition has a young appeal and it will target mainly the YAS segment of the market comprised of menthol smokers between 18 to 24.” (at 3156) Studied women who smoked Salem and were over 35. Found that the planned campaign and pack design would not offend them. (at 3156)
	U.S. Ex. 68,913	526173243-3271	In-Depth Interviews Among Salem Smokers in Puerto Rico	October 1999	Three focus groups with 8 to 10 respondents, 35 + years of age. Designed to see how resistant they would be to changes in the brand packaging and positioning. They seemed to be accepting of the need for change. Examined whether the new Salem proposition would have a negative impact on this population. Concluded that it will not have a negative effect. "...it is not surprising that this target do [sic] not always 'get' the campaign given that it was developed for a much younger target." (at 3251) “The advertising is appealing and attention getting; albeit for young (adult) people.” (at 3252) Respondents viewed Newport as the smoke of younger people--late teens to early 20's. (at 3257)