

## THE GUILDFORD DOCUMENTS – EXCERPTS

One of the requirements of a 1998 Minnesota settlement was that British-American Tobacco Co. Ltd. (BAT), the parent company of Brown & Williamson in the United States, maintain a depository of over 6,000,000 pages of its corporate documents. This depository is located in Guildford, which is 40 kilometres outside of London, England. Since BAT is the parent company of Imperial Tobacco Ltd. (ITL) in Canada, these documents are of significant interest to Canadians.

In May 1999, a team from Health Canada visited the Guildford depository to search for documents relating to Imperial Tobacco, as well as to BAT's leadership and direction of ITL. That effort uncovered documents relating to research projects, marketing, advertising, sponsorship, and other topics of significant interest.

These excerpts represent a small portion of the documents located at Guildford.

The excerpts refer to both British-American Tobacco Company Ltd. (BAT), a British multinational tobacco company and to Imperial Tobacco Ltd. (ITL) a Canadian company owned by BAT.

The excerpts are presented verbatim and in English only, as all the documents retrieved by Health Canada officials are in English.



## EXTRAITS DES DOCUMENTS GUILDFORD

Conformément à l'une des exigences du règlement du Minnesota, la British-American Tobacco Co. Ltd (BAT), la compagnie mère de Brown & Williamson aux États-Unis, doit conserver dans un dépôt plus de six millions de pages composant les documents de la société. Ce dépôt est situé à Guildford, à 40 kilomètres de Londres. Étant donné que la BAT est la compagnie mère de Imperial Tobacco Ltd. (ITL) au Canada, ces documents sont d'un grand intérêt pour les Canadiens.

En mai 1999, une équipe de Santé Canada s'est rendue au dépôt de Guildford dans le but de consulter des documents ayant trait à Imperial Tobacco et concernant le leadership de BAT ainsi que l'orientation de ITL. Ces travaux ont permis de découvrir certains documents portant sur des projets de recherche, le marketing, la publicité, le parrainage et d'autres sujets très intéressants.

Les extraits représente d'un petit nombre de documents trouvés à Guildford.

Les documents traités dans ce rapport se rapportent à Imperial Tobacco Ltée (ITL), une entreprise canadienne, et à British American Tobacco (BAT), une entreprise multinationale britannique à laquelle ITL est étroitement associée.

Les extraits sont textuels et en anglais uniquement; tous les documents dont ont obtenu copie les représentants de Santé Canada sont en version originale anglaise.



# THE GUILDFORD DOCUMENTS – EXCERPTS

## Table of Contents

	Page
About British-American Tobacco (BAT) . . . . .	1
Document Security Classification . . . . .	2
Youth . . . . .	5
Concerned Smokers & Quitters . . . . .	10
Brand Switching vs. Increasing Total Market Size . . . . .	11
Advertising Bans . . . . .	12
Legal and voluntary provisions . . . . .	15
Sponsorship . . . . .	16
Packaging . . . . .	20
Public Relations . . . . .	21
Lobbying & Government Relations . . . . .	23
Alliances with Other Groups . . . . .	25
Smoker Compensation . . . . .	26
Addiction and Role of Nicotine . . . . .	28
Innovative Products . . . . .	35
ETS and Low Sidestream Products . . . . .	37
‘Safer’ Products . . . . .	38
Marketing to Consumers . . . . .	42
Smuggling . . . . .	44

# EXTRAITS DES DOCUMENTS GUILDFORD

## Table des matières

	Page
Au sujet de la British-American Tobacco (BAT) . . . . .	1
Classification de sécurité des documents . . . . .	2
Jeunes . . . . .	5
Fumeurs et ex-fumeurs conscientisés . . . . .	10
Changer de marque et augmenter la taille du marché total . . . . .	11
Publicité interdite . . . . .	12
Dispositions légales et volontaires . . . . .	15
Parrainage . . . . .	16
Empaquetage . . . . .	20
Relations publiques . . . . .	21
Lobbyisme et relations gouvernementales . . . . .	23
Alliances avec d'autres groupes . . . . .	25
Compensation chez les fumeurs . . . . .	26
Accoutumance et rôle de la nicotine . . . . .	28
Produits innovateurs . . . . .	35
Fumée de tabac ambiante et produits produisant peu de fumée secondaire . . . . .	37
Produits «plus sûrs » . . . . .	38
Marketing auprès des consommateurs . . . . .	42
Contrebande . . . . .	44

**ABOUT BRITISH-AMERICAN TOBACCO (BAT)**  
**AU SUJET DE LA BRITISH-AMERICAN TOBACCO (BAT)**

1990

**“BAT INDUSTRIES**

- The UK’s fifth largest company listed on the Stock Exchange
- Employs over 14,000 people in the UK
- Worldwide BAT employs approximately 234,000 people ...

**BAT INDUSTRIES**

**Tobacco**

- world’s most international cigarette manufacturer
- factories in over 50 countries
- cigarettes sold in over 160 markets ...

**GROUP OPERATING COMPANIES**

- Brown & Williamson
  - Third largest tobacco company in USA
- Souza Cruz
  - Responsible for Group’s Brazilian interests and has 80% of the domestic market
- BAT Cigarettenfabriken
  - Germany’s third largest cigarette manufacturer
- Imperial Tobacco
  - Canada’s largest tobacco company and part of IMASCO ...

**BRITISH-AMERICAN TOBACCO Co LTD**

- Manages all of the groups tobacco interests outside of North America, Brazil and Germany
- Has more than 80 factories in over 40 countries
- Has leading brand in more than 30 countries and employs 36,500 people worldwide ...

BAT Industries 1990 Sales	-	553 billion cigarettes
BATCO’s share	-	nearly 270 billion cigarettes
Total world market	-	5,370 billion cigarettes”

(“The World of British-American Tobacco Company Limited,” presentation given by D. Bacon, BAT)

**DOCUMENT SECURITY CLASSIFICATION  
CLASSIFICATION DE SÉCURITÉ DES DOCUMENTS**

**BAT Security Classification:**

“All Reports are confidential to BAT and many do not need a security classification. Where Reports are judged to require a classification, various suffixes are added to the Report number. The main security classification is in line with the BAT standard:

SECRET - can only be seen by the person to whom it is addressed - rarely used on Reports.

RESTRICTED - recipients may disseminate the contents only to others having an identified 'need-to-know' interest in the content.”

(“Procedures for Writing Research Project & Technical Reports,” BAT Policy)

**BAT Guidelines Concerning Documents:**

“GUIDELINES FOR PREVENTING DOCUMENTS  
FROM BEING TAKEN OUT OF CONTEXT AND MISCONSTRUED

A. Think before writing because every document is fair game

B. Be precise

C. Confine remarks to areas within your expertise

D. Refrain from using inflammatory rhetoric or making ‘flip’ remarks”

(“Guidelines for Preventing Documents from Being Taken out of Context and Misconstrued,” BAT Policy)

**BAT’s 1975 Policy Statement and Contracts: Legal Issues**

1975 “Existing Policy Statements  
Legal Privilege 1975  
Use of Legal Department for consideration of highly sensitive business e.g. pricing, contract breach, product liability, non contractual inducements, in order to claim legal privilege and prevent the disclosure of documents which might otherwise be used against the company in court proceedings.”

(“Policy Statements and Contracts: Legal Issues,” BAT Policy)

**BAT’s Information Access Concerns:**

1980 "We are likely to have to do our own research particularly into such matters as passive smoking. We may find it suitable to do this within our own facilities or to sponsor either directly or indirectly such research. It is recognised that there is a risk in that certain information is always left to the discovery of third parties. The industry itself could be embarrassed by it being the originator or possessor of certain information however apparently innocent or positive."

(“Some Thoughts on Countermeasures”)



- 1982 “Dr. Paul Lewis of GR&DC has spoken recently with Mr Diesing about two issues associated with B&W using INTERBAT on the Cyber computer at Southampton.
- The handling of any sensitive information which could be subpoenaed by the courts if general access were available to it in B&W. ... If there are documents on INTERBAT to which B&W do not wish to have access under any circumstances then access can remain 'off', using the security mechanisms already available in INTERBAT.”
- (Letter from L.C.F. Blackman, BAT, to J. Kendrick Wells III, Corporate Counsel, Brown & Williamson Tobacco Corporation, July 9, 1982)

### **C.T.M.C. Funding of contract researchers**

- 1982 “One of the advantages of carrying out contract research is that any ethical problems become those of the University/Hospital rather than of the funding organisation. In the present case this is particularly important since children are to be studied, and their smoking/non-smoking habits determined. The acceptance of the proposals by the Ottawa School Board and by the Royal Ottawa Hospital is important. The former have already agreed to them - the latter are expected to (and must do so before the project can continue).
- Within these provisos, and providing the C.T.M.C. fund the Royal Ottawa Hospital (rather than Knott directly) the project should be as well isolated from the tobacco industry as can be reasonably expected. Any project supported by the Tobacco Industry is potentially open to attack by anti-smoking fundamentalists: however, the agreements noted above should be sufficient for the rationally-minded.”
- (“Visit to Dr. V. Knott, Royal Ottawa Hospital,” by R.E. Thornton, BAT)

### **Disposition of research files:**

- 1986 “Mr. Bruell drew attention to the high cost (£ .5m) of an exercise which they had been advised was necessary to eliminate material from existing research files which might be detrimental to the Group if it was required to be produced in an American court.”
- (Draft minutes of the Tobacco Strategy Review Team meeting on October 22, 1986)

### **Review of research & development files:**

- 1987 “As you are aware the company’s lawyers have undertaken a review of all research and development files held both here in Millbank and the Research Centre in Southampton. ... The fact that the company’s lawyers have reviewed our files is confidential. Furthermore, the results of the exercise will be protected from disclosure to third parties by legal professional privilege. It is important that the confidentiality and legal privilege should not be prejudiced by inadvertent disclosure to third parties. To this end, please do not refer to the exercise in any documents written or produced by you.”
- (“Document Review,” by A.L. Heard, BAT, November 3, 1987)

### **Access to research data:**

1988            “Should we pass on data to other companies on a wholesale basis, we may run into trouble should the company be involved in litigation. Imperial’s involvement in court proceedings would immediately implicate us, should the lawyers discover that computer tapes had been received. At present, where only access to our computer is concerned, we at least have the option to refuse them access (as happened with B&W at one time).”

                  (“Database access – Canada,” Memo from V.J. Rice to Dr. R.R. Baker, September 1, 1988)

### **Measurement techniques:**

1987            “Consequently BATCo should aim to publicise its technique for measuring sidestream smoke emission from cigarettes since currently there is no industry standard method. This method had now been formally written up in readiness for presentation externally. However, ITL Canada have raised important doubts on the merit of taking this initiative. Health and Welfare in Canada have previously sought sidestream data on brands for the purpose of (erroneously) extrapolating to environmental issues. The lack of a standard method was a convenient delaying tactic.”

                  (“Sidestream Smoke Measurement,” by A.L.Heard, BAT, September 7, 1987)

## **YOUTH JEUNES**

### **Advertising and promoting products:**

- 1992            “The tobacco industry does not advertise and promote products to children. The industry regard smoking as an adult custom, not something youth should do, and aims its advertising at adult smokers, not children. This is reflected in the fact that advertisements use adult models and appear in media targeted at adults.”  
(“Tobacco and Advertising: Does the Tobacco Industry Target Youth in its Advertising?,” position paper)

### **Research on young smokers aged 15-19:**

- 1979    “Plus/Minus  
Project Plus/Minus delves into the areas of our market which we cannot predict accurately. The specific area of interest is young smokers between the ages of 15 and 19. Among the things that we do not have, besides quantitative incidence and branded information, are the causal factors that create these responses. In 1978, exploratory research was done on this issue. Subsequent to this study, switching data shows that the young are following their elders with regards to starting on lower tar products. As the youth stream from the baby boom diminishes and market potential matures, we should better understand what their smoking and quitting behaviors are today. Have these attitudes and behaviors changed in the past three to four years? Are we responding to their needs? How do they perceive current advertising trends? The purpose of project Plus/Minus is to update our portraits of starters and quitters, explore starters' smoking history, attitudes and behaviors, explore causal factors leading to quitting and ultimately provide better predictors. A two-pronged approach will be taken on this project, one involving quantitative desk research on starters and quitters among the young as well as qualitative work on the youth, both smokers and non-smokers.”  
(“INNOVATION” Page 30, part of an unidentified larger document)

### **Contract Research**

- 1982            “Dr. Knott’s most recent proposals for a five year longitudinal study (1982-86) have already been discussed extensively at C.T.M.C. and in GR&DC. The U.S. companies in C.T.M.C. have decided not to support the new proposals, which is essentially an EEG assessment of children (age 11) and the relation of these measurements to subsequent smoking habits. However, I.T.P. and Rothmans (largely as a result of a visit by P.W. Brown) are, in principle, in favour of support.”  
(Visit Report dated July 14, 1982, Visit to Dr. V. Knott, Royal Ottawa Hospital)

### **Proposed research studies**

“Since younger smokers represent the recruitment market, and female smokers are clearly a growth segment, in-depth motivational studies of both groups are strongly indicated.”

(untitled document, Wills Market Research, p. 102699796)

## Product Image:

1984 “We must find a way to appeal to the young, who want to protest so that the product image, and the product will satisfy this part of the market. The Cigar and Pipe market has an 'old' image. Cigarettes will follow as something 'My father and Grandfather did' unless we are careful.”

(“Paper 2: David Creighton - Structured Creativity Group Presentation”)

## Potential areas of investigation/activity

1984 “POTENTIAL AREAS OF INVESTIGATION/ACTIVITY

<u>GROUP</u>	<u>"OBJECTIVES" ...</u>
4. Existing Canadian smokers	- Expand industry volume via maximization of <u>usage</u>
5. Starters/potential starters	- Expand industry volume via maximization of <u>starting - relevant products</u>
6. Starters/potential starters	- Expand industry volume via maximization of <u>starting - attitude change</u>
7. "Quitters"/potential "quitters"	- Expand industry volume via minimization of quitting - <u>relevant products</u>
8. "Quitters"/potential "quitters"	- Expand industry volume via minimization of quitting - <u>attitude change</u>
9. Confirmed quitters	- Capitalize on unfulfilled needs via <u>tobacco</u> products.
10. Confirmed quitters	- Capitalize on unfulfilled needs via <u>non-tobacco</u> products”

(“Potential Areas of Investigation/Activity,” October 1, 1984)

## Basic consumer segmentation:

1985 “BRAND CONCEPTS AND IMAGE DESIGN  
BASIC CONSUMER SEGMENTATION  
CURRENT SMOKERS  
STARTERS  
TEMPORARY QUITTERS  
'CONFIRMED' EX-SMOKERS  
NON-SMOKERS”

(“Brand Concepts and Image Design: The General Law of Cigarette Marketing”)

## Specific issues on why people start to smoke:

1985 “Specific Issues  
Why do people start to smoke?  
1. Peer group modelling  
2. Critical period hypothesis  
3. Stress/coping incidence  
4. Personality/arousal model (extraversion)  
5. Telic/paratelic behaviour model.”

(Letter from Mr. R.P. Ferris, BAT, to Mr. W. Knox, Imperial Tobacco, March 7, 1985)

## Youth market:

- 1985 “Finally, the objectives of the study evolved to:
1. Identifying the perceptual dimensions elicited by various pictorial stimuli depicting:
    - current Player’s, du Maurier and Export ‘A’ advertising themes;
    - other values that may be operating in the young market.
  2. Exploring recent changes in salient values in the young market.
  3. Understanding precisely what is being communicated by the Player’s and du Maurier advertising.”
- (“Projects Stereo/Phoenix - Final Report”)
- 1985 “In total, 103 interviews were conducted with a sample of young respondents selected so as to represent as accurately as possible the sex/age, regional, and the brand composition of Player’s and du Maurier. Interviews were conducted in Toronto, Calgary and Halifax among English-speaking consumers.”
- (“Projects Stereo/Phoenix - Final Report”)
- 1985 “Considering the age range of the consumers studied here, it is not surprising that accomplishment is an important concern to them. At this age (under 25) many people are still struggling with the long-term rewards of success versus the short-term attraction of freedom from commitment and responsibility.”
- (“Projects Stereo/Phoenix - Final Report”)
- 1985 “As mentioned earlier, the young age of the subjects has a lot to do with what they see. Their view of the world directs our attention to this re-emerging emphasis on affection without the fear of being hurt. on sharing as a means to fighting failure, and on helping each other as a vehicle for interaction. Advertisers should be mindful of this concern of young people; it gives them considerable creative latitude if they wish to penetrate the younger generation’s realm of concerns”
- (“Projects Stereo/Phoenix - Final Report”)
- 1985 “Comparative Analysis  
As can be seen in Figure 5, the common ground shared by Export ‘A’ and Player’s Filter is lone masculinity in the context of outdoor, physical activity. However, Export ‘A’ is a lot more extreme in its perceptions than Player’s Filter. Export ‘A’ pulls toward loneliness, ruggedness, and working class. By comparison, Player’s Filter presents a considerably softer masculine image. ...  
Although both images serve real needs of the young market, Player’s Filter is more adult alternative than Export ‘A’ in that the latter cannot yet deal with women while the former 'can get along with women' and is 'okay to show feelings.’”
- (“Projects Stereo/Phoenix - Final Report”)

## Young male market:

- 1989 “The Player’s brands are experiencing problems among the key target group of Males < 25. Player’s Light’s national share among young males is around 19% in 1988 which is down from a peak of 23% in 1983.”
- (“Marketing Strategic and Development Plans 1989”)

## Research of past experience on smoking:

1989

### "PAST EXPERIENCE"

Experimental Phase - 9-12 years old

- Why - curiosity - wanted to see what it was like
- Family - parents/grand-parents/aunts and uncles
- Social acceptance
  - avoid threats
  - join crowd (avoid rejection)
- Revolt against authority (be bad) - parents, nuns, etc.
- Reaction - sick
  - don't know how to smoke
  - inhale
  - cram smoke
  - get caught - punished
  - usually swear off 'ever' smoking, lasts until next phase ...

### PAST EXPERIENCE

Adoption Phase - 14-16 years old - high school (formative years)

- Why - Role models
    - Peers, some parents, idols
    - Very strong psychological identification even 20-30 years later
  - Fear of rejection
    - want to be like...
    - when succeed very strongly internalized
  - Revolt
    - no longer want to be a 'goody-goody'
  - Right of passage
    - become an adult (usually start drinking at same time)
  - Reaction
    - Have negative physiological reaction but can control it (success)
    - Initiated into group (now highly valued)
    - Experiment with brands/strength until find one that suits/can handle
    - Increase consumption
    - Habituate (1-2/hour)
      - Taste
      - Strength
      - Physical Characteristics (length, etc.)
    - Adopt Brand
      - Tend to stay with it
      - Becomes one's 'neutral point'
- (“Product Development Specialists Meeting, Book III - Innovation”)

## New smokers:

1989

“I.T.L. has always focused its efforts on new smokers believing that early perceptions tend to stay with them throughout their lives. I.T.L. clearly dominates the young adult market today and stands to prosper as these smokers age and as it maintains its highly favorable youthful preference.”

(untitled slide presentation on the Canadian tobacco industry, p. 201825039)

## Marketing plans:

- 1989 "MARKETING PLANS Player's Trademark Positioning Objective
- Establish image as a popular, *full-flavoured masculine* trademark for *young people*"  
(“Player's 1990 Marketing Plans,” slide presentation, italics in the original)
- 1989 "MARKETING PLANS - Player's Strategies  
Product ...
- Product characteristics must be within the mainstream of young consumer tastes and preferences”  
(“Player's 1990 Marketing Plans,” slide presentation)
- 1989 "PROJECT SPUR - PHASE II Player's Objectives
- Unification of Player's Trademark
  - To remain competitive on key dimensions: youthfulness, modernity, masculinity, strength”  
(“Player's 1990 Marketing Plans,” slide presentation)
- 1989 "PROJECT TRIDENT Objective
- To develop a new Player's entry positioned at a level of strength between Player's Light and Extra Light"
- Target Market  
Primary  
Male smokers 18-25 currently smoking Player's Light with a propensity to switch to a milder option
- Secondary  
Male smokers 18-25 currently smoking du Maurier, Export Medium, Player's Medium, Export Light”  
(“Player's 1990 Marketing Plans,” slide presentation)

## Lights smoker profile:

- 1990 "Lights Smoker Profile
- Young adopters
  - Female with young males trending in
  - Upscale SEC”  
(“Marketing Excellence - Brand Excellence: The Phenomenon of Lights,” slide presentation)

## Under 25-year old smokers:

- 1991 “The under 25-year old smokers continue to show the highest level of potential for ITL activities. The model that sees young customers acquiring their preferences and staying with them as they age is increasingly valid.”  
(untitled document providing an overview of ITL's 1991 strategic issues, p.201824854)

## **CONCERNED SMOKERS & QUITTERS FUMEURS ET EX-FUMEURS CONSCIENTISÉS**

### **Smoking and Health:**

1976 “The second matter which is of particular importance in the monitoring function is the identification of the sorts of people who are most likely to be affected by the various smoking and health pressures. It is these people who should be regarded as the primary targets, and on whom the next stage of research (on brand product development) should be concentrated.”  
 (“Recommended Guidelines of Smoking and Health Research”)

### **Quitting or cutting down smoking:**

1984 “Pre-lights, these concerned consumers had a limited range of options open to them - essentially quit or cut down. By the middle of the decade, the majority of Canadians who smoked were trying or intending to try these alternatives:

	<u>1976</u>
‘Smoking is dangerous for anyone’	67%
- intend to quit	26%
- intend to cut down	33%
- total intend to modify	59%
- tried to quit - past year	41%
- tried to cut down - past year	57%

Fortunately for the tobacco industry, neither of these approaches proved very successful for smokers. In 1976, although 41% had tried to quit and 26% were ready to give it another go, the actual rate of quitting 'within the past 6 months' was fairly stable at a little less than 2%. Fewer than this made it to a year. Despite the vast numbers of smokers trying and intending to cut down, the claimed rate of daily usage rose from 20.5 to 21.1 cigarettes a day (1971-76). Our calculated daily usage rose from 21.1 to 23.8 cigarettes per day (1971-76). Very simply put - people who were smokers increasingly wished that they weren't, in the face of mounting information on smoking and health - but could not find a means of dealing with their concern.”

(“New Brand Development - ‘Post Lights’,” R&D/Marketing Conference)

### **Quitter and re-starters:**

1985 “Why quit?  
1. ‘Benefits’ segmentation (incorporating salience)  
2. Life style (Health) segmentation (cog diss modelling)  
3. Polydrug hypothesis : shifts in balance of use of coping substances (see GR&DC stress/coping study).

#### Why re-start?

1. In-depth studies of withdrawal effects - self report, physiological and performance measures in experiments using manipulated stress levels.
2. Comparison of polydrug adjustments of successful and unsuccessful quitters, and personality and social variables.
3. Comparative study of ‘consonant’ (by brand or tar band) and disparate re-starters.”

(Letter from Mr. R.P. Ferris, BAT, to Mr. W. Knox, Imperial Tobacco, dated March 7, 1985)



**BRAND SWITCHING VS. INCREASING TOTAL MARKET SIZE  
CHANGEMENT DE MARQUE ET AUGMENTATION LA PART DU MARCHÉ TOTAL**

**Tobacco advertising:**

1992            “The purpose of tobacco advertising is to promote brand awareness and thus to encourage brand loyalty or, alternatively, brand switching among adult smokers.”  
 (“Tobacco and Advertising: Does Cigarette Advertising Cause People to Start Smoking? If not, Why Advertise?”)

**Advertising and cigarette consumption:**

1981            “The industry will be criticised increasingly for spending substantial sums on advertising which will be seen as encouraging the smoking habit. Nevertheless, there will be no valid evidence in the developed world that brand advertising increases total consumption. In developing countries, research will not show identical results. Evidence that advertising restrictions in developed countries do nothing to reduce cigarette consumption will not dissuade authorities from continuing to restrict or ban cigarette advertising.”  
(“1981 B.A.T. Board Strategies - Smoking Issues”)

**Restricted commercial environment:**

1984            “A more restricted commercial environment has crippled the cigarette industry’s ability, through the use of traditional and more effective communication vehicles, to increase overall volume by inducing more consumption, or taking volume away from competitors by increasing share of market.”  
(“A Structured Creativity Group,” presentation by J.M. Wurmser)

**Tobacco industry:**

1985            “1.    A projection of current trends and a continuation of current policies by I.T.L., the industry and various anti-smoking forces may, in the short-term, severely jeopardize our profit-making potential and, in the long-term, (30-50 years), virtually wipe us off the map.  
       2.    Although we have historically done things which have had an influence on the size of the total industry, these efforts have not been co-ordinated, planned and fully integrated into our ‘normal’ activities.”  
(“PROBLEM,” untitled Imperial Tobacco presentation)

**Brands and the decision to smoke or not:**

1987            “One final aspect which should be remembered is that smokers buy brands not products only, which is also a key issue on their decision to smoke or not.”  
(“Reynolds Smokeless Cigarette,” Note from P.M. Bingham to A.L. Heard)

## ADVERTISING BANS PUBLICITÉ INTERDITE

### Advertising bans and the decision to start or stop smoking:

- 1992            “Tobacco product advertising does not make people start smoking. Banning tobacco product advertising would not make people stop smoking.”  
 (“Tobacco and Advertising: Do Advertising Bans or Restrictions Reduce the number of People, particularly Children, who start to smoke?”)

### Updating modes of communication:

- 1979            “In preparing for the longer term future of communication to the consumer, companies must continuously up-date their predictions of the modes of communication which will become unavailable and the timing. In order to do this effectively, it is necessary to be aware of all those factors which are likely to create bans in a given country and those which may inhibit their introduction.... Following careful assessment of the situation, the importance of bringing plans to fruition and initiating action well before bans or severe restrictions are imposed is absolutely vital. This is the most important single lesson to be learnt from those markets which are suffering now from complete or virtual complete bans on all communication to consumers.”  
 (“Guidelines on Communications Restrictions and new Opportunities in Marketing”)
- 1984            “Advertising restrictions will not, in themselves, affect the total market, but will inhibit new brand activity at a company level, calling for ever more ingenious methods of communication. I support this statement with the survey on advertising restrictions which demonstrates increasing sales in total ban situations.”  
 (“Marketing/R&D Liaison: Structured Creativity,” by G.O. Brooks)
- 1984            “Creativity and innovation in communicating product benefits and building or sustaining brand imagery within restricted advertising environments represents one of the biggest challenges that the cigarette industry is facing, and an opportunity henceforth. Manufacturers’ ability to anticipate and properly deal with government’s initiatives to introduce or expand on restrictions continues to be an opportunity area for downplaying the final impact of those measures when finally put into effect.”  
 (“A Structured Creativity Group,” presentation by J.M. Wurmsler)
- 1985            “The current day market scenario suggests that increasingly the tobacco industry will be faced with restrictions on advertising. Traditionally, the industry has been allowed the luxury of building brand imagery around the product through the use of the media. In a few markets e.g. Finland and Singapore, this luxury has been completely withdrawn and in many others the routes of communication with the consumer are being gradually eroded. The outcome of this trend, as far as the tobacco industry is concerned, must be to develop new techniques that will allow us to communicate with the consumer using hitherto unforeseen means. In many cases this will involve mute marketing.  
 In the context of advertising ban markets the cigarette pack itself assumes great importance. This is because it is likely to be the last means of communicating with the consumer. Consequently techniques need to be developed in order to ensure that the pack design is used in the most effective way to communicate with the consumer. There are two elements to pack design and they are:  
 a)            the brand imagery it conveys; and

b) its visual impact.”

(“Product Technology - Brand Development Course”)

1991

“‘How do you sell cigarettes in a country where no advertising is permitted?’.

The marketing of all ... products has four basic elements - Product, Place, Price and Promotion. If you remove any one of these, the other three become more significant. So in a market where no Promotion of cigarettes is allowed, you could expect to see the following:

Product - innovation becomes the key. A truly 'new' cigarette which offers the consumer something different.... Also expect to see different pack sizes and shapes - with no advertising allowed, the pack itself must create and maintain brand image.

Place - more efficient use of the trade, and in-store communication, ie permanent merchandising material and point of sale temporary material (eg stickers). The aim is to create a better impact - to let the retail environment communicate the values of the product more effectively. More efficient use of the company's sales force.

Price - In some countries (eg France) prices are fixed by law. In all countries with ad bans however, you can expect to see more price competition coming in - more low-price brands entering the market in the longer term.”

(“Marketing of Cigarettes in Countries with Total Ad Bans,” by G. Pedlow)

### **Restrictions which would eliminate traditional means of expressing lifestyle positioning:**

1986

“PROJECT HARPO WILL LOOK AT WHAT WE NEED TO DO IN AN OVERALL SENSE TO OPERATE IN AN ENVIRONMENT WHERE OUR CURRENT APPROACH TO MARKETING HAS BEEN SEVERELY CURTAILED BY RESTRICTIONS.

As such, HARPO is not a brand/concept development exercise. It is essentially aimed at looking at what we are likely to lose and what we should be doing now, as well as how our activities should be conducted in the future. We are currently faced with a set of Draconian restrictions that would virtually eliminate our traditional means of expressing lifestyle positioning. Although it is uncertain as to the exact extent these measures will be adopted, we are certainly on course to something different and soon.”

(“Project HARPO,” dated November 25, 1986)

### **Communicating brands or house names, and visual identifiers**

1979

“THE NEED TO SEARCH FOR AND DEVELOP NON-TOBACCO VEHICLES

1. Opportunities should be explored by all companies so as to find non-tobacco products, and other services which can be used to communicate the brand or house name, together with their essential visual identifiers. This is likely to be a long-term and costly operation, but the principal way nevertheless to ensure that cigarette brands can be effectively publicised when all direct forms of communication are denied.

2. This approach has been adopted by Philip Morris and Dunhill, and within the BAT Group very thoroughly by BAT Germany, whose experiences provide comprehensive guiding principles from which all companies can benefit. The most important of these are:-

(i) It is absolutely essential to establish these activities before restrictions and bans

- on cigarette advertising occur.
- (ii) Thorough survey of the legal aspects and commercial practices of the non-tobacco business must be undertaken. As a first step, the registration of the tobacco brand name in the appropriate trade-mark classification of the non-tobacco product must be achieved.
  - (iii) Research to ensure that the cigarette brand target smokers have a favourable attitude and interest in the non-tobacco product must be carried out. Furthermore, the aim should be to choose a product which will actually enhance the tobacco brand image.”
- (“Guidelines on Communication Restrictions and new Opportunities in Marketing”)

### **Beaming TV and radio advertising:**

- 1979            “As advertising bans tend to fall unevenly on countries within regions, companies should explore the opportunities to co-operate one with another by beaming TV and radio advertising, for example, into a 'ban' country. Obviously the political risks of this action must be weighed up and treated with prudence.”
- (“Guidelines on Communication restrictions and new Opportunities in Marketing”)

### **Word-of-mouth advertising:**

- early 1980s    “Project Whisper can be summarised then as research into defining social opinion leaders, the situations in which their activities are most potent, and means of influencing these opinion influencers with appropriate product information or usage habit. Researches of this type might be considered appropriate in some of the B.A.T. territories which are now to some degree quite literally social laboratories within which we can consider the effects of media restriction at various stages of evolution (the U.K. and Finland are good examples).”
- (“Product Communication in the Context of Varying Degrees of Advertising Restriction”)

## LEGAL AND VOLUNTARY PROVISIONS DISPOSITIONS LÉGALES ET VOLONTAIRES

### Adherence to legal and voluntary provisions:

- 1992 “B.A.T. Group companies should ensure that they are familiar with the requirements of applicable laws and voluntary codes signed from time to time between members of industry and relevant governments and shall ensure that regard is had to both legal and voluntary provisions when commissioning advertising.”  
 (“Statement of Business Conduct”)

### Restrictions and compliance:

- 1985 “Restrictions
- You know they exist. Do you want to comply literally?
  - How far can you go?
  - Accept the challenge.
  - But be responsible.”
- (“Marketing/Brand Communications,” presentation)

### Tobacco Industry Voluntary Code:

- 1989 “1988 brought another major challenge with the federal government’s passing of the Tobacco Products Control Act. Since 1971 the industry had been governed by a voluntary code which had eliminated electronic media; limited marketing spending to a gradually decreasing fixed total, and placed tar numbers as well as general health warning on packages and advertising. The new act goes far beyond this. First of all, we have lost what we viewed as a desirable situation in that previously voluntary restrictions are now legislated. There are severe penalties for violations. There is a lot less temptation to stretch the rules. There is a lot less room for negotiation and interpretation.”  
 (no title, slide presentation on Canadian tobacco industry, p. 201825031-2)

### Bill C-51:

- 1989 “In a very real sense the company’s expectations are that C-51 will not end tobacco marketing, but will bring about very major changes in how that exercise is conducted.... Imperial’s extensive sponsorship portfolio is being restaged under new corporate names that will allow them to continue exploiting the huge equity in their investments in this area.”  
 (no title, slide presentation on Canadian Tobacco Industry, p. 201825042-3)

## **SPONSORSHIP PARRAINAGE**

### **Sponsorship opportunities:**

- 1979 “Sponsorships, unlike tactical promotions, offer the opportunity to build on the long term image of the brand, and to enhance the goodwill towards the brand or house along new dimensions. ... Certain areas of opportunity arise from sponsorship which can be of particular value to a company with media bans. These are:
- the sale of items associated with the sponsorship which carry the brand name
  - the possibility of establishing special retail outlets which sell these items
  - the use of pack faces or inserts to publicise the sponsorship activity
  - the publicity given to the brand or house in brochures, hand-bills, TV coverage of events, etc.”
- (“Guidelines on Communication Restrictions and New Opportunities in Marketing”)

### **Fostering “goodwill”:**

- 1979 “The great importance of fostering goodwill should be one of the most important criteria by which all proposed promotions and sponsorships are judged. The co-operation of cultural, arts, educational, social and sports corporate bodies should be explored, and for any given brand a coherent set of activities should be exploited, i.e. those which can be made unique to the brand (for example: the performing arts sponsored by DU MAURIER in Canada).”
- (“Guidelines on Communication Restrictions and New Opportunities in Marketing”)

### **Sponsorship activities:**

- 1981 “We should resist attempts to restrict our right to sponsor sporting, cultural and other events. Beneficiaries of any such sponsorship should be encouraged to help defend the sponsor against any attempt to restrict sponsorship. There is no evidence whatever that sponsorships increase the total consumption of cigarettes. Our reasons for undertaking sponsoring activities are to create company goodwill, endorse brand loyalty and encourage brand switching.”
- (“1981 B.A.T. Board Strategies - Smoking Issues”)
- 1990/91 “To be effective we should be able to verify that any sponsorship/TMD activity is (a) of a quality of execution commensurate with the quality positioning of the brand and (b) relevant to the motives, aspirations and lifestyles of current and target brand users.”
- (slide presentation by B. Bramley, p. 202235518)

### **Sponsorship evaluation criteria:**

#### “SPONSORSHIP EVALUATION CRITERIA:

1. The activity must be capable of mass target audience delivery, ideally through broadcast coverage, but also through editorial coverage and exploitation via PR, advertising, promotion, merchandising, etc.”
- (“SPONSORSHIP,” presentation, p. 303501659-60)

1991 “Well selected and managed sponsorships provide parallel communications vehicles which create excitement around and serve to energize a brand. When used in concert with traditional media advertising and promotions, sponsorships contribute towards a 'big brand' synergy in the minds of consumers. In advertising restricted markets, sponsorships often provide brand communications opportunities which are otherwise not available. As traditional cigarette advertising restrictions continue to increase worldwide, sponsorships and other forms of parallel communications will become more important to successful brand marketing in a growing number of markets. This has been recognized by our competitors as well, as evidenced by the expansion of International brand sponsorship programs and spending.

Well selected sponsorship programs should provide the following:

- Enhancement of brand awareness
- Reinforcement of brand image
- Complement to traditional brand communications
- Free press and broadcast media exposure
- 'Alibi' and co-op advertising opportunities
- Appeal to the brand's target consumer
- Local in-market exploitation opportunities”

(“U.S.I.B. Sponsorships,” dated April 29, 1991)

### **Television coverage:**

1992 “One of the problems of competing in any type of televised motorsport is that you have to be winning to get coverage. This problem is avoided by employing (therefore controlling) the film crew who concentrate coverage on the teams cars, should they not win, the coverage of the team is not effected.

It is proposed a crew is employed not only for the Hong Kong rally but also for the Indonesian, Malaysian, and Thai rally.”

(“555 Sponsorship Motorsport”)

1991 “TV Screening of Motor Sports: Mr. Herter presented a paper summarising the position on possible restrictions on the screening on TV of Motor Sports sponsored by cigarette manufacturers. The current view is that this should continue to be allowed. However, it was noted that the European Commission take a different view. In view of this uncertainty, it would be important to have escape clauses in any contracts, allowing cancellation if a ban is imposed.”

(Minutes of the Tobacco Strategy Review Team meeting on September 6, 1991)

### **Sponsorship Objectives:**

1991 “Sponsorship Objectives

- Corporate Goodwill / Community Relations
- Political Contact / Support
- Employee, Customer, Supplier Relations
- Trademark (Brand) Imagery
- Trademark (Brand) Communications”

(Presentation by D. Brown, Imperial Tobacco, p. 202235156)

## Sponsorship Opportunities:

- 1991 “Sponsorship - Choosing an Event or Activity
- Imagery - Event/Activity Image vs Brand Image (or Target)
  - Event Status
  - Available or create
  - Communications - Attendance  
Broadcast  
Press
  - Cost - The ‘Total’ Cost to achieve Objective
  - Event or Participant
  - Objectivity”
- (Presentation by D. Brown, Imperial Tobacco, p. 202235162)

- 1991 “Sponsorship - Communications
- |       |           |   |                               |
|-------|-----------|---|-------------------------------|
| Event | Audience  | - | On-site Communications, Sales |
|       | Broadcast | - | On-site                       |
|       |           | - | Video                         |
|       |           | - | Audio                         |
|       | Press     | - | Reporting, Editorial          |
- Message
- |  |          |   |                          |
|--|----------|---|--------------------------|
|  | Event    | - | Sales, Commitment        |
|  | Activity | - | Using Image of Activity  |
|  | Image    | - | Reflecting Brand Imagery |
- Media Electronic, Print, Mall  
P.O.S., Promotion”
- (Presentation by D. Brown, Imperial Tobacco, p.202235163)

- 1991 “Sponsorship - Operations
- Sponsor or Promoter
  - Title
  - Own Involvement vs Event Organizer
  - Hospitality - Participants, Corporate, Customer
  - Invitationals
  - Media / Press - On-site  
- Continuity  
- Own or Outside Agency”
- (Presentation by D. Brown, Imperial Tobacco, p. 202235177)

- 1992 “Re: Proposed sponsorship Thailand
- i) It is illegal for us to be involved as a very broad conclusion.
  - ii) We have however ‘used’ a primary sponsor as a cover in the past - but it needs careful handling.”
- (Fax from M. Baker, Singapore Tobacco Company, to A. Fleming, BSB Dorland, cc: S. Osborne, BAT, dated Jan. 15, 1992)

- 1992 “MEDIA OPPORTUNITIES.
- With China being a major market the need to access all media is obviously important where normal tobacco advertising is restricted. The importance therefore of continuing 555 sponsorship in Badminton, which has been sanctioned by the Chinese government may well allow 555 the use of T.V. advertising to promote an event or our involvement with it. We do not have this advantage with other sporting activities.



### PROMOTIONAL AND T.M.D. OPPORTUNITIES

In the past, the main objective of sponsoring an event was T.V. coverage. While the importance of this is in no way diminished, the result was that there was little if any attempt to tie up the sponsorship with the product. With the ever increasing restrictions on the amount of brand identification allowed on T.V. it is necessary to create alternative ways of increasing brand awareness, and to tie in the sponsored activity with the main properties of the brand.”

(“555 Sponsorship Asia - The Way Forward”)

## **PACKAGING EMPAQUETAGE**

### **Conditions of total ban:**

1979           “Under conditions of total ban, pack designs and the brand house and company 'livery' have enormous importance in reminding and reassuring the smokers. Therefore the most effective symbols, designs, colour schemes, graphics and other brand identifiers should be carefully researched so as to find out which best convey the elements of goodwill and image. Where necessary, new designs must be created and tested so as to enhance and complement the identifiers. An objective should be to enable packs, by themselves, to convey the total product message. ...

Brand, house or company designs and colour schemes should be developed which can be used widely on related supportive materials, in appropriate locations (shop fronts, company vehicles) and for all activities (promotions, sponsorships).”

(“Guidelines on Communication Restrictions and new Opportunities in Marketing”)

1980           “In a future where increasingly the product may have to sell itself through the pack, a fuller understanding of the way in which perception of such packs affects perception of their contents is desirable. In this report a technique is demonstrated which allows controlled measurement of the extent and quality of influence which brand identification and pack image have on the individual's impression of a cigarette's smoking characteristics. It is shown that, for some products, such imagery powerfully and measurably modifies the perceived smoking characteristics of the cigarettes associated with it.”

(Report, “The Influence of Brand Identification and Imagery on Subjective Evaluation of Cigarettes”)

1986           “In particular, the cigarette pack itself assumes great importance since it is likely to be one of the last remaining means of communicating with the consumer in an advertising ban market. Historically, cigarette pack design has assumed a great deal of importance in the marketing process. This is because brand imagery is salient in the mind of the consumer. Certain consumer segments demand products which portray certain types of imagery. Much of the imagery has traditionally been developed through advertising. However, it has been understood that this imagery must be carried right through to the brand. The cigarette itself offers limited opportunity for conveying brand imagery although longer length (king size latterly luxury length) and gold bands are examples of opportunities that have been taken. The main focus of attention, therefore, has been on the pack which carries the product.... Lower delivery products tend to be featured in blue packs. Indeed, as one moves down the delivery sector then the closer to white a pack tends to become. This is because white is generally held to convey a clean, healthy association.”

(Report, “Principles of Measurement of Visual Standout in Pack Design”)

### **Brand names to convey imagery:**

1986           “Brand name is also increasingly being used to convey imagery.... Passport is an example from the Canadian market. This product incorporates reduced sidestream and the name Passport is designed to be associated with the notion of 'Passport to Freedom'. This may be a particularly attractive notion to the Canadian smoker who has possibly been harassed more over the passive smoking issue than smokers in any other market.”

(Report, “Principles of Measurement of Visual Standoung in Pack Design”)

## **PUBLIC RELATIONS RELATIONS PUBLIQUES**

### **Media:**

1979 “Opportunities to establish and nurture friendly relations with media writers and presenters should be sought. Even when the media is banned, articles and programmes sympathetic to the industry can often be published and carefully chosen data should be compiled to take advantage of such opportunities.”  
(“Guidelines on Communication Restrictions and new Opportunities in Marketing”)

### **Opportunity to promote tolerance of smokers:**

“1 The UN Year of Tolerance

- international opportunity to promote tolerance
- media story: how smokers and non-smokers get on together - opinion polls and consumer/celebrity research
- media tools: video news release, press release, celebrity picture stories, research results, ‘tolerance tips’
- impact: reaching international media plus current affairs/consumer media - broadcast print - in 10 target countries”

(“Issues Communication for Business Benefit,” slide presentation)

### **Photographers and picture editors:**

1980 “Photographs and other pictures. It will be useful to develop a contact with photographers and picture editors of various magazines. In this way we can be sure that suitable photographs that we send in would at least be considered for publication. Basically, the point would be to ensure that pictures are published which show people using our products.”  
(“Some thoughts on Countermeasures”)

### **Product placements in the cinema or on television:**

1980 “Films. Whether in the cinema or on television it is useful to have scenes showing the use of our products. This can be possible to achieve and some manufacturers have already done so in certain countries. Obviously, care must be taken here to ensure that we do not fall behind competitively but also that we support the industry as a whole.”  
(“Some thoughts on Countermeasures”)

### **Use of cartoons:**

“Cartoons. Use of these may vary from country to country and may or may not be appropriate. However, ridicule is a healthy human response to exaggerated points of view. The aim should be to highlight absurd and extremists attacks on the industry and its product. Different styles of cartoon can be commissioned and different locations and types of publication can be used for publishing them.”  
(“Some thoughts on Countermeasures”)

**Use of celebrities or “prominent persons” smoking:**

1981 “In a market research the Verband evaluated the PR effect of photos depicting smoking prominent persons. The results were that the smokers, having seen these photos, felt themselves confirmed in their habit whereas non-smokers tended to be more tolerant towards smoking.”

(“PR - Status Report 1981 - Smoking Issues in Germany” by the Verband der Cigarettenindustrie)

## **LOBBYING & GOVERNMENT RELATIONS LOBBYISME ET RELATIONS GOUVERNEMENTALES**

### **Negotiations with Governments”:**

- 1979 “It is of the utmost importance that the Industry as a whole should present a united front in negotiations with Governments. It is also an advantage to develop and maintain sympathetic relationships through a continuing dialogue with senior officials. Furthermore, it has been found most successful in arguing the Industry’s case to Government Ministers (particularly Economic Ministers) that Marketing departments should assist in compiling and presenting a dossier proving the contribution of the Industry to the economic well-being of the country.”  
(“Guidelines on Communication Restrictions and new Opportunities in Marketing”)

### **Negotiation strategies:**

- 1981 “We should resist for as long as possible any requirement to put figures for the delivery of smoke constituents or tar groups/bands on packs or in our advertising, but such requirements are preferable to restrictions on advertising.”  
(“1981 B.A.T. Board Strategies - Smoking Issues”)
- 1981 “In the face of Government pressures exerted during negotiations, companies are permitted to accept the inclusion of a warning clause on cigarette packs but should resist this in advertising. ... In negotiating a pack warning clause, the company should try to secure a 'trade-off-, e.g. no warning clauses in advertising, no advertising restrictions, etc.”  
(“1981 B.A.T. Board Strategies - Smoking Issues”)

### **Lobbying on Advertising:**

- 1991 “ADVERTISING  
Our activity has concentrated on galvanising support in the Council Working Group, Coreper and the Council of Ministers to ensure that the blocking minority remains firm. The Greek delegation have now joined the blocking minority in Council, a position confirmed at the 11 November Council of Health Ministers. ...  
In addition to strengthening the blocking minority in Council, our tactics in Parliament are to affect a change in the legal basis of the Directive from Article 100A to Article 235. Parliament is due to deliver an opinion in December but this timetable could be delayed if we are successful in getting the legal basis of the Directive referred to Parliament’s Legal Affairs Committee.”  
(Board of Directors’ Summary, European Affairs Co-ordinating Committee, Summary of Activities Sept.-Nov. 1991)

### **Imperial Tobacco was involved with the Canadian Tobacco Manufacturers’ Council in organizing a 1991 Canadian tax protest, to try to persuade the federal government to reduce tobacco taxes:**

- 1991 “In response to consumer annoyance for the large Federal tax increases on tobacco products this year, the Industry undertook and funded a substantial tax protest programme addressed to the Prime Minister. It has been reported that the Prime Minister’s Office received some 3.5 million protest forms, which is deemed a very successful campaign.”  
(untitled document providing an overview of ITL’s 1991 strategic issues, p.201824852)

## **Tobacco taxes in Quebec:**

1993

### **“QUEBEC COALITION FOR FAIR TOBACCO TAXATION**

For your information, February 2 will mark the launch of a province-wide effort. on the part of the Coalition, to bring about a sizeable roll-back of tobacco taxes in Quebec.

The campaign will be led by the Association des détaillants en alimentation du Québec (ADA), with the support of Quebec tobacco growers, of BCTWIU, of NATCD, of the Canadian Council of Grocery Distributors, of the Smokers' Freedom Society and of the CTMC.

#### **Details**

In the course of the campaign, Quebec retailers will first visit individually their federal member of parliament, then their member of the National Assembly, to explain their problems (a direct consequence of tobacco smuggling), and to demand a substantial tax roll-back on tobacco products. These visits will be coordinated by members of ADA on a regional basis.”

(Memo from M. Descoteaux, dated January 27, 1993)

## **ALLIANCES WITH OTHER GROUPS**

### **ALLIANCES AVEC D'AUTRES GROUPES**

#### **Enlisting the support of third parties:**

- 1979 “Third parties, such as trade unions, advertising agencies, materials suppliers and groups sponsored by the companies are often willing to support the Industry’s case. They should be encouraged to do so by supplying them with carefully compiled and concisely presented Marketing information which they can readily use.”  
(“Guidelines on Communication Restrictions and new Opportunities in Marketing”)

#### **Enlisting the support of the advertising business:**

- 1981 “Besides those industries which are economically connected with the tobacco industry one natural and strong ally at least in the defence of advertising is the advertising business and its associations. There are good relations between the German Advertising Federation (ZAW) and the Verband, the result of which has been the edition of the ZAW-study on the effects of cigarette advertising in this year. It got a wide distribution, national and international, and grew favourable press comments.”  
(“PR - Status Report 1981 - Smoking Issues in Germany,” by the Verband der Cigarettenindustrie)

#### **Enlisting industry employees and their families:**

- 1981 “Industry employees and their families are key persons who have to be on the PR forefront because of their known and vested interest in this industry. Motivation needs information and education first. Therefore, the Verband jointly with the Tobacco Workers’ Union holds regular smoking and health lessons where employees of the different member companies are taught the basic issues and how to defend industry’s positions. Additionally, member companies of the Verband are leading intensive training courses for their employees. ...  
Ultimate goal of these educational efforts is to win activists from within the industry to stand up and respond to attacks against the industry or its products. Today the Verband disposes of a network of more than 200 employees all over the Federal Republic. They keep us informed about their local media scenery and they write letters to the editor, if necessary. It is planned to organize and structure this PR force in a way comparable to the American Tobacco Institute’s TAN with similar tasks and responsibilities.”  
(“PR - Status Report 1981 - Smoking Issues in Germany,” by the Verband der Cigarettenindustrie)

#### **Enlisting “Friends” of BAT:**

- “2 Friends of BAT
- opportunity: mobilise allies
  - initial mailings to target pensioners
  - member’s pack and regular information
  - briefings and encouragement to act on local issues
  - impact: sustaining loyalty of allies at grass roots level”  
(“Issues Communication for Business Benefit,” slide presentation)

## SMOKER COMPENSATION COMPENSATION CHEZ LES FUMEURS

### Research on ventilated low delivery cigarettes:

- 1983 “It is clear that the systematic interview data dealing with subjects’ own perceptions/estimations of partial blocking behaviour is quite in accord with the Kozlowski findings which insinuate a high level of partial blocking. It is, however, equally clear that actual observed behaviour collected from the same subjects shows no such high incidence of partial blocking.”  
(“Project Sinos: Use of Systematic Observational and Interview Data to Evaluate Incidence of Partial Blocking of Ventilating Low Delivery Cigarettes”)
- 1984 “Many studies of smokers indicate that a large number will compensate for reduced delivery by increasing the amount of smoke taken from a cigarette with lower delivery.”  
(“Paper 2: David Creighton - Structured Creativity Group Presentation”)
- 1985 “Repeated attempts by outside forces to drive the consumer to lower tar have in general, resulted in at worst (in Governmental and Social pressure group eyes) a backlash and at best only a steady, inexorable grind downwards in deliveries. It is a moot point whether actual deliveries to humans have ever really dropped across the vast majority of the smoking population ....  
If one looks, cursorily, at the human behaviour records in GR&DC over the last fifteen years, the immediate conclusion is that puff volumes have risen as inexorably as machine deliveries have declined.  
Given the design parameters of the cigarettes, it is possible to speculate that human compensation has, for a significant part of the smoking population, negated attempts to reduce tar deliveries.  
Now, there are many confounding factors involved - and I invite you to take your pick as to which you think most important, but I surmise that over a smoker’s lifetime involvement with cigarettes in general, he tends to inwardly 'titrate' or adjust his current delivery towards that with which he was first acquainted - if the cigarette will let him.”  
(“Paper 7: Colin Greig - Structured Creativity Group - Marketing Scenario”)
- 1987 “There is a widely held belief, inside and outside the industry, that perhaps the majority of true smokers inhale to obtain from their cigarette the nicotine which contributes the pharmacological part of the smoking experience. Indeed, it has been suggested that smokers obtain their preferred dose of nicotine irrespective of the tar delivery or design of a cigarette.”  
(“Product Innovation - Low Tar Products”, abstract of a presentation)



- 1988 “In view of the current controversy on testing of channel-ventilated cigarettes, Souza Cruz are developing Barclay to not exceed 10 mg delivery even with all vents blocked, i.e. it will fall in the low delivery classification even if tested this way.”  
(“Tobacco Research Co-ordination,” Visit to Souza Cruz by A.L. Heard)
- 1990 “This experiment has once again confirmed the observation that conventional standard machine smoking is not representative of typical human smoking behaviour. Subjects adjust smoking behaviour depending on the product presented to them. In this experiment, all products were smoked more intensively than standard machine smoking and this behaviour leads to higher deliveries being obtained. This pattern of results substantiates previous findings regarding upwards compensation and low delivery products e.g. Project Felix conducted in January 1989.”  
(“Project Verso,” by J. Parker, August 20, 1990)
- 1992 “Tobacco companies market cigarettes to smokers who enjoy smoking. Part of that enjoyment may relate to intake of nicotine but the smoker decides by the way he smokes whether he receives from 0 to 3 mg nicotine per cigarette.”  
(“Transdermal Nicotine - Note for the Tobacco Strategy Review Team”)

## **ADDICTION AND ROLE OF NICOTINE ACCOUTUMANCE ET RÔLE DE LA NICOTINE**

### **Role of Nicotine:**

1967            “A general discussion followed on basic assumptions which guided thinking in the field of smoking and health. While recognising the importance of psychological factors in smoking and the possibility that some smokers would accept non-nicotine cigarettes, it was felt that nicotine is important for the majority of smokers and that the form of nicotine can be significant.... Nicotine is important and there is probably a minimum level of nicotine to which for many people the habituated effects of smoking are attributable. The form of nicotine probably affects the rate of absorption by the smoker.”

(“B.A.T. R&D Conference - Montreal”)

“Role of Nicotine: Hypotheses  
IF smokers are ADDICTED to nicotine then:

1.        The nicotine smokers get from cigarettes may be replaced by nicotine from alternative sources
2.        Cigarettes of different strengths should be smoked differently e.g. smokers given a low/reduced delivery cigarette should smoke it more intensively (and vice versa).”

(“Possible Influence of Smoking Behaviour on Relative Biological Activity,” presentation)

### **Moderation in smoking vs. smoking in excess:**

1981            “Addiction  
For the great majority of smokers, smoking is ‘habituated’. However, it must be admitted that heavy and ‘chain-smokers’ have demonstrated addiction symptoms. In this respect we are totally opposed to smoking in excess and do not encourage it in any way. We believe that moderation in smoking, as in other pleasures, is in the best interests of the smoker.”

(“1981 B.A.T. Board Strategies - Smoking Issues”)

1981            “Moderation Campaigns  
Although companies should not undertake moderation campaigns for the time being, they should consider the merits of campaigns based on smoker courtesy to non-smokers and the promotion of mutual toleration.”

(“1981 B.A.T. Board Strategies - Smoking Issues”)

### **Motivator and sustainer of smoking behaviour:**

1984            “High on the list of consumer needs is nicotine, which I believe to be the main motivator and sustainer of smoking behaviour. Without nicotine in sufficient quantity to satisfy the needs of the smoker, the smoker can (a) give up altogether, (b) cut back to a low purchase level, (c) keep switching brands.... Smokers have a nicotine threshold below which it is ineffective. ... Such nicotine thresholds will vary with different consumer segments, but for the majority of smokers who buy cigarettes and smoke them regularly levels of nicotine below 1.0mg standard delivery will be unsatisfactory.”

(“Paper 2: David Creighton - Structured Creativity Group Presentation”)

### **Cigarette as a ‘drug’ administration system for public use:**

1985 “Before starting on any future scenario, let us look at what we are currently selling and where and how it has developed. A cigarette as a ‘drug’ administration system for public use has very very significant advantages:

i) Speed

Within 10 seconds of starting to smoke, nicotine is available in the brain.”

(“Paper 7: Colin Greig - Structured Creativity Group - Marketing Scenario”)

### **Smoking maintenance:**

1989 “Theories of smoking maintenance all agree on at least one point - that nicotine is central to the habit and that the extinction of active smoking following nicotine withdrawal is the evidence supporting this view. More specifically, a mounting body of evidence from cotinine and behavioural monitoring studies shows that humans have a specific optimum requirement for nicotine in the region of 0.9 to 1.1 mg and will adjust the intensiveness of their smoking style in order to meet and stay within this range.”

(“The Foundation for Product Innovation in Consumer Motivation”)

## Question and answer on ‘spiking’ tobacco with extra nicotine:

- 1994 “Does BAT ‘spike’ their tobacco with extra nicotine to keep their customers ‘hooked’?  
No. BAT does not ‘spike’ its tobaccos with nicotine.”  
 (“Questions and Answers related to U.S. hearings,” dated July 8, 1994)

## Research on nicotine:

- 1971 “Fortification of Nicotine in Smoke  
To increase the acceptable physiological satisfaction of smoke from normal cigarette blends, by increasing the transfer to smoke of total and extractable nicotine, relative to that of tar, using chemical additives on the blend and the filter. The results will be valuable in decreasing the tar/nicotine ratio of smoke from reconstituted sheet.  
A number of additives have been found to increase the nicotine transfer, extractable nicotine delivery and smoke pH from flue-cured cigarette blends. These include diammonium phosphate, urea, sodium aluminate and sodium carbonate.  
Different levels of each additive will be examined on a number of cigarettes, particularly on Player’s Filter Regular and Matinee Regular cigarettes, to find the relationships between the additive level and the effect on nicotine transfer, smoke pH and extractable nicotine delivery. The effects of the additive on subjective smoke impact and acceptability must also be determined, in collaboration with the Product Development Group.”  
 (“Research Department - Research Program - July-September 1971”)
- 1980 “IMPLICATIONS FOR THE R&D PROGRAMME  
- We should:  
(i) continue trend to low delivery products  
(ii) study ways of increasing the physiological activity of nicotine at low levels, - e.g. by altering pH of smoke  
(iii) continue work to identify the mechanism of the nicotine effect of smoking - assess whether related alkaloids, possibly in combination with nicotine, can be effective.”  
 (“Company 10-Year Plan - Implications for Research and Development,” by A.L. Heard)
- 1984 “NICOTINE  
Nicotine is central to product acceptability and satisfaction. The work is specifically aimed at maximising the positive attributes of nicotine within the smoking process.  
(a) Optimisation of impact and satisfaction via nicotine  
- To underpin the practical cigarette design capabilities (to be examined by Product Applications Group) by clarifying the consumer response to changes in the absolute doses of nicotine and the level of free-base nicotine.  
(b) Maintenance of adequate impact and satisfaction at reduced nicotine levels  
- To identify the extent to which nicotine effects, either as part of product acceptability assessment or overall satisfaction, can be substituted or enhanced by other components.  
During early 1985, by using Hamburg expertise, an experimental product series will be made which have fixed tar deliveries with step differences in nicotine levels. In addition, the cigarettes will be suitably modified to achieve a range of smoke Ph profiles. ...  
Note: The longer term research includes the evaluation of techniques to establish the significance of absolute and changing brain concentrations of nicotine in relation to cigarette usage.”  
 (“GR&DC Research Programme and Resource Allocation 1985-87”)

“In summary, the emerging psychological perspective on smoking makes the case for viewing it as a behavioural tool in everyday life, a means of tuning life skills such as problem solving, arousal/mood state control, social skills and stress management. How we use this perspective in terms of marketing action requires careful consideration since most of this evidence is ostensibly of industry strategic defence value. However product development to optimise efficiency of nicotine delivery, and a better understanding of the ‘visual-tactile’ smoker (albeit a limited segment) are obvious starting points.”

(“The Role of Smoking Behaviour in Product Development: Some Observations on the Psychological Aspects of Smoking Behaviour, p. 79, by R.P. Ferris)

1988

“Nicotine Control  
PROJECT DESCRIPTION

This project area is to optimise the nicotine in current and future products and to gain a better understanding of the role of nicotine in smoking quality. Much of the work will be aimed at aspects of high nicotine/low tar smoke ratios, in particular: how to restore a balanced taste to high nicotine/low tar products, the role of nicotine pyrolysis products to taste, whether nicotine should be added ‘free’ or via higher nicotine tobaccos and whether nicotine should be added to the filter or tobacco rod.”

(“Group R&D Programme - Group Projects, Volume 2 - Project Details”)

1988

“The Investigation of the Effect of Nicotine Enhancement on Human Smoking Behaviour  
PROJECT DESCRIPTION

The aim of this study is to assess the changes, if any, occurring in human smoking behaviour as a result of cigarettes with enhanced levels of nicotine. Results may indicate whether and how smokers are compensating for the nicotine delivery of a cigarette.”

(“Group R&D Programme - Group Projects, Volume 2 - Project Details”)

1988

“Project FELT - The aim is to derive designs at 9 mg tar which provide greater acceptability for 12-14 mg smokers than current 9 mg tar options. From an initial range of twelve experimental products, three have been shown to out-perform two of three 14mg commercial products (Players No.6 and Embassy No.1). The three experimental products comprised (a) reduced density (25% ET), (b) alkaline filter and (c) high nicotine blend.”

(“BATUKE R&D CENTRE, Applied Research and Development, Status Review Notes, Period Ending December 1987”)

“PROJECT NOVA - OBJECTIVE SHEET : Migration Studies

TITLE : Nicotine Migration Studies ...

OBJECTIVE : To Determine the Rate of Nicotine Migration from Spiked Filters to Tobacco Rods

BACKGROUND : Elution studies have shown that considerable transfer levels (~ 30%) of nicotine from cellulose acetate into smoke can be achieved. Before further consideration can be given to the use of filter spiking for enhancing nicotine delivery information is required on the rates of nicotine migration from the filter to the adjacent rod.”

**Research on "alternative nicotine delivery systems":**

1988 "To Provide Concepts for Alternative Nicotine Delivery Systems  
PROJECT DESCRIPTION  
The work programme for 1988 will be formulated following BATCO and BAT Industries consideration of proposals made at the Research Policy Group meeting in October 1987."  
("Group R&D Programme - Group Projects, Volume 2 - Project Details")

**Question and answer on the use of a high-nicotine type of tobacco plant:**

1994 "Is the use of tobaccos with higher than average nicotine content, such as Y1 tobacco, intended to significantly increase the nicotine yield in the cigarettes?  
No. In fact, where the tobacco called Y1 has been used in products manufactured by Brown & Williamson, the tobacco has been combined with many other tobaccos and the brands that used Y1 delivered essentially the same nicotine as the products they replaced."  
("Questions and Answers related to U.S. hearings," dated July 8, 1994)

**Opportunities to develop Y-1 Tobacco:**

1988 "Y1 BACKGROUND  
WHAT IS Y1?  
- Genetically engineered hybrid flue cured  
- Y1 contains an average of 6% nicotine (traditional flue cured contains 3.5% to 4%)  
WHAT USE DOES IT HAVE?  
- B&W can use Y1 to develop lower tar products that offer the satisfaction of higher tar products ....  
Y1 OPPORTUNITIES  
1) Full taste smokers, especially those over 30 years old, who are interested in reducing the tar level of their cigarettes while maintaining taste/flavor.  
2) Ultra low tar smokers dissatisfied with the flavor/satisfaction delivery of their current brands."  
("Y-1 Tobacco," by L.A. Walker, Brown & Williamson)

1989 "USA Developments with Y1 tobacco (Black)  
Comments:  
The main production of Y1 tobacco is actually in Brazil, but B & W wants to further develop other locations such as Zimbabwe, Guatemala. ...  
Different levels of inclusion of Y1 tobacco were assessed internally (% in blend: 0, 10, 20, 30). The best results were achieved with 20% Y1.  
Nicotine delivery at different levels of inclusion:

	<u>0</u>	<u>10</u>	<u>% Y1</u> <u>20</u>	<u>30</u>
11 mg	.83	.89	.95	1.05
6 mg	.56	-	.63	.69 "

("Product Development Specialists Meeting, Book III - Innovation")

- 1990
- “1.1 Y1, a flue cured cultivar, not approved in the U.S.A., produces an unusually high overall nicotine  
- strips circa 6%; stems circa 1%
  - 1.2 Since its development in the late 1970's, extensive selection has improved yield and smoking characteristics...
  - 1.3 Y1 has been/is being grown by BAT operating companies in Brazil, Honduras, Zimbabwe and Venezuela (unsuccessfully). In 1990 Souza Cruz should pack 780 tons (strips; in three grades); in 1991 Souza Cruz plan to produce 910 tons (strips) while Honduras plan to produce 140 tons (strips). All production is contracted to Brown and Williamson. ...
  - 2.2 Y1 combines high nicotine with normal tar and its use will change the tar:nicotine ratio. Brown and Williamson have undertaken vast research with Y1 but, currently, it is not in any commercial blend.”
- (“The Future of Y1,” by J.W. Drummond)

1988

“Whilst I am impressed at the speed at which Greendot is progressing, I have serious concerns for the validity of pursuing the current route based on incorporation of a nicotine salt into tobacco sheet.

As you well know, arguments rage over whether or not the Reynolds' product will be classified as a cigarette and one of the important issues is whether or not nicotine occurs ‘naturally’ within the tobacco (and is not added by some fortification means). I have asked Sharon Boyse to clarify the validity of incorporating nicotine or its derivatives by the methods you are pursuing for those countries where the product is likely to be of interest.

Until we have a really clear signal that we can proceed by the current route, I feel it is imperative that we keep a very open mind in selecting technical options to achieve the Greendot objective.

I am enclosing a rough draft of a note which Bob Johnson produced on his work with tobacco substitutes which was an important focus of his activities 18 months or so ago. You will see some close similarities to the approach you are developing with Greendot currently. It should be stressed, however, that in the case of B&W's work, the initiative was not to create a commercial product but to develop means of understanding the sensory characteristics of smoke more profoundly. In the current approach to Airbus I saw no reference to nicotine fortification. Indeed, in order to increase nicotine delivery from tobacco, B&W are looking at inclusion of DAP or, more interestingly, at the use of Y1, the high nicotine flue cured variety.”

(“Greendot,” by A.L. Heard)

1988

“One of our current technical options is the inclusion of high nicotine tobaccos in various product formats. Unfortunately we have no sources of high nicotine Y1 type tobacco, which we would be particularly interested to investigate. I know work has been carried out on these grades in B&W and here with the LMASA project and I wonder if you could suggest a way of us obtaining a relatively small (5 - 10 kg) quantity from B&W for evaluation. It would be much appreciated if you could.”

(Letter from T.C. Brown, BAT UK&E, to W.H. Deines, Brown & Williamson)

1991

“Y-1 Tobacco: It was reported that work to incorporate Y-1 blends into low-tar cigarettes was continuing, including its use in the forthcoming trial of Barclay in Norway. Members were asked to report progress at the next meeting.”

(Minutes of the Tobacco Strategy Review Team meeting on February 27, 1991)

- 1990 “Products Incorporating Y-1 Tobacco: Mr. Pritchard reported that products incorporating Y-1 Tobacco were undergoing tests, the results of which would be reported at the next meeting. Mr. Herter reported that tests of BATCF products were due in 1991 and BATCo. also reported that Y-1 was being evaluated.”  
(Minutes of the Tobacco Strategy Review Team meeting on November 30, 1990)
- 1991 “Y-1 Tobacco: It was noted that there had been encouraging progress in the USA, UK and Germany where cigarettes incorporating Y-1 tobacco had performed well in tests. However, Souza Cruz had not found any advantage from incorporating Y-1 while Imasco found that Y-1 incorporation appeared to increase the harshness of Virginia-type cigarettes. Further progress will be reported at the next meeting.”  
(Minutes of the Tobacco Strategy Review Team meeting on December 2, 1991)



## INNOVATIVE PRODUCTS PRODUITS INNOVATEURS

### Research on menthol and other flavour alternatives:

- 1982 “Group participants were encouraged to imagine cigarette flavours other than menthol. They were then invited to sample a prototype spearmint-flavoured cigarette produced specifically for these discussions.... A high proportion of those who tried the product indicated that they would certainly be interested in purchasing such a product were it to appear on the shelves, at least to give it a chance and see whether they wished to adopt it or to try it from time to time.”  
 (“Project Crawford, Phase I: 7 Group Discussions,” by the Creative Research Group)

### Project categories:

- 1984 “The top-line results of the analysis indicate that the projects can be broadly grouped in three categories.
1. Large market potential, high behavioral validation (evidence of consumer need) but potentially high associated risk to the business:
    - i. Low sidestream and irritation/aroma ameliorated cigarettes.
    - ii. Compensatable cigarettes.
    - iii. Nicotine optimised cigarettes (least risk element).”  
 (“Structured Creativity Conference”)

### Compensatable filters and cigarettes:

- 1984 “Cigarettes with compensatable filters will be developed. Such products will have low delivery when smoked under standard conditions, but, being velocity sensitive, a smoker may readily take higher delivery than the standard delivery, if he so wishes.”  
 (“Paper 2: David Creighton - Structured Creativity Group Presentation”)
- 1984 “Compensatable Cigarettes  
The idea of a cigarette which will respond in delivery terms to increased draw effort is not new but is still an opportunity which would satisfy the need to bridge the threshold between genuine low tar and full flavour products. However, we should strive to achieve this effect without appearing to have a cigarette that cheats the league table. Ideally it should appear to be no different from a normal cigarette thus reducing the likelihood of a competitive challenge. It should also be capable of delivering up to 100% more than its machine delivery. I have chosen this ratio because I believe anything more than this would lack credibility from a consumer’s point of view. Thus an 8mg product capable of delivering 15-16mg would allow the current full flavour smoker to continue to smoke with reassurance but no loss in terms of pleasure.”  
 (“Marketing/R&D Liaison: Structured Creativity - Paper for Discussion - G.O. Brooks”)

### **Modular smoke delivery system:**

- 1985           “Briefly, the new product concepts generated were segregated into those showing most promise and those having less promise:  
MOST PROMISING ...  
MODULAR SMOKE DELIVERY SYSTEM: This concept would be a smoking device somewhat similar to a pipe into which the basic fuel could be mounted for combustion. Modular ‘clip-on’ mouthpieces could be used to provide such smoker control options as ‘dial-a-tar’ or ‘dial-a-flavour’.”  
(Visit report by R.P. Ferris, BAT, to Imperial Tobacco, dated July 16, 1985)

### **“Products delivering nicotine and little else”:**

- 1989           “In addition to these recommendations, it should be noted that less clearly defined concerns militate against the likelihood of success of products delivering nicotine and little else. These are:
- (a)       Nicotine by itself would fail to be accepted as a new active ingredient for a mass consumer product when examined against current standards for defining ‘dangerous’ or ‘hazardous’ substances.
  - (b)       Products in which the tobacco base is an insubstantial part of the whole would fall outside the special criteria defining tobacco goods in some parts of the world. Although such criteria are restrictive they are also to a degree protective.
  - (c)       The delivery of nicotine, more or less by itself, renders any such product susceptible to criticism or comparison with any future findings of toxic concern attached to nicotine, allegations which might be more difficult of proof of effect when nicotine is merely one, if substantial, component of a very complex mixture.”  
(“Company Guidelines on Novel Products Incorporating Nicotine”)

**ETS AND LOW SIDESTREAM PRODUCTS**  
**FUMÉE DE TABAC AMBIANTE ET PRODUITS PRODUISANT**  
**PEU DE FUMÉE SECONDAIRE**

**Developing a low sidestream product:**

1988           “VISA addresses the opportunity for a product that capitalizes on the increasing restrictions (both social and legislation) that a smoker faces on the use of cigarettes. The focus for VISA is to develop options which can ease the dissonance a smoker faces in today’s hostile anti-smoking environment. ... Hence VISA will look at various solutions which can provide the consumer with a less irritating product.”  
("Project VISA," dated May 9, 1988)

1990           “Although low sidestream is not seen as a positive marketing feature, it is essential that the Group remains competitive and ahead of public opinion. Companies should have a plan to reduce sidestream by small measurable steps over time and a plan is requested for early 1991.”  
(Notes from the Research Policy Group Meeting in Germany, October 3-5, 1990)

1991           “It was agreed that although low sidestream might be part of the specification for a new product, attempts to reduce sidestream in existing products did not appear to be worthwhile since the methods for achieving this appeared to result in no net gain in the overall attractiveness of the product.”  
(Minutes of the Tobacco Strategy Review Team meeting on September 6, 1991)

**Sidestream smoke reduction:**

1991           “There are two aspects of Sidestream Smoke reduction requiring an agreed Group Strategy.

1.       Regulatory Requirements  
- some form of classification of brands by sidestream emission is a real possibility for the future; this calls for a Defensive Strategy.
2.       Marketing Opportunities  
- using a visible sidestream emission as a differentiating feature of products; this calls for an Offensive strategy.

Background

Increasing concern amongst Regulatory Bodies surrounding Passive Smoking may well lead to greater focus on the sidestream emission of cigarettes. Initially this might take the form of classification of cigarette brands by sidestream deliveries; later this could evolve into restrictions such as permitted maxima of tar and nicotine or even to other smoke components of which CO is the obvious first candidate.

At present there is no accepted standard method of measuring sidestream deliveries but Coresta has a Working Group that has a long term aim of achieving standardisation for when it is needed.

BAT has a good method for measuring sidestream and we have a fairly extensive set of data on how deliveries are influenced by design parameters.

When considering the Regulatory aspects i.e. the defensive position on sidestream reduction, it must be stressed that what will be important is the measured emission of sidestream (particulate matter, nicotine and carbon monoxide) generated by smoking the cigarette. The apparent rate of sidestream tar formation which manifests itself as a degree of visibility of the plume, is not of importance to Regulators. It is, by contrast, the basis of marketable differentiated products. The technological means of modifying total sidestream and visible sidestream are not the same.”

("Sidestream Smoke Reduction," by A.L. Heard)

**‘SAFER’ PRODUCTS  
PRODUITS «PLUS SÛRS »**

**Research on ‘safer’ cigarettes and smoking devices:**

1966 “Project ARIEL was a research topic aimed at the development of a smoking device from which a smoker can receive, in a suitable form, sufficient nicotine to give satisfactory physiological and psychological responses, unaccompanied by the products of combustion and pyrolysis associated with normal cigarette smoking.”

(Report entitled, “Nicotine Administration: Ariel Smoking Devices”)

1967 “Consideration was then given to modifications which could be made to cigarettes now and in the future. It was agreed that this could best be considered at several levels.

- 1) The improvement of current brands should be continued by removing from the smoke, any substances judged to be harmful or alleged to be harmful, provided consumer acceptance is not adversely affected.
- 2) The development of low T.P.M., normal nicotine cigarettes should continue. In this connection, the use of filter additives, such as P.E.I. might be helpful since it might render the nicotine more available to the smoker.
- 3) The development of a low T.P.M., low nicotine cigarette should be expanded. This raises the question of the level of nicotine required and the consumer study by Bristol can be helpful in determining this. Mr. Sottorf pointed out that there was evidence that in Germany per capital cigarette consumption increased for the lower nicotine brands. It cannot, however, be assumed that the minimum nicotine acceptable to the smoker is the optimal level, and some consideration should be given to establishing this.
- 4) Some cigarettes should be developed which are entirely health-orientated and in which health factors predominate in the design. Such products must be subject to continual review and will require biological testing. In view of the great effort involved in biological testing of new cigarettes it should only be applied to those which have already satisfied the requirements of taste, cost, etc., and which are, therefore, considered viable commercial products. Health orientated cigarettes ought probably to be shorter rather than longer.
- 5) A further approach could be towards smoking articles which differ radically from existing cigarettes, for example, those constituted entirely from non-tobacco materials or the ARIEL device, or even a cigarette aimed to be pleasantly non-inhalable. It was noted in passing that the trend towards making cigarlets milder and therefore more easily inhalable was undesirable on health grounds.

It was suggested that the development of a number of health-orientated cigarettes should be undertaken by the member laboratories.”

(“B.A.T.: R&D Conference - Montreal, October 24-27, 1967”)

1970 “It is suggested that an attempt should be made to develop a cigarette which might have a commercially acceptable smoke quality and which is designed in the knowledge of current thinking on how biological activity can be reduced. Two important aspects of the latter problem are to reduce the specific activity of the smoke (i.e. the activity per unit weight of condensate) and to reduce the total amount of smoke delivered by the cigarette. The results of the long term mouse skin painting experiments at Harrogate and Frankfurt show, inter alia, that specific activity may be lowered by using reconstituted tobacco and by reducing the circumference of the cigarette. Efficient filters are of major importance in the context of reducing the overall smoke

deliveries (ventilation is deliberately not considered, since there is indirect evidence to suggest that smoke from ventilated cigarettes may have a higher specific activity.”  
(“Improvement in the smoke quality of a biologically oriented cigarette,” by A.R. Cousins)

### **Marketing issues:**

1981 “It is of more significance to comment upon the company’s potential use of the concept as a marketing platform. Essentially this is somewhat limited. Adoption of the concept within a marketing framework tends to infer automatically that average consumption of a significant proportion of the company’s brands worldwide places consumers at risk. Legal Department in Millbank tended to concur with this general view. Indeed, they were unwilling to sanction any overt use of the concept or reference to safe/safer cigarettes within a marketing context.”

(Report entitled, “Examination of a Concept Proposed by Gori for Rating Cigarettes”)

1986 “Imperial Tobacco Canada believe that the Group should have a Strategic Objective that can be expressed as:

‘To work towards the discovery of a ‘safe’ cigarette, ‘safe’ in the eyes of those who say that the current cigarette is ‘unsafe’.

They believe that this goal is essential if decline of cigarette usage is to be halted (since all problems facing the cigarette industry can be ultimately traced back to health perceptions, in ITL’s view). ...

In terms of the concept, whilst the desire to eliminate or even reduce the pressure from external bodies against the cigarette is unanimous, there is considerable doubt that this could be achieved by any technical approach in the light of current knowledge. There will always exist factions that oppose ‘smoking’ and these factions will constantly set new goalposts. Perhaps the most telling point is that it is doubtful whether any authority would underwrite today, a set of specifications for the product, which, if achieved, would be acknowledged as ‘safe’.

So far, ITL have chosen to pursue the approach of identifying components of smoke which reputable external agencies, e.g. Surgeon General, have listed as undesirable with a view to reducing these below accepted threshold levels by product modification. They would attempt to demonstrate improvements in biological assays accompanying these changes.”

(“Canadian Project,” by A.L. Heard)

1986 “It was noted that Imasco had questioned whether more effort should be applied to attempting to develop a ‘safe’ cigarette and to investigating or commissioning outside work to investigate factors influencing the susceptibility of individuals to cancer. In support of their argument, they had suggested that competitors were undertaking this type of work.

Mr. Bruell said that this subject had been debated at length and it had been decided that it was not likely to be a rewarding line of investigation. It was also noted that if a competitor did succeed in achieving a break-through on classifying factors associated with the susceptibility to cancer, this information would be freely available to everyone.”

(Minutes of the Tobacco Strategy Review Team meeting on October 22, 1986)

**BAT wrote an explanation to ITL in 1986, explaining why they were not pursuing a 'safer' cigarette:**

1986

“... Since there is such a wide discrepancy between your approach and that of the rest of the Group, I thought that I should write to explain why it is that I cannot support your contention that we should give a higher priority to projects aimed at developing a 'safe' cigarette (as perceived by those who claim our current product is 'unsafe') by either eliminating, or at least reducing to acceptable levels, all components claimed by our critics to be carcinogenic. ...

Firstly, your objective is probably unattainable - no matter what can be done in chemical terms (and I believe this to be very limited) there will continue to be strong vocal factions that seek to denigrate the product and they are likely to continue to move the goal posts away from whatever initial target we were able to achieve.

A second practical objection is that in attempting to develop a 'safe' cigarette you are, by implication in danger of being interpreted as accepting that the current product is 'unsafe' and this is not a position that I think we should take. ...

Where we part company from the Imasco approach is that we do not believe that there is a sufficiently high chance of a successful outcome to justify committing the very large scale of resources that would be necessary to pursue the direct but arguably over-simplistic approach which your people are proposing. This is why I cannot support this line of research.”

(Letter from P. Sheehy, BAT, to P. Crawford, Imasco Limited, dated December 29, 1986)

1987

“The group agreed to define 'evolutionary' products as those in which tobacco, albeit highly modified, is combusted to provide consumer satisfaction in a cigarette form. Whereas hitherto evolutionary changes have been incremental and show [sic: slow], the future scenario is one of increasingly rapid evolution in response to pressures on the industry. Project 'Greendot' from Southampton targeted at a product delivering around 1 mg nicotine and 1 mg tar is an evolutionary approach, albeit involving substantial research and technological development.

'Revolutionary' products were defined as ones which might lead to problems more typical of the pharmaceutical business such as control by regulatory authorities. Whilst the Research Policy Group agreed that we would not wish to pursue radically different products such as pure aerosol delivery systems, which bore no relation to conventional products, we could not ignore the RJR initiative. The exact status of the RJR product is not known. If the nicotine in smoke from the device is derived from the tobacco present (even if unburnt), then it might be classed as a cigarette. On the other hand, fortification with nicotine per se would probably lead to classification as a drug dosing device.”

(Minutes of the Research Policy Group meeting, Louisville, September 28-30, 1987)

1989

“PROJECT AIRBUS OBJECTIVE

Provide a smoking article which:

Givens

- Looks, feels and qualifies as a cigarette
- Provides -0.4 mg nicotine by standard methods
- Provides acceptable taste throughout the smoking process
- Provides no tobacco combustion products in the mainstream
- When finished, leaves debris similar to that of a conventional cigarette

or basically remains unchanged as with Premier

Desirable Options

- Gives no offensive sidestream
- Gives visual sign of smoking status
- Is 'fire safe'
- is extinguishable"

(“Product Development Specialists Meeting, Book III - Innovation”)

**Research on potential alternatives to conventional cigarettes:**

1988 “Project DAY will explore potential alternatives to conventional cigarettes that credibly offer the elements of traditional tobacco pleasure with a greater level of ‘safety’. The single largest issue which is expressed by our consumers is their concern toward smoking and the perceived harm to their health. There is no direct evidence that causally associates smoking with a myriad of predominantly cancer related diseases. However, the belief is so widely held amongst smokers, and non-smokers alike, that it represents an enormous marketing opportunity to secure competitive share for any company that provides a viable solution.”

(“Project Day,” dated June 21, 1988)

1988 “... Project DAY has been set up with no aspirations to produce a panacea nor to depend to any significant degree on endorsement by any of the regulatory bodies. ITL is seeking possible alternative products with all the traditional pleasurable aspects of today’s cigarette but that are improved in terms that can be communicated to the consumer. Just how this will be done remains unclear. Since the technical work is in its infancy and no suggestions of what might be achievable can be offered, ITL feel that it is too soon for such issues to be addressed. It must be said that ITL seem far less inhibited by legal concerns than would be the case in other countries. Interestingly Bill C-51, which will ultimately remove most means of communication to consumers, has an exemption clause for material that represents a health benefit”

(“Project Greendot/Project Day,” by A.L. Heard)

1989 “Project LOCO  
THE OBJECTIVE OF PROJECT LOCO IS TO EXPLOIT THE POTENTIAL EMERGENCE OF CARBON MONOXIDE AS A COMPETITIVE OPPORTUNITY. The perception that CO is believed to be one of the harmful ingredients in cigarettes has slowly escalated to a level of 11% of smokers.... However, in the presence of smokers with heart disease, where the oxygen supply to myocardial tissue is already impaired, the intake of carbon monoxide may be an aggravating factor. This would constitute a key target group for a reduced CO product. If we take this analogy one step further, the indirect promotion of CO reduced products for smokers with cardiovascular disease could be achieved by publication of subject specific articles in medical journals. While we know that doctors will scoff at the notion of smoking, the early history on Medallion is an apt demonstration that they may recommend this product variant, if their heart patients insist upon smoking.”

(“ITL Marketing Strategic and Development Plans 1989”)

## MARKETING TO CONSUMERS MARKETING AUPRÈS DES CONSOMMATEURS

### Marketing strategies:

1984

#### “LOW CO CIGARETTES

##### Strategic Objectives:

To understand how to design low CO/tar ratio products and make them acceptable to smokers in the event that they are required for league table CO.

##### Constraints:

- 1) This is an area where we should be prepared but should be reactive rather than pro-active.
- 2) There is increasing evidence that consumers don't want more product information - one view is that low CO cigarettes should be marketed covertly....

##### Technical How:

- 1) This is essentially understood. There may be a conflict of interest since CO levels tend to rise if highly expanded tobacco levels are used for financial reasons. Provided that the smoker concurs, we should take the money now and only go to low CO if forced to.

##### Marketing How:

- 1) Make no overt proposition to the consumer in the absence of CO league tables.
- 2) In the case of the appearance of league tables, emphasise positive positioning pre and post this imposition.”

(“Structured Creativity Conference”)

1984

#### “HIGH EXPANDED TOBACCO CIGARETTES

##### Strategic Objective:

To maximise financial return by the use of lower amounts of tobacco. Thus lower tobacco purchases enable lower warehousing and finance charges while maintaining consumer attributes of the product.

##### Constraints:

- 1) Use of high levels of expanded tobacco must not in any way jeopardize product quality. ...

##### Marketing How:

- 1) Since there is little mileage in telling the consumer that he/she is getting less tobacco for his/her money, this is a covert proposition.”

(“Structured Creativity Conference”)

1984

#### “COMPENSATABLE FILTERS

##### Strategic Objective:

To make it easier for smokers to take what they require from a cigarette. This means in effect that the filter will be compensatable and implies a high taste to tar ratio.

##### Constraints:

What are the ethical implications of such a development? People who buy an 8mg product expect to get 8mg. It is also understood that people smoke cigarettes differently under different conditions of stress and relaxation, so they must be aware at some level that they can adjust the delivery of individual cigarettes as well a smoking different numbers of cigarettes. Should such a development be the subject of a clear declaration of its elasticity?”

(“Structured Creativity Conference”)



### **Packaging and customers' perceptions of product strength:**

1993           “Based on this information, we have learnt that tar level isn't the only determinant of strength. Other main contributors would be the qualifier (strong, medium, light), packaging and other elements that contribute to the trademark image. A good illustration of this is Player's Medium versus Player's Light: the tar level of these two brands is practically identical (14 vs. 13) - yet in image terms, they are perceived to be significantly different on strength (6.4 versus 5.1). This phenomenon is repeated across the board - particularly when you look at the Medium versus Light segment.”  
(Letter from R.D. Brown, Imperial Tobacco, to U. Herter, B.A.T. Industries, dated July 6, 1993)

### **Positioning of 'Light' brands:**

1993           “When we position our brands, we use all the tools to place the brands at the desired position in relation to the parent and the competition. Therefore, a light version of Player's will not necessarily be positioned at an identical strength level to compete with a du Maurier. It will be true to the trademark positioning and in correct relation to the parent. Therefore, all the elements (tar level, packaging, product etc.) must conform to create the desired image.  
A good example is Player's Light and Player's Extra Light. The intended positioning of both brands is to be at the top of their segment. In actual tar level terms - they are at the top of their segment. Player's Extra Light is way above the competitive brands in its segment (11 vs 8) while Player's Light is slightly above the competitive brands (13 vs. 11 and 12). However, in perceived terms, they are both positioned approximately .6 image scale points above the competition. Therefore, the intended position in relation to the parent and the competition has been accomplished by I.T.L. through use of actual tar level and image creating tools.”  
(Letter from R.D. Brown, Imperial Tobacco, to U. Herter, B.A.T. Industries, dated July 6, 1993)

