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Media

CONFIDENTIAL

MEMORANDUM

The American Tobacco Company

TO Mr. R. K. Heimann
President and
Chief Operating Officer

DATE July 2, 1969

FROM Norman H. Chester
Media Director

SUBJECT Network TV

This memorandum will address several areas of network television.

1. Under our three push brand concept, do we have sufficient weight next fall to meet the competition?

2. Can we accommodate a fourth push brand within our current network commitments?

3. Recognizing the 1969 profit goal, would it be wise to spend additional funds in network television? If so, would we be better advised to spend $2,000,000 this fall in football, as tentatively planned, or spread the investment over a 52-week period?

Let's first review our principle competitor, R. J. Reynolds. Based on current network usage, and our knowledge to date of their fall network buy, it is anticipated that the Winston label will have 14 exposures weekly, the Salem label 10 exposures weekly and the Camel label 4 exposures weekly.

Next fall, when one of our brands is in a blitz period, it will receive 15 network exposures weekly during the third and fourth weeks of the blitz, plus the I.D. Pool for the full four weeks of the blitz. During each brand's non-blitz period, it will have an <u>average</u> of 8 to 9 network exposures weekly, but no spot television. Thus each of our three push brands is at a level competitive with Winston only during its blitz period.

The introduction of a fourth brand as an equal blitz brand partner with the present network commitments would obviously further increase the spread between the weight of our brands versus Winston. As an example, if we maintain blitz weight at 15 network exposures during each brand's non-blitz periods, they would <u>average</u> 6 network exposures. There would be periods, however, when a brand would have as little as 4 or 5 network exposures weekly, compared to our current minimum of 6 to 7 exposures.