

MEMORANDUM



TO: Lis DeLaura

FROM: Staats M. Abrams, Senior Vice President

SUBJECT: Next Steps To Identify New Opportunities For Lorillard IN The Menthol Segment Of The Market

DATE: March 3, 1995

Described below are the next steps Starch is planning to follow to investigate new opportunities for Lorillard in the menthol segment of the market.

The thrust of the proposed analysis is to identify opportunities that will enable Lorillard to increase its share of the menthol market segment by either repositioning existing products or by new line extensions.

Opportunities will be defined in terms of unmet sensory needs of specific sub-segments within the menthol market.

Procedure

1. Access past data where panel members rated their regular brand both overall and on the sensory attributes.
2. Cross tabulate regular brand overall ratings and sensory ratings by demographic sub-groups on both a stand-alone basis (e.g., age, gender) and in combination (e.g., age within gender).
3. Identify areas of opportunity, i.e., regular brand weakness. That is, where the ratings of the regular brand are relatively low on one or more specific sensory attributes within a demographic sub-group.
4. Cross tabulate regular brand ratings by sensory segments.
5. Identify areas of opportunity, i.e., extent to which regular brands do not completely satisfy a sensory need.
6. Obtain demographic profiles of sensory segments offering an opportunity.