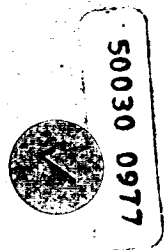


70-0218

RESULTS OF THE

1970 NEGRO  
MKT.  
AUDITS



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# Market Research Report

70-0218

MRD (04-021)

August 10, 1970

## RESULTS OF THE 1970 NEGRO MARKET AUDITS

### Distribution

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PUBLISHED BY THE MARKETING RESEARCH DEPARTMENT  
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RE: RESULTS OF THE 1970 NEGRO MARKET AUDITS  
(NRD #04-021)



The purpose of this report is to present the major findings of the 1970 Negro Market Audits conducted during March-May of this year. The audit program is designed to reveal both brand and company trend data in the urban Negro market, and therefore, should not be used as a precise indicator of share level. This is especially true with the individual market data.

### CONCLUSIONS

The menthol category continued to enjoy substantial growth and now accounts for well over one-third of the Negro market. Again this growth resulted primarily from the continued success of Kool. SALEM King performed a great deal better in the Negro market than it did in the corresponding divisions. Although both SALEM brands increased their share of the Negro market, neither brand enjoyed the same rate of growth achieved by Kool and the menthol category.

The 100mm category continued to grow in the Negro market primarily because of the good performances shown by Brown and Williamson's 100mm brands (Kool, Viceroy, Raleigh and Belair).

R. J. Reynolds and Brown and Williamson were the only two companies to show growth in the Negro market between 1969 and 1970. Both companies also showed significantly more growth in the Negro market than in the corresponding divisions.

### SUMMARY

#### R. J. Reynolds

Reynolds performed significantly better in the Negro market (+1.6 share points) than in the corresponding divisions (+.6). The growth shown by WINSTON King and SALEM King along with the acceptance of DORAL accounted for the major portion of RJR's growth. However, all RJR brands with the exception of both CAMEL brands, WINSTON Menthol and TEMPO, increased their share of the Negro market between 1969 and 1970. Total RJR would be up +.7 in the Negro market if DORAL is excluded. On a division wide basis Total RJR excluding DORAL would be down -.6 between 1969 and 1970.

DORAL was not on the market during the time the 1969 audits were conducted. Data from the 1970 audits show that although DORAL Filter has a lower share of the total market in Negro outlets than on a division wide basis, the brand's share of category in the Negro market is above its respective share of category in the corresponding divisions. DORAL Menthol performed as well in Negro outlets as it did in the corresponding divisions.

While SALEM King's share of market showed a healthy increase in Negro outlets (+.4), its share of the menthol category decreased (-.2) compared to a (+2.1) gain for Kool Filter King. SALEM Super, however, increased its share of both the total market (+.2) and the 100mm menthol category (+.5).

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July 29, 1970

BEST  
COPYAmerican Tobacco

American's share of the Negro market continued to decline in much the same manner as its share in the corresponding divisions. Almost all American brands failed to show growth in both the Negro market and the corresponding divisions with Pall Mall's share declining more rapidly in Negro outlets than on a division wide basis.

Liggett & Myers

Most of Liggett's brands failed to show any growth as the company's share continued to deteriorate in both the Negro market and in the corresponding divisions. However, Liggett seemed to be losing share faster on a total division basis because of the weakness shown by L & M.

Philip Morris

Philip Morris lost share in the Negro market (-.8) while showing solid growth in the corresponding divisions (+1.7). Weakness in the Negro market resulted from poor performances from Marlboro (-.3 in Negro outlets versus +1.2 in corresponding divisions) and Benson and Hedges (-.2 in Negro outlets versus +.5 in corresponding divisions).

Lorillard Corporation

Lorillard continued its downward trend in both the Negro market (-.8) and the corresponding divisions (-.7). Kent King and True Filter seemed to be holding up a little better in the Negro market than on a division wide basis.

Brown and Williamson

B & W continued to enjoy solid growth in the Negro market (+3.0) primarily because of the great success of Kool (Total Kool +2.6). Kool also accounted for the majority of the growth enjoyed by B & W in the corresponding divisions (Total Kool +1.5 and Total B&W +1.6). Although Kool is growing in both markets, the brand seems to be a great deal more successful in Negro outlets (+2.6) where it has captured over one-sixth of the market.

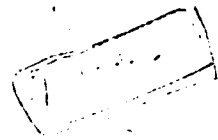
Kool 100's progressed from #10 in the 1969 item share ranking to #7 in the 1970 ranking, moving ahead of WINSTON Super King, SALEM Super King and Pall Mall Filter. Kool 100's increased its share of the Negro market +.6 and its share of the 100mm menthol category +4.4.

Viceroy also strengthened its position in the Negro market (+.4) to a greater extent than in the corresponding divisions (+.1).

*Tom L. Ogburn*  
Tom L. Ogburn  
Marketing Research Department

TLO:lw

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conducted for four-week periods in 1970. A sample of 15 Negro outlets was used in the New York area required to sell at least 75 cartons of at least a 75% Negro patronage. of retail outlets geographically

... program were:

- |            |                   |
|------------|-------------------|
| Atlanta    | Memphis           |
| Baltimore  | New Orleans       |
| Birmingham | New York          |
| Chicago    | Norfolk           |
| Cincinnati | Philadelphia      |
| Cleveland  | Pittsburgh        |
| Dallas     | St. Louis         |
| Denver     | San Francisco     |
| Detroit    | Washington, D. C. |

... showing the field dates for past Negro

	<u>Audit Field Dates</u>
1970	February-March
1969	March-April
1968	May-June
1967	March-May

... was not available for Pittsburgh, Baltimore ... disturbances that affected the

70-0218

SALES RESEARCH PROPOSAL  
(MRD # 04-021)

TITLE: NEGRO MARKET AUDIT - 1970

PURPOSE: The purpose of this annual study is to provide information about the Negro segment of the domestic cigarette market. This will be the fifth such study conducted in major Negro areas of the United States.

EXPECTED USE OF RESULTS: This study will provide a continuing comparison among the performance of various cigarette brands in the Negro market, especially among RJR and competitive menthol brands. Such information should be useful in determining the performance of RJR brands in the Negro market.

BACKGROUND: An annual audit of cigarette in 19 major Negro markets has been conducted since 1966. In the past, these audits have been the only available source of information concerning the relative performance of various cigarette brands in the Negro market.

METHOD: We propose the contracting of Ehrhart-Babic Associates, Inc. to conduct the necessary field work for this study. A sample of fifteen (15) stores will be audited in each of eighteen (18) cities and a sample of thirty (30) stores in New York.

An effort will be made to include as many of the same stores as possible that were used in the 1969 audit. The remaining stores needed to complete the sample will be selected to adequately represent the Negro market based on the requirement that each store in the sample must sell at least 75 cartons per week and must have at least 75% Negro patronage. Cigarette sales will be measured for one four-week period in each store and all cigarettes available for sale will be audited.

LOCATION: The following metropolitan areas have been selected because of their large Negro populations.

New York  
Baltimore  
Washington, D.C.  
Philadelphia  
Detroit  
Chicago  
Dallas  
Houston  
Los Angeles  
San Francisco

St. Louis  
Pittsburgh  
Cleveland  
Indianapolis  
Memphis  
Norfolk  
Birmingham  
Atlanta  
New Orleans

SCHEDULE: Initial Audit  
Ending Audit  
Report From Field  
Final Report

March 23, 1970  
April 20, 1970  
May 11, 1970  
June 19, 1970



ESTIMATED COST: \$23,700

		<u>INITIALS</u>	<u>DATE</u>
Approved by:	R. A. Rechholtz, Jr. or B. R. Stewart	<u>B. R. Stewart</u>	<u>3/6/70</u>
MRD Concurrence:	R. A. Blevins, Jr. J. H. Saylor, Jr.	<u>J. H. Saylor</u>	<u>3/6/70</u>
MRD Analyst:	T. L. Ogburn EXT-7471	<u>T. L. Ogburn</u>	<u>3/6/70</u>

TLO:vhl  
3/4/70