

INTERNAL CORRESPONDENCE

TO N. V. Domantay

DEPT. _____

cc to S. A. Wallace

R. A. Blott

F. Canary

Brand/Group

FROM J. M. Coleman DATE April 20, 1983

SUBJECT Cinema Advertising

Handwritten notes: V. P. make for [unclear] [unclear] [unclear]

Attached is the information you requested on cinema advertising. I have arranged this data according to the following classifications; Media and Production.

If you have additional questions, please let me know.

JMC
J. M. C.

/vg
attachment

670667695

I MEDIA

A. AUDIENCE CHARACTERISTICS

1. Adult movie goers skew young and are split 51% male and 49% female. Sixty percent of adult movie goers are between the ages of 18-34.
2. Smoking incidence is average - 36.4% of average adult movie audience smokes as compared with 35.9% of all adults (SMRB - 1981)
3. Movie attendance is more frequent among population segments heavily exposed to magazines and outdoor, while it is fairly flat with respect to newspaper reading.

	One or More Movies in 30 Days				
	By Media Quintiles				
	Q1	Q2	Q3	Q4	Q5
Magazines - Index	135	109	99	96	71
Outdoor - Index	128	108	97	91	76
Newspapers - Index	106	97	112	106	86

The media skews are consistent with observed age skews. Even though movie attendance drops off in the lightest magazine and outdoor quintiles, cinema advertising will help somewhat to deliver impressions to persons currently reached at low frequency levels.

B. CPM/INTER-MEDIA EFFICIENCY

1. Detailed below are the REV weighted compositions of movie audiences based on 1981 SMRB data.

	Composition of Avg. Movie Audience	CPM :90
Total Smokers	36.4%	\$110
Barclay REV	35.4	113
Belair REV	34.0	118
Kool REV	41.0	128
Raleigh REV	33.0	121
Viceroy REV	35.8	109

As expected, the most efficient REV movie audience is for KOOL. Please note, the above CPM's are based on a 90 second trailer.

670667696

2. On the basis of a 30 second trailer and factored for ad recall scores, cinema advertising becomes an efficient vehicle for B&W.

C. CINEMA REACH

1. BWT currently has 4500 (or 33%) of the 14,000 screens in the U. S. under contract. We are currently working to acquire the screens of General Cinema which account for another 7% (1000) of the total screens, plus as many other screens as possible.
2. Potential twelve-month reach for all cinemas is 60% of smokers at least once. Since BWT has 33% of all movie screens under contract, BWT's reach against smokers would be 20% (60% x .33).
3. Potential 30-day reach for all cinemas is 25% of smokers at least once. This rate translates to 8% once it is factored by number of screens under contract.
4. Detailed below are reach, frequency and GRPs for all smokers.

REACH	FREQUENCY	GRPs
25% at least once in 30 days	2.5	62.5
42% at least once in 90 days	4.5	189.0
53% at least once in 6 months	7.1	376.0
60% at least once in 12 months	12.5	750.0

This chart highlights the fact that one brand should not use more than six months of cinema during any one year. After six months, reach increases only 13% while frequency increases 76%. However, this increase in frequency is primarily against the frequent movie goer. In addition, one brand should not be in sequential flights because of the possibility of ad wearout.

D. EFFICIENCY COMPARISON

1. Detailed below are the CPM's to reach smokers for various media vehicles.

Cinema Advertising (JMC est.-30 sec)	\$28.00
Magazine (pg. 4C)*	5.50
Newspaper (1800 line B/W)*	22.00
Billboard 30-sheet (50 GRP)*	2.00
TV (prime time 30 sec.)*	11.10

*C&W estimate based on 1982 cost to reach smokers. Print and out-of-home based on BWT 1982 plans. TV based on C&W TV cost estimates factored to reach smokers.

670667697

By combining the smoker CPM's and the recall percentages, we can get an idea of the relative cost effectiveness of each vehicle. The following chart shows what 1% of recall cost for each vehicle. (Smoker CPM ÷ Ad Recall).

	<u>SMOKER CPM</u>	<u>AD RECALL %</u>	<u>COST PER 1% RECALL ACHIEVED</u>
Cinema	\$28.00	82	\$.34
Magazine	5.50	13	.42
Newspaper	22.00	10	2.20
Billboard	2.00	6	.33
TV	11.10	23	.48

This chart shows that cinema advertising is as efficient as out-of-home and more efficient than magazines, newspapers and TV. See Exhibit II for additional cost comparisons, based on each Brand's specific target audience.

E. TARGETING

1. BWT currently has the ability to target trailers by ADI. In the future, targeting by trading area will be possible.
2. BWT's trailers will not be shown in conjunction with "G" rated movies.
3. The ability to target trailers to specific movies is being explored. However, our trailers will not be run before any movies we consider objectionable (i.e. antithetical in nature).

II PRODUCTION

PRODUCTION REQUIREMENTS

1. Basic production requirements are as follows:
 - * CRI-35mm color negative. (i.e. notched scene-for-scene and color balanced scene-for-scene).
 - * Optical 35mm soundtrack.
 - * 35mm mixed magnetic stripe mono soundtrack.
 - * 1.85:1 aspect ratio. Flat print for widescreen projection.

670667698

2. In addition, it is important for the effectiveness of the B&W Commercial execution that the audio track be on mono for the following reasons:
 - Less than ten (10) percent of all theatres are equipped with stereo or dolby. This is due to the high cost of such equipment to the theatre.
 - The majority of theatres have multiple screens. The error factor in getting the dolby/stereo print on the right screen is extremely high.
 - When a dolby print plays in a mono system there is at least a ten (10) percent less of amplification.
 - With a loss of ten (10) percent of the volume the projectionist must manually adjust up. Our experience with this has been disastrous i.e. it is adjusted up too high or too low and causes audience irritation and complaints.
3. The production of the duplicate trailers will cost approximately \$21.00 per trailer or \$94m for 4500 screens. The trailers will last approximately 4-6 weeks, so duplicates must be made for each flight.
4. Exhibit I sets out the closing date for each flight in 1983. BWT has committed to be in the flight starting June 10, 1983.

669299079
670667699

SCREENVISION 1983
ADVERTISING FLIGHTS
AND CLOSING DATES

(DATE: 7/6/82)

<u>START CAMPAIGN</u>	<u>END CAMPAIGN</u>	<u>CLOSING DATE</u>
Friday, December 24	Thursday, January 20	Friday, November 12
Friday, January 21	Thursday, February 17	Friday, December 10
Friday, February 18	Thursday, March 17	Friday, January 7
Friday, March 18	Thursday, April 14	Friday, February 4
Friday, April 15	Thursday, May 12	Friday, March 4
Friday, May 13	Thursday, June 9	Friday, April 1
Friday, June 10	Thursday, July 7	Friday, April 29
Friday, July 8	Thursday, August 4	Friday, May 27
Friday, August 5	Thursday, September 1	Friday, June 24
Friday, September 2	Thursday, September 29	Friday, July 22
Friday, September 30	Thursday, October 27	Friday, August 19
Friday, October 28	Thursday, November 24	Friday, September 16
Friday, November 25	Thursday, December 22	Friday, October 14

* Production material must be received on or before the closing date.

670667700