

P R O M O T I O N A L M A R K E T I N G , I N C .

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DAKOTA
1990 FIELD MARKETING PLAN
HOUSTON TEST MARKET

PRESENTED TO:
R.J. REYNOLDS TOBACCO COMPANY

PRESENTED BY:
PROMOTIONAL MARKETING, INC.

December 13, 1989

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Introduction

R.J. Reynolds Tobacco Company will be introducing into a test market in Houston beginning in April, 1990 a new cigarette known as Dakota. Dakota will be highly targeted and directed at younger adult female smokers age 18-21, most of which are currently smoking Marlboro. 20

The brands overall positioning will allow the target smoker to have a very relaxed and comfortable lifestyle association with Dakota. It is very important that all promotional efforts that are executed to promote Dakota, support the brands basic proposition of life style association. In essence, Dakota will become highly integrated into the daily activities of the target in a very subtle, soft-sell and low key manner.

Dakota will become part of many activities which are of interest to the target in a constant unobtrusive manner. This will primarily take place in the various locations where the target frequents casually as well as formally.

Additionally, Dakota will create and promote its own sponsored activities periodically during the test market. These activities will all relate to the lifestyle interests of the target as well, and will be perceived as a value added benefit of smoking Dakota.

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I. Advance Market Pre-Sell Activities

During January, 1990 PMI will conduct an in depth advance market pre-sell in Houston. The assigned Program Director will conduct extensive research on exactly how the Dakota target can be reached and what methods would be most appropriate.

During this four week period, we will determine the following:

- All bars and taverns where the target is reachable.
- All other locations where the target is reachable.
- The number of permanent presence games that can be placed in bars or recreational facilities.
- The most appropriate radio station relationship to establish the financial requirements.
- Appropriate special event opportunities.

Following this advance market pre-sell period, a comprehensive market execution schedule/tactical plan will be prepared and submitted for approval along with a detailed execution budget.

Until this detailed tactical plan can be established the following represents the recommended strategic approach to implement a field marketing program to support Dakota's market introduction.

*Specific # of clubs &
sampling / promotion
frequency / rotation
Specifics as to*

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II. Market Activities

A. Target Bar Presence/Continuity Program

In selected bars, clubs and recreational facilities, a seven month continuity program will be executed. Locations will be selected on the basis of target attendance -- even if in low numbers. All applicable locations will be explored throughout the entire geographic boundaries of the Houston test market area, and will be included in this base level presence and continuity program.

These types of locations include neighborhood bars and taverns, neighborhood clubs, diners, bowling alleys, pool hall recreational facilities, etc.

The following techniques will be employed to achieve "soft-sell" presence in these locations:

- o Placement of brand identified permanent games such as pool tables and pool table accessories, pin ball games or dart boards, whichever has the most appropriate application to each selected location.
- o Placement of temporary presence material such as Dakota signage, i.e.: Telephone chalk board, Dakota neon, vending machine toppers, Dakota black lights, etc. (v)
- o Placement of bar kit materials - Each participating bar will receive an allocation of various brand identified items for either bar use or consumer use. These items include:

Dakota Matches
Dakota Ashtrays
Bar Tools
Pen Lights
Bar Trays
Pens
Drink Coasters
Imprintable Table Tents

In addition, each participating bar will receive blue Dakota shirts for bar personnel. These shirts will be designated for bar personnel and not given to consumers. Where appropriate, PMI will arrange to have the bar name imprinted on the shirt as well.

Jude Kod
+ Johnny
list

white ordered?

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- o Sampling will be conducted through a new and relatively low profile technique. Special Dakota representatives will frequent selected establishments on a weekly basis for the first few months of the promotion interfacing/socializing with target smokers and distributing gratis packs of Dakota.
- o Activities will be conducted by the Dakota representative on a very impromptu basis, awarding Dakota premiums as prizes. These activities will include:
 - Pool Games
 - Darting Competitions
 - Trivia Contests
 - Pin Ball Competitions

The Dakota representative will have the flexibility to initiate any activity which would be of appropriate interest to the target. This could include buying a round of drinks for target smokers, initiating games and contests, providing mugs and shot glasses to the bar to use for drink specials and to promote more organized advertised activities in selected locations. A special budget will be allocated for this purpose and administered locally.

On a very opportunistic basis, a special free standing floor base video unit will be placed temporarily in appropriate participating bars. The video unit will play a specially edited tape of popular MTV music videos along with the Dakota video. These video units will be rotated to as many locations as applicable throughout the program.

B. Nightclub Presence and Sampling

Selected young adult nightclubs can be identified as attracting the Dakota target audience. Generally, the Dakota target frequents these nightclubs on an occasional basis primarily on weekends. These clubs are quite cosmopolitan in nature featuring either alternative or rock music. While these clubs are not necessarily receptive to promotion, some will allow sampling and some will accept basic bar presence material including limited signage.

The Dakota promotional effort will be limited in these clubs to sampling and the placement of appropriate presence material.

info research
just 3 to 4 months
seed from 4-15
BMG included event

(Dakota)

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With the nightclubs that represent the best opportunity to reach out target, we will try to establish a rapport to conduct limited promotions such as "ladies drink special" or "free shot glass with purchase" or possibly reduced cover charge for Dakota smokers. These promotions will be executed opportunistically and maintain a relatively low profile.

The objective of promotional presence in these nightclubs is to eliminate a void, or to counter a potential absence of Dakota presence in the clubs that are patronized by our target -- even if on an infrequent basis.

C. General Market Sampling

During the first three weeks of the program, a general market sampling will occur to provide broad coverage, gain awareness and stimulate trial among as many of the target prospects as possible. Sampling will occur in clubs, bars and recreational facilities which attract the target. Highly targeted intercept sampling will also take place in strategic locations such as between several clubs located together on Richmond Avenue. Two sample gratis packs will be distributed to every target smoker sampled. A BIGIF coupon and a Dakota lighter will be distributed along with the gratis packs to every smoker.

(2)

Free PK

D. Market Wide Presence/Activities

o Target Radio Station Association

Dakota will establish a promotional relationship with a radio station that matches Dakota's target demographics with the station's target audience. Dakota will secure the rights to establish presence and sample the audience at any radio station sponsored activity.

When Dakota sponsors its' own activities, such as beach concerts, Battle of the Bands, midnight movie nights, etc. the radio station will provide publicity and audience generating promotions to support the activity, as well as, participate as a co-sponsor if desired.

- o Dakota Music Jeeps (2) ^{what is it} will be driven by PMI Marketing Managers and will have the ability to create an "instant party" atmosphere. A favorite pastime of the target is "cruisin" or "hanging out" with friends. The Dakota Jeep can provide "instantaneous" entertainment for any -- small or large, organized or unorganized -- group that PMI managers encounter. Once assembled, informal sampling will occur and possibly the distribution of limited quantities of Dakota premiums. The Dakota Jeep will be involved in informal gatherings in parking lots where the target congregates, as well as, more formalized gatherings at the beach or in conjunction with sponsored or co-sponsored events.

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o Dakota Battle of the Bands

A major promotional opportunity for Dakota in the Houston market to tie-into the musical interests of the target would involve the coordination and sponsorship of a major Dakota "Battle of the Bands".

Specific bands of various musical types would be sourced and invited to participate in a major high visibility entertainment event. The event would be a marathon Battle of the Bands occurring on a selected weekend night and would receive five weeks of advertising and pre-publicity.

Publicity would include:

Newspaper Advertising (Entertainment Section)
Radio Promotion (Co-sponsorship)
Flyers Distributed in Target Bars and Clubs
Posters Displayed in Target Bars and Clubs
Advertisements in Alternative Weekly Entertainment Guides

York 8 Hours? →
The event would be held in a large entertainment facility and would last approximately 8 hours. Bands would be staged on carousel stages that would be pre-set so that consumer entertainment would be virtually non-stop. The evening would be hosted by a popular local D.J. celebrity associated with the co-sponsoring radio station. The winning band would receive a large cash award.

Throughout the evening many brand identified prizes will be awarded to those attending and completing sweepstakes entry forms.

2e
Additionally, grand prize drawings will be conducted for a Dakota Jeep and a Dakota motorcycle from entry forms obtained from all name generation techniques implemented at individual bar or nightclub promotion activities.

Goodman
Due to the nature of such a large event, special precautions (security) will be taken to insure an orderly event. Additional measures will be taken to insure that anyone requiring transportation at the conclusion of the event will be accommodated.

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Int
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Food

*Only in
Dakota
Distributors
each on your
leaves*

o A Dakota Midnight Movie Program will be staged to provide an entertainment activity for the target. First run movies and appropriately located movie theaters will be selected.

Promoted through club and bar promotions and localized media a reduced price admission will be offered to consumers. Smokers who bring two empty Dakota packs will receive free admission. The Dakota video will be shown as a trailer leading into the main feature. Sampling will occur as consumers enter the theater.

o Beach Related Activities will be conducted on an opportunistic basis in Galveston and other popular beach areas surrounding Houston. Dakota will be visible at these beach locations for approximately 8 weeks during the spring and summer months.

Specific dates will be identified that present opportunities for Dakota to impact its audience in an optimal manner.

Impromptu activities will be staged with the Dakota Music Jeep where sampling and premium distribution will occur. Additionally, Dakota will be available to co-sponsor any appropriate beach related concert that appeals to our target in association with the sponsoring radio station.

E. General

Name Generation Activities

Through all Dakota related club and bar activities, name generation will occur. Smokers will be invited to fill out simple door prize forms to be eligible to win Dakota premiums during each evening.

All smokers who fill out the door prize form will also be eligible to win a grand prize, Dakota Jeep or Dakota Motorcycle given away at the market wide Dakota Battle of the Bands event.

Program Sell-In Brochure

A formal sell-in brochure should be produced and used by the PMI Marketing Managers to expose club and bar owners to all of the various Dakota promotion elements and materials available. This brochure could be as simple as a three-ring binder presentation so certain pages could be removed when materials are depleted and or when new materials are added.

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Program Materials

Target Bar Presence/Continuity Program

o Brand Identified Games

Pool Tables (10)
Pin Ball Games (10)
Dart Boards (20)
Scoreboards (20)

96,125 (2)

Temporary Presence Material

Tournament Posters (1,000)
Imprint Banners (500)
Telephone Chalk Boards (40)
Dakota Neon Signs (40)
Vending Machine Toppers (20)
Pool Table Lights & Accessories (40)
Dakota Black Lights (40)
Large Stage Banners (20)
Tiffany Style Hanging Lights (40)

Bar Kit Materials

Dakota Matches (60,000)
Dakota Ashtrays (10,000)
Bar Tools (400 sets)
Pen Lights (500)
Pens (2,500)
Drink Coasters (10,000)
Imprint Table Tents (30,000)
Plastic Cups (60,000)

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Program Materials

Premiums

T-Shirts for Consumers (20,000)) 4.50 ea	99.0
T-Shirts for Bar Personnel (2,000)		
Leather Jackets (200)	\$ 1.00	20.0
Beach Towels (2,500)	\$ 3.	7.5
Lighters (60,000)	1.0	60.0
Beach Kits (1,000)	10.0	10.0
Rafts (100)	\$ 25	2.5
Shot Glasses (10,000)	\$ 1.00	10.0
Drink Mugs (5,000)	\$ 2.00	10.0
Party Kits (200)	\$ 25	5.0
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		224.0

Other Material

Name Generation Forms (75,000)		75.0
Sampler Uniforms (40)	\$ 1.00	4.0
Dakota Representative Apparel (5) 3 sets each		2,250
Sampler Bags (20)	\$ 25	.5
Gratis (60,000)	.50	30.0
		<hr/>
		111.75

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Budget Summary

Program Development/Creative Development	\$ 57,500.
Program Implementation/Management	128,250.
Target Bar Presence/Continuity	96,125.
General Market Sampling	48,550.
Market Wide Presence/Activities	
- Radio Promotional Relationship	100,000.
- Dakota Music Jeeps (2)	95,600.
- Battle of the Bands (1)	188,550.
- Midnight Movies (4)	80,000.
- Beach Activities (8)	36,000.
General Market Expenses	36,500.
Production of Bar Kit Materials	TBD
Production Temporary Presence Materials	TBD
Production of Permanent Games	TBD
Production of Premiums	TBD
Design and Production of Program Sell-in Brochure	50,000.
Program Administration, Coordination and Supervision	<u>70,000.</u>
TOTAL	\$987,075.

Add to this -
- gratis product
- Premiums

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