



BRITISH-AMERICAN TOBACCO COMPANY LIMITED

TO: S.M. Osborne
D. Fell
T. Hirji

CC: P. Bingham - for information
I.G. Hacking - for information

FROM: R.P. Ferris

DATE: 20 July 1993

SUBJECT: TSG REQUEST FOR CONSUMER
DEFINITION OF 'LIGHTS'

I have been requested by I.G. Hacking to communicate my response to Paul Bingham for wider discussion.

I suggested two philosophies of definition:

1. Perceptually driven nomenclature from PARENT respectively through MILD>LIGHT>ULTRA LIGHT with deliveries scaled down from the parent based on just noticeable difference (sensory) thresholds which should normally pan out at c. 3mg.
2. A more operational definition which would define LIGHTS as any brand falling below the SWAT value for the market and FULL FLAVOUR being any brand falling above SWAT.

Choice of definition depends on use to which it will be put. Definition (1) is the purist marketing position and meets the criterion of consumer relevance. Definition (2) may be more relevant for gross market classification exercises. Note both definitions cannot be applied in combination since they can lead to different outcome brand classification. I believe the key issue is in that either scheme 'LIGHTS' is linked and defined in relation to prevailing delivery levels of the market concerned.

correct

R.P. FERRIS

→ TAT - please draft a response

RPF/93-177/taw

gmd

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