



December 8, 1980

Mr. Robert Pritchett
IMPERIAL TOBACCO LTD.
3810, rue St. Antoine
Montreal, P.Q. H4C 1B5
Quebec CANADA

Dear Bob:

Enclosed is a list of 71 evaluative dimensions which came out of the first stage of PROJECT IMAGE (see Exhibit 1). The dimensions have been organized into categories and sub-categories based on judgement. They represent our summary of more than 200 dimensions we have collected from the 21 interviews I have conducted in Toronto using the Repertory Grid Technique.

In my opinion, this list represents such a wealth and diversity of information that is worth pursuing to the fullest extent. By pursuing it to the fullest extent I mean that with what we have here it is worth executing the second phase of PROJECT IMAGE as soon as possible. That phase would have two objectives:

1. To identify, through factor analysis, the few superordinate dimensions that are operative in the market and to reduce the existing dimensions to 20-25 principal factors, i.e., those evaluative criteria that seem to explain most of smokers' perceptions.
2. To produce a map of 15 brands of cigarettes using the factors developed above. The reason for developing the map is to evaluate the positions of the tested brands in light of our understanding of the market. Should the map appear to accurately describe the market, and should the dimensions on which it has

102687115

MARKETING RESEARCH & CONSULTING

Mr. Robert Peirchalt
IMPERIAL TOBACCO
December 8, 1980
Page 2



been based show promise for positioning decisions and creative development, you may decide to:

- a. adopt the instrument for your on-going image research, and
- b. possibly, conduct a full-scale study to cover all the relevant brands, if more than 15, across all the market segments that are judged important.

As far as the next task is concerned, I would like to propose that a quantitative study be conducted among 150 respondents covering 15 brands. Because of the sheer number of dimensions, it is not advisable that respondents be required to rate or rank all 15 brands. I suggest, instead, that each respondent rate a set of 5 brands drawn randomly according to the procedure outlined in Exhibit 2.

According to that procedure, the effective sample size for each brand rated is 50 respondents. I, further, think that it is very important that the sample be representative of the entire market and, at this time, I suppose we should be concerned -- for reasons of expediency -- only with the English-speaking segment.

Bob, I am very confident that we now have the essential elements of a very good instrument, and I am looking forward to your comments and response to my suggestion.

Best personal wishes.

Sincerely,

Eli Seggev, Ph.D.
President

102687116