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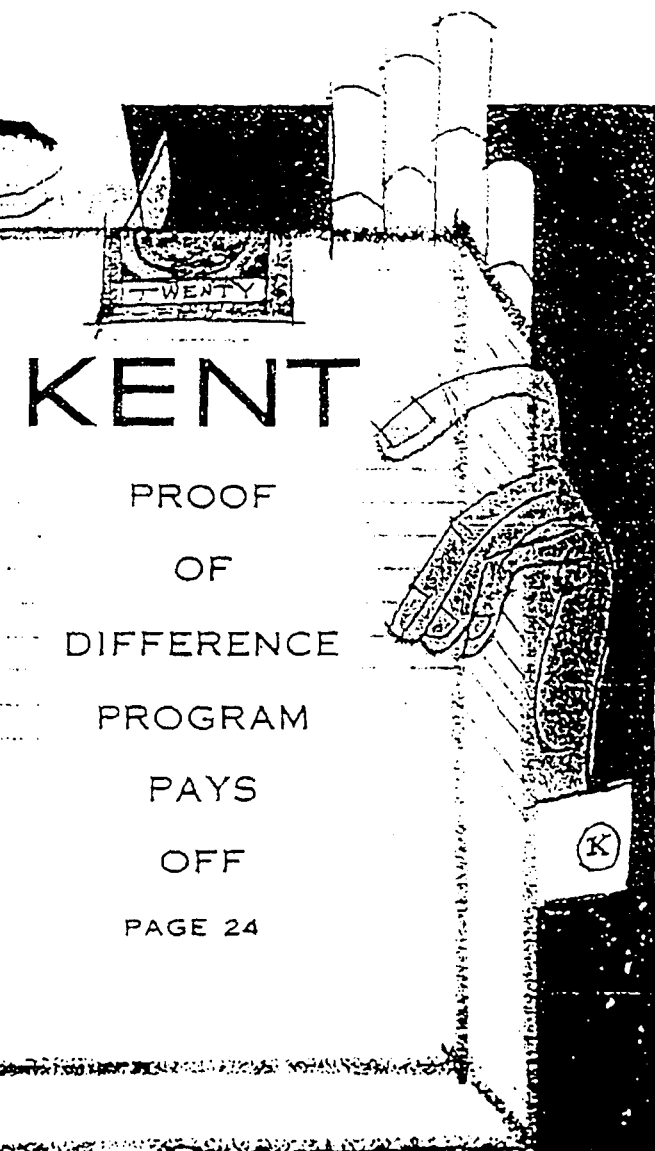
Sales Manager

THE MAGAZINE



EMENT

OF MARKETING



KENT

PROOF
OF
DIFFERENCE
PROGRAM
PAYS
OFF
PAGE 24

PLANNING
EXHIBIT
335

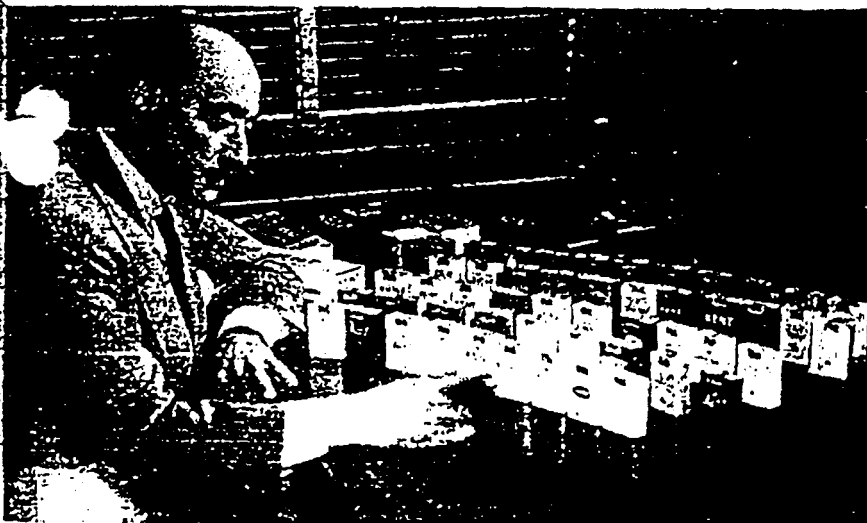
A
BILL
BROTHERS
PUBLICATION



Look at this test before you smoke another cigarette



PROOF AT POINT-OF-PURCHASE: A recent magazine spread pictured salesman J. I. O'Hara showing customers of the Davis Pharmacy in Ridgewood, N.J., how they can reduce their intake of tars and nicotine, by smoking Kents. All 600 Lorillard salesmen double as "smoke testers."



WINNING PACKAGE: Fred Sergenian, art director of Young & Rubicam points to the design selected from more than 40 packages developed for Lorillard's latest. Fifty names were considered before Kent was selected.

tively small . . . but growing.

Between 1933 and 1952, while the nation's population was rising 26%, domestic tax-paid consumption of cigarettes nearly quadrupled, from 112 to 347 billion units. To this total various types and brands are contributing. But whereas, two decades ago, the brands—Camel, Lucky Strike, Chesterfield, in their present sales—sold about 85% of all cigarettes, these three today do about 65%. Lewis Gruber, vice-president and sales director of Lorillard, recently told the National Association of Tobacco Distributors that the average distributor now carries 54 cigarette

brands. In three years the number of brands selling more than eight billion units each annually has risen from seven to 12. Gruber noted that "within the past year alone, at least 10 new and fast-growing brands have been put on the market by major cigarette producers."

Some of the comers are king-size. In addition to the separate king-size brands, such as American Tobacco's Pall Mall, which now may rank fourth among all brands in unit sales, such "standard-size" brands as Chesterfield, Philip Morris and Lorillard's own Old Gold have added the longer version. In 1952 king-size

brands are said to have sold 77 billion units, or almost 23% of the industry total.

By then filter-tip cigarettes had reached five billion units, or 1.3% of total. But this year their share may reach 5%. In fact, tomorrow's best sellers may well be combined king-size filter-tips.

Alleged "filters" of one type and another have been used here for a generation or more. But they have progressed faster in Europe, where 40 or more brands are now sold. In Switzerland today filters represent more than half of all cigarette sales.

Only a dozen filter brands are now being sold here. Until recently this field was dominated largely by Benson & Hedges' Parliament and Brown & Williamson's Viceroy. (Benson & Hedges may soon be acquired by Philip Morris.) Some others are du Maurier, Gem, Hale and the new L&M of Liggett & Myers, which uses a cellulose filter. Viceroy has become king size and Parliament is testing it. Thus far Kent has done well enough at "standard" 70 mm. length.

In fact Kent is setting a new pace for all Lorillard products.

Lorillard has a wide line. The 16 "leaders" are five cigarettes, four smoking tobaccos, three cigars and three chewing tobaccos. (No more snuff.) The widely-promoted products, however, are Old Gold, Embassy and Kent cigarettes and Muriel cigars.

Steadily, cigarettes take a larger share of the company's growing total. Of \$214.5 million volume in 1952, 83%—or \$178 million—was in cigarettes. In 1953 cigarettes may reach 87%—or perhaps \$217 million of an over-all volume of \$250 million.

The company reaches back to the year 1760, but its leaders are planning for 1960. The atmosphere at 119 West 40th St., Manhattan, may seem somewhat sedate. (An ancient cigar store Indian waits with you in the reception room on the executive floor.) But the men in the big offices step lively.

In an annual progress report for 1952, P. Lorillard Co. told 28,000

BY
**LAWRENCE M.
HUGHES**

Thinkers and Doers in the Debut of the New Kent:



MASTERMINDS OF "PROJECT 7-11": Herbert A. Kent (right) chairman of Lorillard's board led the board of strategy in launching the cigarette. Others, left to right, are Frank Hopewell, executive vice-president; Lewis Gruber, vice-president and director of sales, and William J. Halley, president.

shareholders that sales of their products had risen 14% from 1951. Net profit, after taxes, was only \$5.7 million, yet this was 11% more than the \$5.1 million of the year before. Last December 31, the shareholders owned assets of \$160.8 million—the largest item of which was \$110 million in inventories of leaf tobacco. (One evidence of growing faith in ability to sell more volume tomorrow may be found in the fact that leaf tobacco inventories last year rose nearly \$22 million, or about 60% faster than the year before.) Working capital stood at \$81.3 million. Earned surplus reached a record \$29.4 million.

Over the pictures of 13 men appears the legend: "To manage wisely . . . to inspire steadily . . . to look ahead clearly: These precepts guide your board of directors in administering the affairs of your company."

All but three members of the present board are active executives of the company. Long Lorillard's leading spirit—chairman for the last year, president for the previous decade—is Herbert A. Kent. Others are William J. Halley, president; Frank Hopewell, executive vice-president; the v-p's directing sales (Lewis Gruber), manufacturing (Joseph J. Blacknall), leaf purchases (Irvin H. Peak), and advertising (Alden James); the directors of research (Dr. Harris B. Parmele), purchasing (Frederick M. Watson), and brand development (Harold F. Temple).

In the last two years nearly all of these 10 have moved up a notch or

two. Meanwhile, under President Halley, younger men are being added to management in various functions.

From Chairman Kent down, Lorillard is sales-minded. Kent himself started in sales. Three directors—Hopewell, Gruber and Temple—have concentrated on sales. All 10 play a part in strengthening older brands and launching new ones. Kent tells shareholders: "Through modern selling and merchandising methods, your management looks confidently to the future." The sales force is "composed of merchandising specialists . . . equipped to serve the best interests of 1.3 million retailers who handle our products. . . . Advertising is a top management function. Because a substantial expenditure is involved (estimated at more than \$9 million annually for all products) our first care is to see that it is invested wisely. . . . Every major advertising move, wherever possible, is scientifically pretested under actual market conditions."

Lorillard Moves Ahead

Against an industry decline in sales of standard-size cigarettes in 1952, he reports, Old Gold expanded for the fifth consecutive year. . . . While entire king-size volume gained 54%, Embassy moved ahead 80%. . . . And in its first nine months, last year, Kent made greater progress than had Embassy in any of its first four years.

Medicine warns about the susceptibility of many smokers to tars and nicotine and the need for effective

filters. Ills blamed on tobacco range from coughs to the black plague.

Last July 4, for example, the *Journal of the American Medical Association* carried an article by Dr. Morris T. Friedell, Chicago, "Effect of Cigarette Smoke on the Peripheral Vascular System," or near by blood vessels. He concluded:

" . . . there is a 33% alteration in radioactivity (blood volume) in women when a standard cigarette is smoked, as against 19% alteration . . . in men."

"The principle of filtration of tobacco smoke is probably a good one and should be used by both men and women."

Although Lorillard cannot promote the fact that Kents were used in Friedell's comparative tests, it is distributing to doctors 10,000 extracts of his article.

And in a consumer folder for distribution at stores—which also shows how to make your own smoke test—the company cites findings of "a leading research organization": Skin temperature of "sensitive smokers smoking ordinary leading filter cigarette dropped an average of six degrees Fahrenheit. The same smokers smoking Kents showed no noticeable temperature drop at all."

Behind Kent is a story of forward planning and thorough development dating back to 1947, when Herbert Kent and his crowd started looking earnest for an effective filter. "An American not foreign filter then being sold could 'remove more than a slight amount of tars and nicotine



PLANNER: Harold F. Temple, director of brand development, helped form the step-by-step plan to get Kent bought, promoted and sold by some 500,000 stores.



PROMOTER: Alden James, vice-president for advertising, put the "proof" to work in hard-hitting advertising in newspapers, magazines, radio, TV, direct mail and p-o-p.

A 40% removal was the desired minimum.

The company's expanding research department, under Dr. Parmele, studied many filter materials. A search was begun for machinery. No machinery of the type the company wanted for making filter cigarettes could be found in this country. Also required was a soft-type package. This ruled out the recessed-tip filter because this must have a hard box, to prevent the tip from breaking off.

Eventually, the machines were found in Europe.

In 1950 Lorillard learned that a certain material used for filtering air in atomic energy plants had been declassified. This mineral, improved for cigarette use, was found to eliminate two-thirds of tars and nicotine. The company registered its name as Micronite.

However important and desirable it may be, a filter is an "accessory," like Hydra-Matic drive on a car. Consumers still want a good smoke. From hundreds of grades of the four basic cigarette tobaccos—Burley, Virginia, Maryland and Turkish—Lorillard contrived the combination which finally became Kent. (Its salesmen break off the filter and urge smokers to try the cigarette without it.)

Instead of being "roped," the filter material is "interleaved" with the carrier fiber. It works out in alternate rows of three layers of Micronite and two carriers.

The product's development was very hush-hush. So was the ordering of machinery from Europe to produce

it. Probably not more than a dozen of the 6,000 people who work for Lorillard knew about Project 7-11. The numbers, of course, symbolized good luck.

The first marketing date was set for the spring of 1952.

In the fall of 1951 Young & Rubicam was appointed agency for the new cigarette. (Lorillard's other brands are handled by Lennen & Newell.)

The company and Y&R set out to find a name. From a list of 50—some of which had been considered for Embassy—emerged *Kent*. In addition to being the name of the Chairman, explains Brand Development Director Temple, *Kent* is "short and easily-remembered. Also, it suggests quality, without being *too* British." The fact that *Kent* already was being used for clothing, hairbrushes and other things did not keep Lorillard from registering it.

Designs Package

Then came design of package, labels, boxes and containers. More than forty different packages were developed—the colors ranging through the rainbow—before an all-white with black lettering was chosen.

In January 1952, just two months before first consumer announcement, orders were placed for labels and various containers. Even then Project 7-11 was still a quite-tight secret.

But instead of taking first cautious steps in smaller markets, it was decided to launch *Kent* simultaneously

in New York, Chicago and Los Angeles. By then there was no doubt that Lorillard intended to go all out with the new brand. The three metropolitan markets were chosen because filter cigarettes already were accepted in them. They were logical—although costly and complicated—"testing areas."

Lorillard's sales organization embraces 600 men. Nearly all of them handle all products except cigars, which are sold by a separate group. They are directed through 90 divisions, 15 field and four regional managers. The regions are East Coast, Northern States (Maine to Wisconsin), Midwest (Canada to Gulf), West Coast.

Consumer advertising was set to break on Wednesday, March 26, in double-page spreads in all general dailies of the three markets. The headline: "New . . . Micronite Filter . . . Greatest health protection in cigarette history." The campaign, supported by point-of-purchase material, would run for 10 weeks.

Early in March, the New York, Chicago and Los Angeles district managers met at New York headquarters. Executives told them *Kent*'s story to date and gave them copies of a step-by-step "Distribution Plan" for the product. (These first copies Harold Temple had written in longhand. Even secretaries of executives were not yet in-the-know on Project 7-11.) The managers were to relay marketing, merchandising and advertising procedures *verbatim* to their men. Lorillard wanted to

(continued on p. 106)

Character is habit long continued

so are the words...

"my teacher says..."

School kids—30,000,000 of 'em—take what "my teacher says" as fact, and habitually deliver the opinions of teacher into 10,000,000 homes.

Continuously repeated mention of your product, service, or business philosophy by these millions of youngsters can be of incalculable benefit to you.

There are 44 different state edited publications—over 900,000 subscribers. Complete flexibility enables you to reach any group of states, or cover the entire country. Get all the details from Miss Georgia C. Rawson, Executive Vice-President, State Teachers Magazines, Inc., 309 N. Michigan Ave., Chicago 1, Ill.

State TEACHERS Magazines



Custom Fancy Smoked TURKEYS

Give a gift of distinction—one that will truly flatter the recipient. Premium quality birds (U. S. Grade A table-ready), carefully dressed, then smoked with a rare, delicious flavor, are gifts of thoughtfulness for every holiday.

Each plump, broad-breasted turkey (goose or capon) is slowly processed under exacting controls to insure juicy perfection of flavor. No cooking necessary. Each bird shipped in re-usable polyethylene bag, dry-iced to insure arrival in frozen condition.

Attractively gift-wrapped, gift card enclosed. Shipped prepaid anywhere in the U. S. Send us your gift list, we will ship direct. Arrival in perfect condition guaranteed anywhere within Railway Express delivery limits.

CUSTOM FOOD PRODUCTS, INC.
701 N. WESTERN AVE., CHICAGO 12, ILL.

We will need:

____ Smoked whole turkeys of _____ lbs.
ea., av. wt. 9-15 lbs. Price \$1.75 lb.
____ Smoked whole geese of _____ lbs.
ea., av. wt. 6-7 lbs. Price \$1.85 lb.
____ Smoked whole capons of _____ lbs.
ea., av. wt. 4 lbs. Price \$1.75 lb.

Your Name _____
Name of Firm _____
Address _____
City _____ Zone _____ State _____

Proof-of-Difference Pro Pays Off for Kent Cigarette

(continued from p. 27)

make sure that every man would do all required of him, and would tell the same sales story.

In the introductory campaigns, Gruber explains, "the objective was to build the framework for strong distribution and then let demand help to fill it out. We did not load dealers. We wanted to be sure that every Kent smoker got fresh cigarettes, and we refused to regard any sale as completed until the consumer struck a match. Although we did not sell on consignment, we stood ready to take back any unsold Kents."

Opens "A" Outlets

In the fortnight between the time the men in each district first tackled the new cigarette and the first announcement advertisement, they were to open 12% of potential outlets, plus chains, in that area. These stores would all be higher-volume "A" outlets, sold by the company's own men for jobber's account. In addition, jobber salesmen worked simultaneously on "B" and "C" stores. Lorillard gave them 15 cents per placement for each outlet opened.

(Although no "rewards" were offered to Lorillard men, their efforts in getting the product distributed and promoted are duly weighed for annual merit ratings. Last year 45 merit promotions were made in the sales organization.)

Chains were asked to cover only their stores in the specific area being tackled. If any chain could not reach all its stores in that area before the advertising broke, Lorillard men would step in and help.

In the first three markets, salesmen from nearby districts were "borrowed" for one month. The Los Angeles force, for instance, was augmented by Lorillarders from such places as San Diego and Bakersfield. Salesmen from Milwaukee and South Bend were brought in for "Operation Chicago."

By the end of the first 30 days Kent was to be on sale in 60% of all key outlets in each market. But Lorillard added 30 days' grace. . . . Actually aided by jobbers salesmen—the product was bought by 90% of key stores in each market within 45 days.

First notified at a meeting, say, on Friday, that there was such a cigarette as Kent, and what they would have to do about it, the men were

routed to reach stores assigned them with least-possible lost motion. On the following Monday morning, they set forth in their sedan delivery cars carrying:

More than 100 cartons of Kent; 15" x 22" window posters; 9 1/2" x 15" window posters; a number of easel-backed display cards; two-carton counter displays; one-carton counter displays.

Each area was given an allotment of window display material.

This material was to be installed only by a window trimming company. Salesmen were instructed to select only best window locations. In larger chains Kent was to take window space already signed for Old Gold or Embassy. Buying of counter display space was deferred until Kent was in better supply.

As tangible evidence of the fact that the new product would be backed by a near-record campaign, the salesmen showed dealers proof of the opening newspaper insertion. They also offered mats for dealers in advertisements.

The dealers were duly impressed. Although Lorillard's men asked them to "put Kent under the counter until the newspaper advertising broke," Temple points out that "90% of them displayed it right off the bat."

Thus ended the secrecy of Pro 7-11.

Newspaper lineage was heavy: opening double-page spread was followed in a week by a full page, third and fourth weeks by 250 lines, then a full page; four weekly insertions of 250 lines; and finally another full page.

Picks Up Steam

During the New York-Chicago-Los Angeles campaign, Lewis Gruber explains, "demand grew so fast that we were shipping today's product today." But rapidly more machines were added.

The three-market campaign was just picking up steam when six more New England areas were tackled in June. Then, in June, Kent went to Philadelphia and southern New Jersey, Baltimore and Washington; the time national distribution was completed, in May 1953, Kent had been launched in 26 introductory campaigns—most of them multi-market. Later newspaper schedules

Check the new

WBZ

MAIL MAP

against the areas
where you want action
in New England

Map shows where listeners
are, and where they're
influenced to act

A survey that plots audience location is a big help in time-buying. Even more helpful is a survey that indicates sales-action. And that's exactly what the new WBZ mail map does!

The map is based on accurate analysis of more than 100,000 pieces of mail. Counties are shaded to indicate degree of penetration shown by intensity of mail returns.

Check this new map with your New England sales picture... and find out how important it is to tell your story on WBZ! For further information, get in touch with WBZ or Free & Peters.

WBZ

BOSTON
50,000 WATTS
NBC AFFILIATE



WESTINGHOUSE

RADIO STATIONS Inc

WBZ • WBZA • KYW • KDKA

WOWO • KEX • WBZ-TV • WPTZ

National Representatives, Free & Peters,
except for TV; for WBZ-TV and WPTZ,
NBC Spot Sales

somewhat reduced, but still w heavy. The opening announcement became a full page and the first follow-up 1,500 lines. A campaign covered eight weeks. Managers were mailed a typewritten plan. Salesmen no longer were being "borrowed." But in each market, their efforts were similarly thorough.

By September 1952, when distribution had reached 38 major markets, Kent took over from Embassy sponsorship of the mystery series, "The Web," Sunday nights on CBS-TV. The switch was made by introducing the Lorillard "family of brands . . . and now the new Kent." . . . In April, Kent launched a series of double-page spreads—usually monthly—in *The American Weekly*, *Life*, *Newsweek*, *New York Times Magazine*, *The Saturday Evening Post*, *This Week* and *Time*. . . . In September, 1953, "Monday Morning Headlines," broadcast Sunday nights over 310 ABC radio stations, started to sell the new cigarette. . . . These magazine, radio and TV campaigns continue.

Among Kent's media there's quite a lot of inter-promotion. Jonathan Blake's smoke tests on "The Web" are reproduced regularly in magazines and point-of-purchase, and now and then a Kent magazine spread appears on TV.

The Test at Work

A recent magazine advertisement reveals one reason why Lorillard salesmen have kept plenty busy. A picture sequence shows the smoke test as conducted in Davis Pharmacy, Ridgewood, N. J., by Kent representative J. I. O'Hara. . . .

Project 7-11 was still developing when someone happened to notice the difference in the color of smoke against the wall of a room, as blown from Kent and another brand. From this grew the test idea and program.

At a press conference at New York's Waldorf-Astoria Hotel on March 19, 1952—a week before first advertising broke there—reporters were asked to blow smoke into their beverage glasses; turn them upside down on white paper, and note the difference in color of the stain left by "your cigarette" and by Kent.

On Monday, March 24, 1,800 members of the General Practitioners branch of American Medical Association met in Atlantic City. Also attending were Lewis Gruber, Harold Temple and Fred Storm, Northern States sales manager of Lorillard; John Grier and Alexander Kroll of Young & Rubicam, and two local Lorillard salesmen. On Wednesday

morning as soon as New York papers carrying the double-spread announcement reached the convention hall, the seven men went to work to show the doctors what Kent meant. Working in shifts at three tables, with ordinary beer glasses, they proved Kent's filtration of nicotine and tars against the doctors' own brands.

Until then Lorillard's main contact with medicos had been an exhibit at the annual meeting of the AMA and Old Gold advertising in some medical journals. . . . In nine months of 1952 Kent was sampled and tested at 20 doctors' meetings. In 1953 its story is being told at 53 of them. To almost every doctor and dentist in the country Lorillard has mailed a gift box.

"Switched to Kent"

But among doctors and laymen it's said, Kent largely "launched itself." Many in areas where the cigarette was not yet sold heard of it and wanted to try it. Confronting a battery of bright, white teeth, a dentist would exclaim: "I see you've finally cut out smoking!" The patient would reply: "No, I've just switched to Kent."

A bit of "science" may serve in selling. All Lorillard salesmen have become smoke-testers.

Each test takes about three minutes. One minute is for introduction and request to borrow a smoker's cigarette; two minutes for explaining the difference in filtration while the test is being made—and then the results.

An "Outline of Smoke Demonstration with Scientific Glasses" emphasizes that "the test should be conducted at point-of-sale locations before as many observers as possible."

When a consumer has replied that he would like to see the test, the Lorillard salesman borrows one of his cigarettes, places the two glasses upside down on clean white paper and writes in front of them "Your Brand" and "Kent."

Through a stem attached to each inverted glass he puffs smoke from that brand. He is careful to "use normal puffs and avoid excessive burning and ash formation on either brand."

While the glasses remain on the paper, the salesman asks if the observer can see the difference in color of the smoke. He shows that "Kent smoke is cleaner and whiter," a yellowish discoloration in the old derives from "irritating tars." He moves and opens Kent's filter to reveal the tar deposit on its inner rim. He compares this with "the cl-

blue-white color of a Micronite filter before it has been used."

Then he explains: "That is why we can say that the Micronite filter takes out considerably more nicotine and tar than other filter cigarettes—yet leaves in rich, mild tobacco flavor." Against non-filter cigarettes, the contrast would be even greater.

The Lorillard folks are somewhat shy about spilling sales statistics. But in these 19 months—when the whole "filter" business has soared—Kent has moved close to the top among them. At this writing Kent's annual *retail* rate may approach five billion units, or 250 million packs. At 30 cents a pack (the price varies with state and local taxes) this means a *retail* rate of \$75 million a year. It means a manufacturer's volume—less taxes—of about \$25 million.

Lorillard products are sold through 6,000 jobbers and other direct buyers to a total of about 1.3 million U.S. outlets. Of these 800,000 are non-vending-machine. Some 60% n-v-m outlets—or nearly 500,000—now carry Kents.

Coming . . .

Easterners Learn to Sell
Western Living

Is there an idea for your sales training
in *Sunset* magazine's approach?

in *Sales Management*
December 15

Among all the types of cigarette outlets—from cigar, drug, stationery and department stores to restaurants, diners and gasoline stations—two now sell nearly half of all cigarettes:

Food stores do 30%, and vending machines 16%.

Thus far Kent has made out well in food stores—especially the big buy-'em-by-the-carton super markets. But it is just getting going in vending machines.

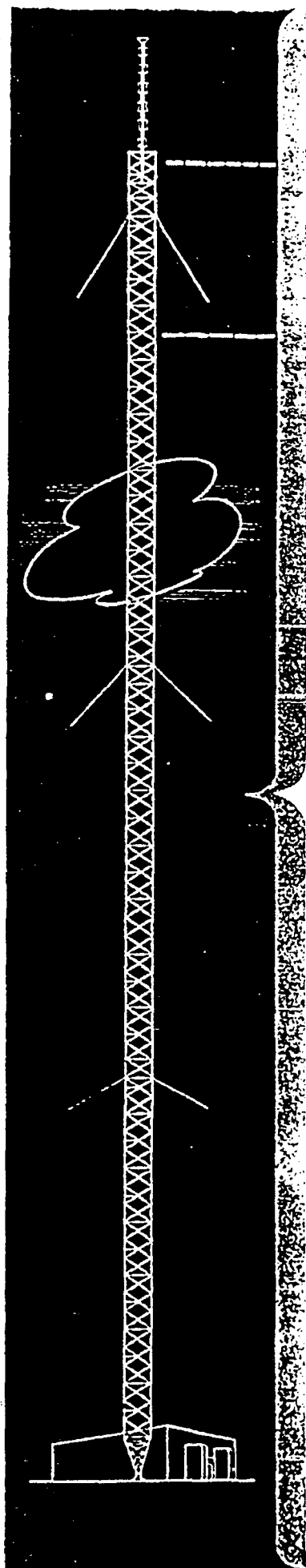
Until now vending machines could carry only a few standard brands. Today, however, manufacturers are introducing machines to vend cigarettes at two different prices—making it possible for premium-price brands to be included.

Even then, of course, most brands—among the 50-odd brands of cigarettes now widely sold—still can't be carried. But the Lorillard folks are seeing to it that more and more machines will disgorge Kent.

After all . . . haven't a lot of smokers *proved*, to their own health and satisfaction, that they *want* it?

The End

DECEMBER 1, 1953



maximum
TOWER HEIGHT

maximum
POWER

maximum
RESULTS

coming to

WTAR-TV
JANUARY FIRST

Our new 1049-foot tower and 100,000 watts power will give advertisers the only total primary coverage of America's Miracle Market—Norfolk, Portsmouth, Hampton, Warwick, Newport News and contiguous area of Tidewater Virginia and North Carolina.

	Within Grade 1	Within Grade A and Grade B	Within Grade A, Grade B and 100 mv Line
Population	784,690	1,156,000	1,600,400
Effective Buying Income	\$1,072,371,850	\$1,415,186,000	\$2,040,385,800
Retail Sales	\$702,570,950	\$919,355,950	\$1,406,713,050
Families in Area	207,825	295,655	419,335

Data from SALES MANAGEMENT'S Survey
of Buying Power, May 10, 1953.

WTAR-TV
Norfolk