December 29, 1967

TO: MR. H. C. ROBINSON

FROM: G. T. LINCOLN

SUBJECT: Analysis of Youth Audience - Brown & Williamson Internal Memo Dated 12/15/67

In analyzing the proposal made by Brad Littlefield to Mr. Burgard of Brown & Williamson, let me first call your attention to a couple of points:

1. Changing the present measure to one involving ages 12 to 17 at a 13.6 level would make several prime time shows "unavailable". It is interesting that many of the "prohibitive" programs fall in the mid evening time periods according to Eastern Standard Time but, of course, pick up the younger element of the audience by virtue of the time zone differentials.

2. In prime time television American Tobacco would have to give up two programs if the 12-17 age group is adopted; Brown & Williamson three programs; with Lorillard and Philip Morris each giving up one program and no effect on Liggett & Myers or Reynolds. In the television sports area L&M and Lorillard would not be able to use two programs each, with Reynolds and Philip Morris having to give up one each and no effect on the other companies.

3. According to the work done by Mr. Littlefield, the restrictions would be more stringent in the area of radio. I say this even though a selective group of stations were studied but we could pretty well project this sample across a broader list of markets and probably see the same picture.

The above points are based on the material provided in the December 15 note which grades the September/October period of 1967. Certainly when school is out, roughly during the period June-September we would find a totally different picture which would most likely eliminate an extremely large number of shows in television and radio. For example, Littlefield makes reference to an 88% increase in prohibitive shows when July-August is compared to November.

It strikes me that this approach is not just of psychological advantage as indicated in the Brown & Williamson document, but rather is so stringent as to make the media unattractive commercially. For example, we generally buy on a 26 week basis involving the winter season when we purchase network television and while there would be fewer shows availabl to the Company and all other competitors, we probably could live with the situation. However, in renewing for the spring and summer period or the second 26 weeks of a broadcast season, the number of shows deemed prohibitive would considerably increase and the Company could find itself in a position of not being able to renew certain successful programs.

Or to say it another way, we, in our use of network television, would have two almost separate and distinct schedules when we look at the broad winter/summer periods.

Net - our ability to use the media effectively over a broad period of time would be significantly hampered and as I have said earlier, could have the practical effect of making it much less, if not totally unattractive.

The situation, while potentially more severe in radio, could be handled easier as it is not necessary to make long range commitments in the local radio field so that we could pick and choose facilities and stay within the proposed 12 to 17 years of age guide line. We would, however, have to get there firstest with the mostest and once having established positions on a group of stations that fit our specifications, stay with them, for the minute they are dropped a competitor will step right in.

To summarize, I don't think a practical business solution exists in applying a 12 to 17 years of age formula. In fact, I don't believe any concession should be made at this time, but if we find ourselves individually or collectively forced with an alteration in the present approach, then I would think that the elimination of specific time periods or perhaps specific shows might provide an answer. Our current formula was well conceived and does the job for which it was intended.

GS

GTL:mb
cc: Mr. F. Haas