



**BRITISH AMERICAN  
TOBACCO**

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**To** Jan Verlinden

**From** Simon Cleverly

**cc**

**Date** 28 September 1998

**Subject** Lucky Strike - Communication  
Video

**Message**

I attach the presentation Company briefing document marked up with my comments.  
If you can't read these or need any of them explained please give me a call.

Regards:

  
**Simon Cleverly**

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BRIEFING COMMUNICATION VIDEO LUCKY STRIKE IN FORMULA 1		
BRAND : Lucky Strike Written by : Jan Verlinden	To : The presentation Company Date : 21/09/98	CC : Jurgen Pick Peter Geubels Yohanes Teja Tom Moser Dorian Burrows Simon Cleverly
<b>1. Background</b>		
<b>BAT in Formula 1</b> British American Tobacco has a 50% participation in the British American Racing (BAR) Formula 1 team. This team has bought Tyrrell in 1997. In the 1998 F1 season, the BAR team races under the Tyrrell name. As from the 1999 season BAR will race under its own name. (Handwritten: (HOLDING) Limited, RIDEY)		
<b>Lucky Strike : an iconic brand in the BAT portfolio.</b> Lucky Strike is "an American Original" tobacco trade mark since 1871. Because of its rich heritage and strong design, the brand is seen as an American icon. The brand positioning is focused on the "Free Thinking Man" concept. The brand vision is that, in the long term, Lucky Strike will become the leading Premium International Brand for ASU 30 who look for a flavourful, American blended cigarette. Therefore the role of Lucky Strike is to compete in the following market segments : International Brands, Premium, ASU 30		
<b>PR is main element for generating return on F1-investment</b> PR exploitation of a F1 team is the crucial element for generating return on investment. The value of free publicity and free media coverage has to be at least 80% of the F1 overall investment budget. This yield ratio played a major role in the decision to enter the F1 competition		
<b>3 brands in Formula 1 team</b> Two of BAT's strategic international brands will sponsor the BAR Formula 1 team : Lucky Strike and 555. Both brands will compete under the umbrella of BAR. This means that 3 brands : "Lucky Strike", "555" and "British American Racing" will be visible and exploited to the public. Every brand has a different positioning and has different communication objectives.		
<b>An "original" tobacco brand in a sport which is dominated by tobacco sponsorship</b> Tobacco companies are heavily sponsoring Formula 1 teams. The arrival of Lucky Strike as a sponsor could be interpreted as a "late" me too decision which is in contradiction with what the brand stands for. Therefore the approach of Lucky Strike will have to be highly differentiated and unique within the F1 environment. (Handwritten: the sponsor, in a contradiction of)		
<b>F1 races in tobacco communication restricted and unrestricted markets</b> In the 1999 season 17 races will be organized. 14 of these are run in countries with no major tobacco communication restrictions in F1. The different team elements (car, pit crew, ...) will be branded with Lucky Strike. Only in 3 races, no Lucky Strike branding can be applied. In these cases, no direct link		

**RIDER**

**Lucky Strike Formula 1 Communication Briefing**

This company bought the Tyrrell team in 1997 in order to get the benefit of television rights revenues. The Tyrrell Team, under BAR ownership, continues to race under its own name during 1998. However as from the beginning of 1999 the team will be known as British American Racing (BAR).