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Good afternoon. Thanks to Cindy and the Chicago AMA for inviting me to be here today.

I always find these types of meetings very insightful, especially since I've recently been charged with launching a new corporate brand for a company that has roots that are 100 years old. So, I am grateful for all the learnings.

This is actually my first public talk as a representative of "Altria." Altria Group is the new name for our parent company, and, I would guess, a new name to most of you.

Some of you may be thinking this presentation would be more interesting if ours were a corporate brand you were familiar with. Something like Disney or GE that you could really get your arms around because you personally have an emotional tie to the brand or an opinion about it.

But in fact, you're probably more familiar with Altria Group, Inc. than you realize.

Because until last month, we had a very familiar corporate brand - one that elicited all kinds of emotions and opinions.

Altria is the parent company of Kraft Foods, the nation's largest food manufacturer, headquartered right here in the Chicago area.

It also is the parent of two of the world's largest tobacco companies, Philip Morris USA and Philip Morris International.

Our companies have 169,000 employees and operations in over 100 countries, and together are one of the most profitable corporate organizations in the United States.

Our operating companies' brands include some of the best known and most loved consumer packaged goods in the world. Products that can be found in 9 of 10 homes, such as Maxwell House, Post, Marlboro, Benson & Hedges, Planters, Ritz, Oscar Mayer and Jell-O.

If you reflect for a moment, you'll probably find that many of those brands are in your homes right now.

But by now, you probably know where I'm going with regard to having an identity that elicits opinions and emotions.

Today I'd like to walk through how we see the evolution of our corporate identity.

First, I'll cover the identity we had and the challenges we faced in managing perceptions of this identity.

Then I'll talk about some of the ways in which we worked to influence attitudes about our family of companies.

And we'll take a look at our new corporate identity and the process we went through to introduce Altria.

I'll close by talking briefly about where we go from here, and then we'll open the floor for questions and comments from you.

Until last month, Philip Morris Companies was the name of our corporate parent.

Our family of companies can trace its beginnings over much of the world, and in some cases, over a century of time.

We began with a small tobacco shop in London, opened over 100 years ago by a man named Philip Morris.

But there was also C.W. Post who created a breakfast cereal in Battle Creek, Michigan.

And James L. Kraft who began a cheese company here in Chicago 100 years ago.

And Johann Jacobs who established a coffee business in Bremen, Germany.

Therein lies the problem with our corporate parent having been called Philip Morris Companies.

From the time we acquired General Foods in 1985 and then Kraft in 1988, we have been an enterprise that includes much more than tobacco companies.

But people heard "Philip Morris" and, rightfully so, thought "tobacco." The name didn't bring to mind Post Cereals, Altoids, Milka Chocolate or Kraft Macaroni and Cheese.

Our own research confirmed that beyond tobacco, people didn't know who our family of companies was.

To complicate matters, societies around the world had become increasingly concerned with the sale and consumption of tobacco products.

People were worried about very real problems – the diseases caused by tobacco, addiction, youth smoking, and secondhand smoke.

As a whole, the tobacco industry failed to respond to those concerns, choosing instead to slug it out in courts.

And while the industry often won in court, it lost where it really matters – in the court of public opinion.

At the same time, our tobacco companies, and our parent, withdrew and did not engage with the outside world. And the silence cost us.

In 1990, *Fortune Magazine* ranked our company number two on its “Most Admired Companies” list. By 1995 we had dropped to 202nd.

That sharp drop in our reputation, particularly in the face of our continued financial success, forced us to look at ourselves, at our mistakes, and how we could correct them.

It told us we needed to make changes in the way we communicate and, very importantly, the way our companies conduct their respective businesses.

And it drove home the importance of engaging with others to let them know who we are, what we do and what we stand for.

Internally, we had begun to change in order to align our businesses and their operations with society’s evolving expectations of responsible corporate citizens.

So externally, we set out to close the perception gap with regard to who we are. In late 1999, we launched a communications campaign which we called PM 21 – Philip Morris in the 21st Century.

Our goal was to change the perception of Philip Morris Companies from a tobacco company, to an enterprise made up of leading consumer packaged goods companies, defined by the world's most popular brands.

It was an education campaign designed to reach a very broad audience – from soccer moms to opinion elites. The campaign had three key components:

1. Advertising
2. A corporate web site – which, by the way, we didn't have until October 1999, and
3. An executive outreach program.

And while this communications program may not seem earth shaking to most, given our history, for us it was.

Our first goal was to correct the misinformation circulating about our family of companies in terms of who they are, what they do, and how they operate.

Based on a great deal of research, we focused on three key messages...That Philip Morris Companies:

1. Is more than a tobacco company;
2. Gives back to the community; and
3. Owns companies that manufacture and market their products responsibly.

While the communications effort had three main components, advertising was at the heart of the PM 21 campaign.

These are some of the print ads we ran to showcase the people, products and principles of the Philip Morris family of companies.

Let me show you two of the TV ads.

So how did we do?

Our research shows that over two years we moved the needle on the percentage of people who had a favorable attitude toward Philip Morris Companies.

But unfortunately, we weren't effective at reducing the percentage that had an unfavorable opinion of the company.

All of the improvements derived from those who, prior to the campaign, did not have an opinion of us.

Going back to the key messages of the PM 21 campaign – when we look at our effectiveness in communicating that Philip Morris Companies is more than tobacco, we almost doubled the percentage who could volunteer that Kraft was a member of our family of companies.

But we did not move awareness on Miller Brewing, which at the time, was still a member of our family of companies.

With regard to “Gives back to community,” we saw double digit increases in the percentage of people who agreed with three key statements related to our corporate citizenship.

And when we look at whether people agreed that our companies are responsible manufacturers and marketers, there was a positive change in the percentage of people who agreed that they offer solutions to issues related to their products.

And positive change – 11% – in the percentage who agreed our tobacco companies are working to reduce youth smoking.

Yet even with all of these efforts, we did not clear up the confusion that existed between our parent company's and our tobacco companies' shared name – Philip Morris.

And so our board of directors felt that the time was right to change the name of the parent company in order to better represent the company that we had become.

What changed? Philip Morris Companies was renamed Altria Group, Inc. What did not change was the names of our two tobacco companies. They remained Philip Morris International and Philip Morris USA.

Altria, it is a contemporary view of who we are and who we aspire to be.

It comes from the Latin word “altus” meaning “high” which communicates our desire to reach higher in everything we do.

The Altria mosaic is meant to convey the diversity that defines our family around the world.

It comprises the colors of our operating companies’ best-known brands.

We are a family of companies of diverse people, cultures and knowledge that drive their success.

Our consumer packaged goods companies have an array of powerful brands that their consumers know and trust.

We are a family of organizations committed to openness, responsibility and innovation.

And we are a collection of people full of energy and passion for what we do.

And our corporate identity should – and now does – reflect those characteristics that are shared across all of our companies, and which allow our corporate family to achieve peak performance and generate long-term sustainable growth.

Our immediate, short-term communications objectives for the launch of our new identity are simple:

- To help people understand who we are, that is the parent company of Kraft Foods, Philip Morris International and Philip Morris USA;
- That these companies manufacture and make some of the world's greatest brands; and
- No joke...to make sure they could pronounce the name right!

As you can see, it is not a name that rolls easily off the tongue.

Our audiences are different this time around – we are more focused on three key groups:

- The financial community
- Opinion leaders, including the media, government and regulatory officials and business and issue groups, and
- Our employees – both those of the corporate parent as well as those of our operating companies.

Because for the parent company, these are the people who move the needle on what *it does*.

The week of January 27, 2003, was our launch week, and we focused our communications activities on three key areas:

1. Earned media
2. Advertising and
3. Our corporate web site.

To generate earned media we rang the bell at the New York Stock Exchange in celebration of our name change and released Altria's 2002 earnings.

We also used analyst and investor meetings and other executive outreach opportunities to generate media coverage and reinforce the messages with our key audiences.

Our ad campaign – like our audiences – is also more focused this time. We're targeting financial professionals, high net worth individual investors and opinion leaders.

And we're reaching them both here and abroad through tier one print publications such as the *Wall Street Journal*, the *Washington Post*, *Investor's Business Daily* and the *Financial Times*, as well as *Forbes*, *Fortune* and *The Economist*, *Newsweek* and *Time* among others.

Our television ads are running on the news and financial cable televisions stations such as CNN, Fox News and CNBC, along with the Sunday morning network public affairs shows.

And we have an Internet ad campaign focused on key news and financial web sites, such as Yahoo Financ.com and CNN.com.

The campaign is based on the use of metaphors – water, a bridge, a tree and a column – all of which convey a number of key characteristics we wish to communicate about Altria, characteristics such as growth, strength and future-focused.

These are some of our print ads. The titles give you a good flavor of the campaign

What is Altria? Where do we grow from here? What is the role of the parent company? Where will the next billion dollar brand come from?

And I'll show you two of our TV ads now.

We've also introduced a new website, Altria.com, to communicate the character and attributes of the Altria family and to provide a platform for stakeholder engagement.

Altria.com has new features such as bios on our Senior Management and a section on "Governance" that includes information on our board of directors.

We've added a "Responsibility" section that covers a broad range of responsibility topics, not just our contributions activity, along with an enhanced media room for reporters.

And we're working to add a "Government Affairs" section to the site to facilitate relationships with stakeholders and provide them with the information they want - such as all the charitable and public policy organizations that the Altria family support.

You may ask why it's important for our parent company to have a separate identity.

First is to provide clarity between it and our two tobacco businesses.

Our parent company should have a name that represents all of the great companies and brands in its entire family of companies - Nabisco, Philadelphia Cream Cheese, Cool Whip, Grey Poupon, Toblerone and Altoids, as well as Marlboro, Parliament and Merit.

And we are not the same company we were 15 years ago, and it's likely we won't be the same company 15 years from now.

As we consider acquisitions and new financial transactions - such as when we merged Miller Brewing with South African Breweries last year to form SABMiller, the world's second largest beer company in which we hold a 36% share - it's important for the parent company, the publicly traded entity, to have a clear and distinct identity from its subsidiaries.

We want to set a platform for continued change and evolution within our family of companies.

As we have learned – and learned the hard way, a carefully built and managed corporate identity adds value for a corporation in a number of ways, including:

- Supporting the recruitment and retention of high quality employees;
- Providing credibility when working with government officials and policy makers;
- Improving public opinion on important issues;
- Supporting merger and acquisition activities; and
- Adding shareholder value by appealing to the financial community.

Therefore, it is essential that we now proactively manage this asset, just as our operating companies manage their world-class consumer brands.

So, what has been the reaction to date?

As you can imagine, some who question our motives have attacked us. But, public criticism has been mostly limited to tobacco control advocates.

More and more, we see comments such as this one from a recent NPR Marketplace story.

Let me read the quote from a professor of Management and Corporate Communications at Dartmouth:

“It gives them an opportunity to think strategically about what the company is going to be about in the future in a way that was very hard to do when they were Philip Morris Companies. The options are virtually unlimited in terms of what they can do now because of the name.”

I could not have said it any better.

The name change is really just one milestone for us. The long-term process of building our corporate identity is one in which every employee in our family of companies is taking part. As we all know, an identity is developed over time and it is the collective efforts of all the company's activities, not just the advertising and earned media, which will build the identity. Personal interaction often times are as powerful as TV ads.

Our CEO has said that the change in the name of the parent company doesn't signify an end or a beginning. But instead, it marks how far we have come and gives us a framework for how much further we aim to go.

Moving forward, we will focus on building Altria's identity in a focused way – similar to how our operating companies build their world-class consumer brands.

Our next steps are to undertake a wave of tracking research in late March to see how we have done on moving the needle on awareness. From there, we will finalize our plans for the next 18 months on the next steps in the identity development. Our plan is to focus not only on our external audiences but our employees because, an engaged workforce is a powerful group when it comes to building our identity.

Using all of the tools available to us, we are committed to building the Altria identity in order to once again be known as one of the world's great companies.

Thank you. I'd be happy to take any questions or comments that you have.