1992-93 HOOP MAGAZINE/NBA MULTI-SPORT, YEAR-ROUND MEDIA/MERCHANDISING PROGRAM FOR PHILIP MORRIS

HOOP MAGAZINE

"The Official Magazine of the National Basketball Association"

I. MEDIA AND ADVERTISING DELIVERY

- ** HOOP is sold at every regular season and NBA Playoff game, plus the NBA All-Star Game.
- ** Full-page, four-color (or black and white) advertising in all 15 action-packed issues, consisting of 7 arena and 7 newsstand editions, plus a special summer newsstand edition, published from October through the NBA Finals in June (newsstand sustains through September).
- ** HOOP is also sold through subscription sales throughout the United States.
- ** Flexibility to change your ad copy on an issue-by-issue basis to meet seasonal, creative and marketing strategies; or, to rotate a variety of brands through single page participation, all at no additional cost.
- ** HOOP includes the game night lineups as well as outstanding local market-by-market and national editorial, representing the only published vehicle available in the arena for the fan to obtain lineups and to keep score.
- ** HOOP features new covers highlighting a different super star from either the home or visiting team on each game night.

TOTAL NUMBER OF INSERTIONS 1,207





II. DEMOGRAPHIC READER PROFILE

Research indicates that the HOOP Magazine buyer/reader and the NBA game attendee have a compatible demographic profile, as follows:

DEMOGRAPHICS (Based Upon Adults 18+)	Percent (%)
<u>Sex</u>	65
Male	35
Female	33
Age	
18-24	32
25-49	77
25-34	60
35-49	30
Median	36
Marital Status	
Married	50
Single	40
Widowed/Separated/Divorced	10
Education	
Attended/Graduated College	68
(including Post Graduate)	
Occupation	
Professional/Technical/Managerial	60
Income	
\$30,000+	66
\$30,000-\$49,000	26
\$50,000-\$74,999	20
\$75,000+	17
Median Income	\$40,000
erry manual accounts	

Source: Newman-Stein, Inc. 1989

This demographic profile represents a well-educated, active, affluent consumer in the optimum buying/spending age bracket. He is a homeowning, credit card using traveler, with a high level of discretionary income, who spends with great frequency on leisure and recreational activities.



III. NBA TEAMS AND MARKETS

(Market Ranks Based on Arbitron ADIs)

MARKET	<u>TEAM</u>	MARKET RANK
New York	New York Knicks	1
New York/New Jersey	New Jersey Nets	1
Los Angeles	Los Angeles Clippers	2
Los Angeles	Los Angeles Lakers	2
Chicago	Chicago Bulls	3
Philadelphia	Philadelphia 76ers	4
San Francisco	Golden State Warriors	5
Boston	Boston Celtics	6
Detroit	Detroit Pistons	7
Washington, DC	Washington Bullets	8
Cleveland	Cleveland Cavaliers	9
Dallas/Ft. Worth	Dallas Mavericks	10
Houston	Houston Rockets	11
Minneapolis/St. Paul	Minnesota Timberwolves	13
Atlanta	Atlanta Hawks	15
Seattle	Seattle Supersonics	16
Miami	Miami Heat	17
Denver	Denver Nuggets	19
Portland	Portland Trailblazers	22
Indianapolis	Indiana Pacers	23
Phoenix	Phoenix Suns	25
Sacramento	Sacramento Kings	26
Milwaukee	Milwaukee Bucks	29
Charlotte	Charlotte Hornets	31
Orlando	Orlando Magic	35
Salt Lake City	Utah Jazz	42
San Antonio	San Antonio Spurs	45

- ** HOOP/NBA markets represent 27 of the top 45 U.S. markets in effective consumer buying power.
- ** HOOP arena sales take place in these markets, but newsstand and subscription sales cover all U.S. markets, coast-to-coast.
- ** Merchandising and promotional delivery are implemented in, but are in no way limited to these 27 key markets.





IV. HARD-HITTING EDITORIAL COVERAGE

A. TIMELY EDITORIAL COVERAGE

- ** In-depth feature coverage of the regular season, All-Star Game, and NBA Playoffs.
 - ** Behind the scenes with the players, coaches, fans and personalities.
 - ** Articles by prestigious basketball and sports writers.
 - ** Appropriate and consistent advertising to editorial and color to black and white ratios.

B. DRAMATIC ACTION PHOTOGRAPHY

- ** Photos by leading sports photographers.
- ** Numerous, reader-appealing photo essays.
- ** Most photographs are in full color.

C. UNIQUE AND ATTRACTIVE GRAPHICS

- ** Dynamic and creative graphic design.
- ** Top quality reproduction.





V. MERCHANDISING AND PROMOTION

A. NBA PROGRAM

1. NBA GAME TICKET ALLOCATION

Philip Morris will receive 250 tickets to NBA games throughout the 1992-93 season, even in sold out markets. The NBA is currently playing to 86% capacity, so Philip Morris will have at its disposal a tremendous merchandising opportunity for key accounts and customers on a market-by-market basis.

2. VIP LUXURY SUITE NIGHTS

Philip Morris will receive <u>four</u> special Nights in the Pro Sports Luxury Suite at Madison Square Garden for ten guests on each occasion. The Suite seats ten; has closed-circuit color television; a bar; a living room; a lavatory; and an elevator for private arrival and departure.

Each event will be for ten VIP guests: One New York Knicks game; and three events selected from among the Garden's variety of spots and entertainment events such as Rangers, tennis, concerts, boxing, wrestling, gymnastics, college basketball, plus other exciting sports and entertainment events.

The Knicks game will be preceded by cocktails and dinner in the Garden's private dining and entertaining facility. What a terrific sales promotion, trade or key account program in the vital metro New York market.

3. NBA PLAYOFF AND FINALS TICKETS

Philip Morris will receive 32 tickets to a variety of games throughout the 1992 NBA Playoffs; plus 8 tickets to the NBA Finals. Additional tremendous retailer/distributor/customer opportunities at completely sold out premier events.



Philip Morris will receive a three day/two night, all expense paid trip to the February, 1993 NBA All-Star Game and festivities for two guests to be held in Salt Lake City, Utah. VIP, red carpet trip features to the NBA's showcase event include:

- round trip air transportation from any US cities
- ground transportation to and from airports and hotels
- first class hotel accommodations
- · all meals, parties and social functions
- choice NBA All-Star Game tickets
- choice tickets to the NBA Legends All-Star Game
- choice tickets to the Long Distance Shootout
- choice tickets to the All-Star Slam Dunk Championships
- All-Star cocktail reception and dinner with celebrity athletes
- attractive All-Star Game mementos and souvenirs
- many other Pro Sports trip amenities

A perfect long-term, national sales incentive or consumer sweepstakes award that Philip Morris can "merchandise" with more than ample lead time.

5. NBA GAMES AND POST-GAME PARTIES

Philip Morris will receive 8 tickets and 8 invitations to each of the 10 Pro Sports NBA games and post-game parties. Each party is held in the arena's private club and includes cocktails and a buffet plus players from the home team to meet Philip Morris guests for pictures and autographs in ten key markets, as follows:

New Jersey Nets
Boston Celtics
Milwaukee Bucks
Atlanta Hawks
Los Angeles Lakers

Detroit Pistons
Chicago Bulls
Philadelphia 76ers
Dallas Mavericks
Golden State Warriors

Another tremendous opportunity for Philip Morris to entertain customers, retailers, and other members of the trade at premier NBA events.

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B. PHILIP MORRIS MULTI-SPORT PROGRAM

- Despite media involvement being limited to one sport participation . . .
- Despite media participation being limited to the time frame of the single sport of Basketball . . .
- Despite cost being limited to one sport participation . . .

Philip Morris will benefit from a multi-sport, year round package that will deliver both nationally and locally, all year long, as follows:

1. NATIONAL HOCKEY LEAGUE GAME TICKETS

Philip Morris will receive an allocation of 60 tickets to a variety of NHL games throughout the 1992-93 Hockey season. Hockey tickets further diversifies the program to a <u>second sport</u> and enables Philip Morris to further impact additional local markets not covered through the NBA ticket program. NHL tickets will be provided in sold out NHL markets, as well.

2. MAJOR LEAGUE BASEBALL GAME TICKETS

Philip Morris will also receive an allocation of 100 tickets to a variety of Major League Baseball games throughout the 1993 Baseball season. Baseball tickets can effectively be used in other markets not covered through the NBA or NHL ticket programs, providing even more extensive market coverage, plus third sport participation.





3. COLLEGE FOOTBALL SEASON TICKETS

Philip Morris will receive four season tickets to each of four universities of its choice. That's a total of 88 individual game tickets throughout the 1992 season. Some sample available schools are:

Syracuse	Michigan	USC	Texas
Boston College	Purdue	UCLA	Texas A&M
Pittsburgh	Iowa	Stanford	Arkansas
Maryland	Illinois	Georgia Tech	Miami
Penn State	Oklahoma State	Auburn	Arizona

College Football season tickets turn the program into a <u>four sport</u> package and delivers even more extensive individual local market impact.



4. NATIONAL FOOTBALL LEAGUE VIP SUPER BOWL TRIPS

Philip Morris will receive a four day/three night, all expense paid trip to the January, 1993 Super Bowl Game and festivities in Pasadena, California for two guests. Red carpet, VIP trip features will include:

- round trip air transportation from any US cities
- · ground transportation to and from hotels and airports
- first class hotel accommodations
- all meals, parties and social functions
- choice Super Bowl game tickets
- welcome Super Bowl cocktail party and buffet
- pre-game Super Bowl brunch
- special Super Bowl banquet featuring NFL stars
- attractive Super Bowl mementos and souvenirs
- many other Pro Sports trip amenities

Super Bowl trips, the ultimate merchandising opportunity, turn the Philip Morris program into a true <u>four sport</u>, <u>year round</u> media/merchandising package.

The program provides opportunities for "instant gratification" with customers. And, of course, there are tremendous opportunities for longer term national sales incentive or consumer sweepstakes programs.

Philip Morris simply establishes the sales and marketing criteria by which the merchandising is to be delivered. Pro Sports does the rest, in complete turnkey fashion.

There is no doubt that a program of this nature will assist Philip Morris in attaining its sales, marketing, trade and consumer objectives in highly effective and cost efficient fashion.





1992-93 MULTI-SPORT MEDIA/MERCHANDISING/COST SUMMARY

MERCHANDISING DELIVERY

• 250 NBA game tickets

Cost per insertion

- 40 Madison Square Garden Luxury Suite tickets through 4 VIP Suite Nights
- 10 Knicks Luxury Suite Night dinners
- 2 Three day NBA All-Star Game trips
- 2 Four day Super Bowl trips
- 80 NBA game tickets through 10 NBA games and parties
- 60 NHL game tickets
- 100 Major League Baseball game tickets
- 88 College Football game tickets through 16 season tickets

NOTE: All merchandising may be amended and adapted to best suit Philip Morris sales, marketing, trade and consumer objectives.



\$137.12

MEDIA/OPTIONAL MERCHANDISING COST ANALYSIS

HOOP Media Only Net Cost	\$140,000
HOOP Merchandising Option Net Cost	<u>\$ 25,500</u>
HOOP Total Net Cost	\$165,500
BOWLS Media Only	\$ 61,500
BOWLS Merchandising Option	\$ 9,750
BOWLS Total	\$ 71,250
Total HOOP/BOWLS Media Only Total HOOP/BOWLS Merchandising Option Total HOOP/BOWLS Combined Package	\$201,500 <u>\$ 35,250</u> \$236,750

