

ABC News

Reynolds Launching Heat-Not-Burn Cigarette

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By MICHAEL FELBERBAUM AP Tobacco Writer

Reynolds American Inc. is launching a cigarette that heats tobacco rather than burning it, hoping to capitalize on the growing appetite for alternatives to traditional smokes.

The nation's second-biggest tobacco company said Monday that it will begin selling Revo — a cigarette that uses a carbon tip that heats tobacco after being lit — in Wisconsin in February 2015. Reynolds said the cigarette is a "repositioning" of its Eclipse product first launched in the mid-1990s with minimal success.

The surging e-cigarette or vapor industry has reinvigorated the interest for cigarette alternatives, including products like Revo and its predecessor Eclipse that smokers once considered foreign. Even though the products left no lingering odor and didn't produce ashes, they tasted different than cigarettes and were more difficult to use. Eclipse had remained in limited distribution and is one of the top-selling brands in the cafeteria at Reynolds' headquarters in Winston-Salem, North Carolina.

"Heat-not-burn technology was 20 years ahead of when consumers were ready for it. It needed the mass presence of vapor products to open up an experience-base that smokers understood," said J. Brice O'Brien, head of consumer marketing for the maker of Camel and Pall Mall cigarettes. "The smoker could only compare heat-not-burn to a combustible and it lost every time. That's no longer the case."

Revo is a "modern take on the classic cigarette" that — unlike popular e-cigarettes that use liquid nicotine — contains real tobacco, which

could make them more attractive to cigarette smokers, O'Brien said.

The brand is being launched with a marketing campaign that lets smokers know that it's different and harder to use than traditional cigarettes but to "stick with it, because it's totally worth it," O'Brien said. Revo will cost about the same as a premium pack of regular cigarettes, which varies across the country but averages close to \$6.

With the health risks associated with traditional cigarettes and changes in societal expectations, it's no wonder many of the world's 1 billion smokers want to quit or try other tobacco alternatives. In the U.S., nearly half of the nation's 42 million adult smokers try to quit each year, according to the Centers for Disease Control and Prevention.

In more recent years, much of the attention to quitting has steered away from nicotine gum and patches to electronic cigarettes, which many smokers credit with helping them kick the habit.

The company's move follows that of overseas Marlboro maker Philip Morris International Inc., which launched Marlboro HeatStick and an accompanying device called iQOS (pronounced EYE-cohs) in a test market in Nagoya, Japan, earlier this month. The short, cigarette-like sticks are heated to maximum of 660 degrees Fahrenheit (about 350 degrees Celsius) in the hollow pen-like device to create a tobacco-flavored nicotine vapor.

Philip Morris International has plans for another test market in Italy, with further expansion plans in 2015. It's one of several so-called "reduced-risk" products Philip Morris International plans to test as the industry diversifies beyond traditional cigarettes amid declining demand. The world's second-biggest tobacco company and former parent company Richmond, Virginia-based Altria Group Inc. have agreed to share their technology for electronic cigarettes and other new alternatives to traditional cigarettes, so HeatSticks could potentially be marketed in the U.S. eventually.

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