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**Doral builds on relationship marketing program
providing 'jampacked' product for smokers**

WINSTON-SALEM, N.C., Feb. 15, 2000 – Relationship marketing is a proven way to connect with customers. For Doral cigarettes, the nation's number-two selling brand overall, relationship marketing provides feedback that leads to improved products as well as award-winning customer appreciation programs.

Doral's commitment to relationship marketing has led to an unusually close bond between the brand team and its customers.

During the first quarter of 2000, Doral built on feedback of its customers to improve the brand and offer the most significant product enhancement in the brand's 30-year history. Doral now is packed tighter to burn slower -- giving customers more value for their money.

The Doral team takes the views of its customers seriously. When smokers voiced their desire for a cigarette that burns more slowly, the brand's marketing, research and development and manufacturing teams geared up to offer a cigarette packed with more tobacco, says Doug Shouse, vice president of marketing for Doral.

Shouse says, "Smokers have consistently told us that the primary product quality issue among value cigarette brands is that they burn too fast and don't last as long as premium-priced brands. This change is a meaningful product upgrade and a tangible way to deliver on Doral's promise of 'Imagine Getting More.'

"In addition to the product changes, Doral packaging and advertising have been changed to reflect the product differentiation," Shouse says. "We wanted consumers to know they are now getting even more for their money with Doral."

In a recently completed national survey of 1,200 adult smokers conducted by Dennis and Company Research, 49 percent of smokers, representing 22 million Americans, said they would prefer a cigarette that burns slower to last longer.

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Since its repositioning in 1994, Doral has had significant growth. Doral has become America's best-selling value brand and the number-two selling cigarette brand overall. Much of that growth can be credited to the brand's commitment to its customer appreciation and feedback program, rated last year among America's top 10 of the decade.

In addition to soliciting information through smoker polls, Doral publishes a customer-appreciation quarterly publication, entitled *Doral & Co.*, to keep customers informed about brand activities and in touch with each other. Customer appreciation celebrations that bring together thousands of adult Doral smokers are also held each year. Because of these innovative approaches to customer appreciation, Doral's relationship-marketing program and its *Doral & Co.* publication were named by *Data Base Marketing* magazine as the second most successful customer loyalty program of the 1990s.

"We appreciate our customers," Shouse says. "Doral customers share a sense of community with each other. *Doral & Co.* and our annual celebrations bring Doral customers together to forge new friendships, share experiences and build community spirit."

"They've always treated us like family, and that's worth a lot," says Richard Thompson, a Doral smoker from Roanoke, Ala., who attended last year's celebration in the brand's hometown of Tobaccoville, N.C.

For the new product, Doral also went back to its real customers for photos and testimonials to appear in its print advertising. In one ad for example, Summer Lynette, a Doral smoker who lives in Wisconsin, appears with a big smile and a curio cabinet in the background. The tagline reads, "Packed tighter than my mama's what-not stand."

Also appearing in the new ads are employees who make and pack Doral at R.J. Reynolds Tobacco Company's Tobaccoville Manufacturing Center. A midnight-shift packing crew, shown in one ad, declares: "Not a loose one in the bunch" — a tongue-in-cheek reference to both the crew and the jam-packed Doral cigarettes.

R.J. Reynolds Tobacco Company is a wholly-owned subsidiary of R.J. Reynolds Tobacco Holdings, Inc. (NYSE: RJR). R.J. Reynolds Tobacco Company is the second-largest tobacco company in the United States, manufacturing about one of every four cigarettes sold in the United States. Reynolds Tobacco's product line includes four of the nation's ten best-selling cigarette brands: Winston, Camel, Salem and Doral.

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