

# Gillette®

## THE MARKET

The male blades and razors category is now worth A\$190 million in Australia alone, an increase of 47 per cent since 1995, making it one of the fastest growing sectors within the toiletries market.

The main catalyst for spectacular growth has been a fundamental change in men's attitudes to the grooming process over the last decade. The rise in popularity of 'lad mags' and a defined male culture has evolved into an awareness of health and well being. This trend has resulted in a massive influx of male grooming products onto store shelves.

Female grooming is also maturing into a very important part of the health and beauty category. It now amounts to 18 per cent of the total blades and razors sector and delivers retail sales of more than A\$34 million - up a massive 210 per cent since 1995, driven predominantly by the launch of Gillette for Women Venus in 2001.

## ACHIEVEMENTS

The millennium heralded Gillette's centenary year. The core of the wet shaving category remains blades and razors, of which Gillette has a 71 per cent value share of the male and a 60 per cent value share of the female market.

Gillette has a long established position as the most popular brand and is market leader in the two principal wet shaving categories - blades and razors and shave preps.

For men who wet shave, shave preps go hand-in-hand with shaving. The male shave prep market is worth more than A\$34.7 million (up from A\$24.2 million in 1995) of which Gillette holds a 51 per cent share.

The company's strong focus on technological advancement has created new market opportunities. Many of Gillette's pioneering innovations have become industry standards: from adjustable razors, fully contained cartridges, pivoting heads, lubrastrips, flexible microfins and spring-mounted twin blades, to the first razor designed specifically for the shaving needs of women.

Venus has driven the female blades and razor market and reinforced Gillette for Women as a worldwide leader in the female shaving market. Since the razor's launch, female shaving has become the fastest growing part of the Gillette Grooming portfolio. Venus has established its role as a favourite with female shavers, which has driven year on year growth on Venus replacement blades to over 20 per cent.

Gillette for Women also holds a strong position in the other two areas of the female shaving category: Satin Care holds a 95 per cent value share of the A\$4.3 million female shave prep market and Gillette maintains a 35 per cent value share of the A\$12.2 million female disposables sector.

## HISTORY

100 years ago, US travelling salesman King C Gillette had the idea of developing a safe and easy to use razor - an idea which was to revolutionise the shaving market. His frustration with traditional cut-throat shaving led him to start work on a model razor, and so the Gillette Company was founded in Boston in 1901.

Gillette's early success was built on strong technological foundations. The "wafer thin" metal needed to make the razor blade was even dubbed by Thomas Edison to be a "technical impossibility". However, Gillette broke new ground with the development of new processes for

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tempering and hardening mass produced steel. In 1903 the Gillette Safety Razor was finally launched.

In spite of a slow start (only 51 razors and 168 blades were sold in the first year) more than 90,000 Americans possessed a safety razor by the end of Gillette's second year of trading. The safety razor had already become a hit. It changed the face of a nation. The rapidly growing company established a factory in South Boston in 1905 under the new name of the Gillette Safety Razor Company. Strong domestic growth prompted international expansion.

Overseas operations



commenced in 1905, with a manufacturing plant just outside Paris and a sales office in London. Annual blade sales had risen to more than 40 million units before the outbreak of World War I.

The Great War saw Gillette become the first supplier of razors to the US Army when, in 1918, the US Government decided to issue each of its servicemen with his own shaving equipment. 3.5 million Safety Razors and 36 million blades were duly supplied.

The company has come a long way since its first patent in 1904. Techmatic, the first system razor, was introduced in 1967. Its 'continuous band' meant that consumers would no longer have to touch the blade. This was followed in 1971 by the GII, the world's first twin-bladed system. The first twin bladed disposable razor followed in 1976 and Contour, the first razor with a pivoting head, arrived in 1977.

While developments in the 1960s and 1970s focused mainly on blades, the 1980s and 1990s saw improved features for a smoother, more comfortable shave. The Contour Plus in 1985 heralded the first lubrastrip and 1990 saw the company's first ever





Pan-Atlantic launch with the introduction of Sensor in sixteen countries. This razor featured the first spring-mounted blades and shell-bearing pivot. Then, three years later, the SensorExcel was launched with soft, flexible microfins. The MACH3 arrived in 1998, introducing the revolutionary triple-bladed shaving system, which in January 2002 was given a boost in performance resulting in Gillette's best razor ever - the MACH3Turbo.

There had been little development in the female shaving market before the 1990s. Gillette introduced the first ever razor for women called 'Milady Decollete' in 1915 and the first disposable for women called Gillette Daisy in 1975. The groundbreaking Gillette for Women Sensor arrived in 1992, which was then surpassed by the new and very much improved SensorExcel for women. In 2001 Gillette for Women launched Venus - a unique triple-blade razor, designed specifically for how and where women shave. Venus combines pioneering innovation and proven technology to offer a far superior shave, out-



performing even SensorExcel for Women by a 3-to-1 margin.

Venus revolutionised the female shaving experience, ensuring skin stays smoother for longer with a single stroke.

### THE PRODUCT

The company's biggest technological breakthrough in recent years has also been Gillette's biggest success story to date - the MACH3 shaving system. The creation of MACH3 involved more than a decade of research and development, the involvement of hundreds of Gillette scientists and engineers and financial investment of over US\$750 million.

The New Gillette Series Range has been reformulated to provide a fully integrated grooming solution for men. It now consists of eleven new products from shaving gel and foam, after-shave cooling gel, after-shave balm and splash to anti-perspirants, deodorants and shower gels. Shaving gels and foams have been enhanced with 'anti-friction' lubricants for ultra razor glide and specially formulated with skin comfort ingredients for five different skin care needs - sensitive, moisturising, protection, conditioning and clean skin.

### RECENT DEVELOPMENTS

Consumer testing among men established that MACH3Turbo is the best-performing shaving

system ever with performance increased further when used in conjunction with the new Gillette Series shave gels and conditioners. In the US, five million men have already upgraded to the MACH3Turbo 'ultimate shaving experience'.

In terms of product innovation within female shaving, nothing can rival Venus: in designing Venus, Gillette for Women 'threw out the book'. Acknowledging that women weren't completely satisfied with the wet shaving process, Gillette addressed women's complaints when designing Venus.

Venus operates under 50 separate patents combining advances created for MACH3 and Sensor with others unique to Venus. These special features account for the unprecedented consumer test results - 73 per cent of women preferred Venus to any other female razor - for perspective the performance of Venus amongst women is even more dramatic than the performance of MACH3 amongst men. In Gillette's 100 year history, this is the strongest performance of a Gillette shaving product in this type of test - Venus sets an entirely new standard in female shaving.

### PROMOTION

Gillette's advertising campaign for the MACH3Turbo continues with the 'Best A Man Can Get' theme but uses creative imagery of outer space. MACH3Turbo's advertising has focused on 'turning the shaving world upside down' and draws parallels between the zero-gravity factor in space and the option of using the MACH3Turbo to shave against the grain.

Sponsorship plays a large part in promoting the brand. In 2003 Gillette was a sponsor of George Gregan, the captain of the Australian Wallabies. This sponsorship was leveraged with an integrated retail promotion running during

the period of the 2003 Rugby World Cup.

Additionally Gillette was the sponsor of Collingwood Football Club for the 2003 season.

Historically, Gillette has used sport as a major promotional vehicle and embarked on its first sponsorship deal with a radio broadcast of the US World Series back in 1939. There remains a strong association due to the performance-focused and highly aspirational nature of sport.

### BRAND VALUES

Gillette is dedicated to driving superior technology that will develop and produce hair removal products that deliver a superior shave with superior performance.

Its male image is sporty, masculine, clean and immaculately groomed. The female image is modern, energising and understanding of women's needs. Gillette's success has been



its ability to make men and women look and feel their very best by continually developing technologically superior grooming products.

In essence, the Gillette Company celebrates world-class products, world class brands and world class people. It is committed to growth through innovation to maintain the company's position as a world leader in consumer products.

### THINGS YOU DIDN'T KNOW ABOUT GILLETTE

- In the Stone Age, women used sharpened rocks and shells to scrape off unwanted hair.
- On average, men's beards have the same number of hairs as a woman's legs and underarms combined. However, women shave an area that is approximately nine times larger than men's.
- Beard hair, when dry, is the same strength as the same gauge of copper wire.
- On average, a man's beard grows 15/1000ths of an inch a day and 5.5 inches a year.
- During his lifetime, a man will spend approximately 3,350 hours removing 27.5 feet of whiskers from his face.

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**MACH3**  
**Turbo**

