

Schick®

THE MARKET

The razor blade market in Australia is currently valued at approximately \$115 million split between replaceable razor blades (\$64m), disposable razors (\$44m) and razors (\$7m). Around 153 million blades are used each year by the wet shaving population which is approximately 74% of all male shavers.

The last thirty years have seen some fairly dramatic technological changes in the wet shaving market. In the early 1960s the market was dominated by carbon steel double blades, slowly replaced by stainless steel towards the end of the decade. The 1970s saw the first systems products evolve and the introduction of the disposable razor. The first half of the 1980s was the era of the disposable as they became widely available in all forms - single blade, twin blade, fixed and swivel heads. However in recent years the systems razors have benefited immensely from technological advances. In addition the market has seen the growth of razor handles designed specifically for women.

ACHIEVEMENTS

Improvements to razors and blades are continually being made by the Schick Shaving Products Group. One of the most noteworthy accomplishments was the development of a one-push cleaning feature to aid in removing debris from between blades. Clean blades mean longer lasting blades and a closer shave.

Many razor systems produced by the Schick Shaving Products Group have a comfort or lubricating strip located on the cap above the



unique shape of every face.

HISTORY

Schick traces its origins to the inventive US Army Lieutenant Colonel Jacob Schick. He retired from the military in 1910 but then returned to service at the start of World War I. In 1921, inspired by the army repeating rifle, Colonel Schick invented a new type of safety razor - the Magazine Repeating Razor. It had replacement blades stored in the handle ready to be fed into shaving position without the chore and danger of handling a sharp blade. Production of this innovative razor started in Jersey City in 1926. These razors were the forerunners to the famous Injector Razor. In 1927, Schick sold all his interest in the Magazine Repeating

Razor Company to the president of the American Chain and Cable Company.

In 1946, Eversharp, Inc. acquired the Magazine Repeating Company and renamed it the Schick Safety Razor Company. American Chain and Cable produced the product for Schick until 1958, when Schick set up its own manufacturing

blades. Warner Lambert was the first company in the world to patent this novel improvement to the daily shave. These strips, some of which contain aloe, are made from water soluble polymer called polyethylene oxide (polyox®). When activated by water they provide lubrication that makes the shave more comfortable. Another approach to the same end is used on many products, in which an aquaglide strip (polyvinyl pyrrolidone, or pvp) is positioned on the cartridge cap. When wet, the strip becomes extremely slippery and reduces the friction between skin and blade. These innovative materials are safe to the consumer and effective in improving shaving comfort.

In an effort to develop an extremely safe shaving system the twin blades in some products are wrapped with very thin wire. Patented Microfine Wire Wraps help keep the blades away from the skin, protecting it from nicks, cuts and irritation while providing the closeness the shaver needs. This significant step forward in safety has proven to be a successful advancement in the science of shaving.

Another major development in the shaving arena is the flexible cartridge. A sophisticated design and special materials allow the blades to flex to the contours of the area being shaved. After many years in development this unique system has been demonstrated to provide a close custom shave with significant improvement to comfort and safety. The innovative flexing action of the twin blade cartridges shaves like no other system and conforms to the



operations in Bridgeport, Connecticut. In 1961, Schick moved its manufacturing facilities into its present home in Milford, Connecticut, where the headquarters for the Shaving Products Group now resides. The following years were busy ones for Schick as it introduced many product innovations. In 1963, Schick became the first US manufacturer to sell stainless steel blades coated with teflon. This non-stick material improved comfort by reducing friction during the shave. Five years later, Schick pioneered another innovation when scientists succeeded in depositing a thin layer of chromium to the blade edge, making it more durable. After the acquisition of Schick by Warner Lambert in 1970, steady technical progress moved forward as it had in the past.

THE PRODUCT

The manufacture of modern razor blades is a highly complex process involving large production volumes while maintaining high consistency in the final product. To obtain the very best in shaving products, it is essential that each process be carried out within closely specified limits. In all Shaving Product Group's manufacturing sites this is ensured by strict quality checks carried out at each stage of the production process. The inspection procedures include visual and microscopic examinations, chemical and metallurgical testing, physical testing of blade strength and durability, and electronic video inspection systems.

However, the final assessment of shave quality rests with the shaver. All shave testing is conducted using humans as test subjects. To this end, thousands of men and women participate in shave testing of all product lines every day. Local shave panels evaluate the quality of the manufactured products before they leave the building on

their way to the consumer's hands. Other panels evaluate production from all manufacturing facilities to ensure consistent quality from one plant to another.

RECENT DEVELOPMENTS

Approximately 50% of Schick's sales are derived from products introduced over the past five years. The FX razor was introduced in 1991 and was the first razor that flexed to follow the contours of the face. The launch campaign featured the character 'blockhead' and the slogan 'Schick...changing the face of shaving'. A billiard ball was used as a demonstration device to show how the flexible blades follow the contours of the ball and hence of the shaver's face. This device is still recalled by consumers today. Schick's entry into the women's blade market was in 1995 with the Schick Silk Effects for Women Razor. This razor features unique pivoting twin blades with microfine guard wires which guide the razor evenly over the skin to protect against nicks and cuts even over difficult areas such as knees, ankles and underarms. The razor was the first designed specifically to meet women's needs - not just an adaptation of a man's razor.

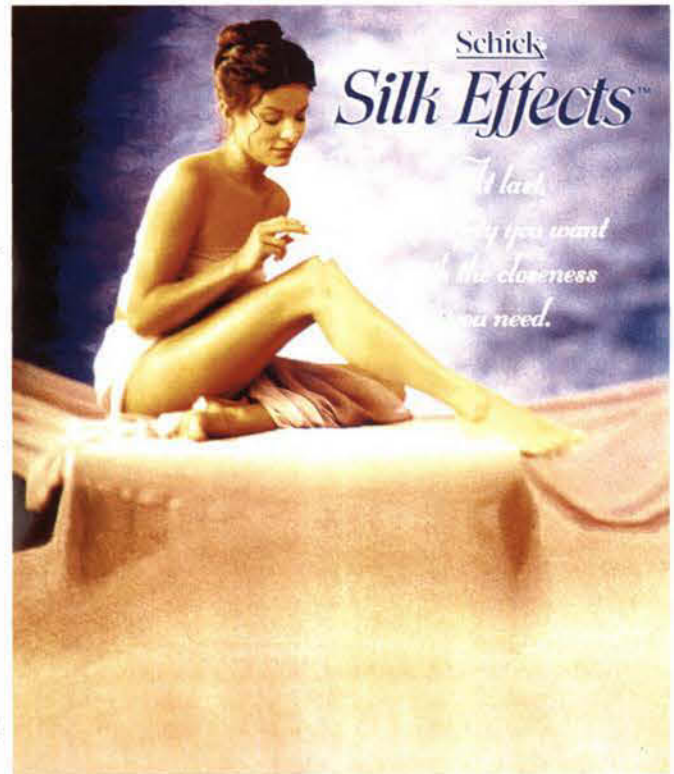
More recently in 1996 the FX Performer was launched. A razor designed for extreme closeness and comfort, the FX Performer razor introduced the revolutionary technology of a rubber 'æskin guard'. The patented 'skin guard' is designed to stretch the skin and cushion the impact of the blades providing an even smoother, closer shave. Towards the end of 1997 Schick will introduce an enhanced range of the current Schick Extra II disposables. The enhanced Extra II disposable range will feature an innovative non-slip rubber handle for even greater control.

PROMOTION

The Schick portfolio is supported by a comprehensive marketing support program encompassing above and below the line activity. The key focus is on generating awareness of the brand with consumers through advertising and at point of purchase. In recent years Schick has invested heavily in TV advertising across the major brands FX, FX Performer and Silk Effects. Schick has been associated with football for many years and has been involved with the popular Australian television show *The Footy Show* over the past four years. The TV presence of the brands has been extended into other media including radio, cinema and magazine campaigns. An outdoor campaign was used in 1996 to launch two new variants of the Extra II Range. In the retail environment Schick has concentrated on visibility to assist consumers in selecting the product most suitable to their particular needs. This includes ensuring packaging is clear and distinctive, the brand is displayed in a block on shelf and displays are eye-catching and consumer friendly.

BRAND VALUES

Throughout its history, Schick has been a company of continuous innovation. Today Schick is the name behind many of the razor enhancements that have made shaving a safer, closer and less irritating process. Keeping the consumer in mind these advances have always been driven by different consumer needs and by our desire to deliver a shaving benefit greater than previously marketed products. These technological innovations have positioned Schick as a leader in the marketplace. Schick is a company that constantly seeks new technologies to enhance the value and performance delivered to consumers through its products. This focus on technology as the key



driver of product enhancements differentiates Schick from a typical packaged goods company. At Schick, only a particular kind of technology will do - only technology that clearly provides new, targeted benefits to the consumer - demonstrable benefits the consumer can see and touch and feel. The Schick product line contains razors and blades to meet virtually any consumer need.

Things you didn't know about shaving

- Shaving will not promote darker, thicker or faster regrowth of hair on legs or underarms. Shaving removes hair on the surface of the skin and cannot affect the colour or the thickness of the hair. When an area has been shaved and the hair shafts start to emerge from the follicle they appear to become coarse and bristly.
- Hair removal by women became popular as fashions changed in the twentieth century and hemlines rose above the ankles. Underarm shaving or 'smoothing' became fashionable prior to World War I.
- A tan cannot be removed by shaving. Tanning occurs at the lower levels of the skin, where the skin's pigment cells are located. Razor blades never come into contact with these cells.
- The average man will spend in excess of 3000 hours of his life in the act of shaving, or 125 days.
- The average man has about 25,000 whiskers, which are as hard and tough as a piece of copper wire of the same thickness, and grow at a rate of twelve to fifteen centimetres per year.
- The practise of shaving spread through most of the world as a defensive measure for soldiers to prevent the enemy from grasping their hair in hand-to-hand combat. Men of unshaven societies became known as 'barbarians' meaning the 'unbarbered'.

