

# DURACELL®

## ALKALINE BATTERIES

### THE MARKET

Duracell, a division of The Gillette Company, is the world's leading manufacturer and marketer of high-performance alkaline batteries. When consumers around the world buy Duracell batteries, they are buying more than high-quality portable power. They are buying freedom because, increasingly, batteries power a mobile lifestyle in which consumers use and enjoy an ever-growing number of devices that formerly required 'plug-in' power.

Batteries are the power source for millions of consumer, business, medical, military and industrial devices worldwide. Demand is huge and growing. More than 20 billion batteries are consumed annually across the world. In Australia the annual consumption is estimated to be over 200 million cells, with alkaline batteries accounting for over 60 per cent of this.

The average household has more than twenty battery-operated appliances including remote controls, alarm clocks, radios, smoke alarms, cameras and CD players. However, one third of all devices lie idle for want of a battery, even though batteries are one of the most widely distributed products. Batteries are available in a vast array of retail outlets from grocery stores to petrol stations and newsagents to electrical outlets.

### HISTORY

The twenty-first century marked the 200th birthday of the battery, which was invented in 1800 by Alessandro Volta who described it as a 'construction of an apparatus... of unending charge, of perpetual power...'

Early batteries were hardly the neat cylinders we know today. The 'Voltaic Pile' battery, based on Volta's design, constructed in 1813 by Sir Humphrey Davy in the cellars of the Royal Institute in London, covered 889 square feet.

The first portable batteries were seen at the turn of the last century where they were used in conjunction with flashlights, so called because the battery power could only sustain an intermittent light. By World War I, batteries were being used extensively in communication equipment and from



there technology moved fast, simultaneously reducing the cell size and increasing its capacity.

The story of Duracell began in the early 1920s with an inventive scientist named Samuel Ruben and an eager manufacturer of tungsten filament wire named Philip Rogers Mallory. Ruben and Mallory united inventive genius with manufacturing muscle to create Duracell International, revolutionising battery technology.

In the 1950s, Samuel Ruben went on to improve the alkaline manganese battery, making it more compact, durable, and longer-lasting than anything

before it. At about the same time,

Eastman Kodak introduced

cameras with a built-in flash

unit that required more

power than zinc carbon

cells could provide. The

cameras needed alkaline

manganese cells but in a

new size, the AAA. This

put alkaline cells on the

map and the Duracell brand

was introduced in 1964. It was

not long before the consumer

market for Duracell batteries

rocketed.

### THE PRODUCT

When Duracell arrived in Australia, it increased competition in the local battery market. Consumers began switching to Duracell to satisfy the requirements of the more complex devices which required alkaline batteries' genuine longer-lasting qualities versus zinc. The personal stereo alone



saw the demand for AA alkaline batteries escalate beyond anyone's wildest marketing plans. The constant evolution of today's devices such as digital cameras and MP3 players towards ever smaller and more power-hungry units has continued to drive growth.

Duracell does not just manufacture alkaline batteries. The brand was at the forefront of lithium technology used primarily for photographic applications, which allowed the surges of instant power required to operate several features simultaneously. Today, well over half of all new battery-operated cameras use lithium power. Duracell also offers a range of zinc-air hearing aid batteries, NiMH rechargeable batteries and rechargers, zinc-oxide watch and calculator batteries, and a range of indoor and outdoor torches.

### RECENT DEVELOPMENTS

In 2000 Duracell launched the Ultra range in Australia. The Ultra range is designed specifically for power-hungry, high-drain devices offering 'more energy, more efficiency and more power' versus regular Duracell batteries in these devices.

In 2003 Duracell introduced its colour coding system to help educate consumers to use colour in the correct selection of battery sizes. This involved a fully coordinated approach involving packaging, point-of-sale material, promotions and advertising.

### PROMOTION

Duracell has consistently promoted itself as a long-lasting battery brand. The line "No ordinary battery looks like it or lasts like it" was used in a long running statement in which consumers had great confidence. Now Duracell simply states "Duracell. Quality that Lasts.". However, the overall message remains constant and it is this single-minded proposition used across all advertising, which despite the varied treatments of its campaigns has remained unchanged. Research by Millward Brown

has shown that 79 per cent of people consider Duracell to be the longest-lasting battery and 70 per cent said it is "in a class of its own".

In Australia the

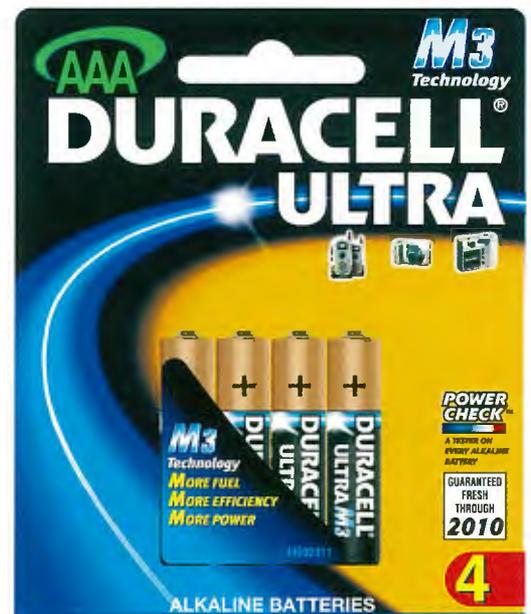


Duracell brand is synonymous with the ever-energetic Bunny. The Duracell icon has been constantly reinventing itself since its first appearance as the longest-lasting Drumming Bunny in the 1980s. It has continued to outlast 'ordinary carbon zinc



batteries' at soccer, kayaking, mountain climbing and, most recently, running.

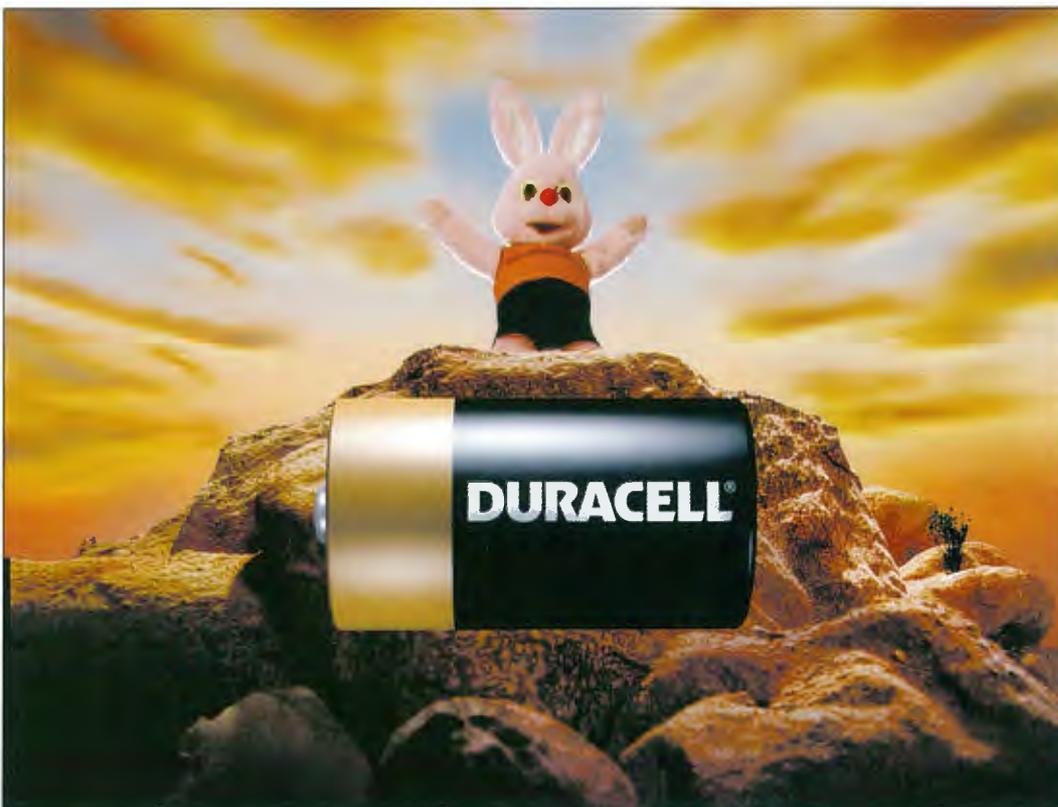
Duracell Australia has strong links to community initiatives, most notably the annual Fire Services campaign to ensure household smoke alarms are in working order. The Australian Fire Services recommend the use of an alkaline 9V battery in the most important of household devices, the smoke alarm, leading to the partnership with Duracell, which involves advertising, public relations, promotion and product donations. In 2004 this relationship has been further strengthened, with Duracell commissioning a campaign TV commercial, using a hard-hitting message to further raise consumer awareness of this important message.



### BRAND VALUES

Duracell is a pioneer of new battery technology and has many groundbreaking technology launches to its name. The brand strives to ensure that consumers associate it with providing reliable, longer-lasting batteries.

The purpose of all Duracell's efforts is to understand the fast-moving technology driving its business and to apply that knowledge in the company's pursuit of excellence. That has always been Duracell's greatest strength and it is the key to its remaining the leader in the global marketplace for packaged power.



### THINGS YOU DIDN'T KNOW ABOUT DURACELL

- The smallest Duracell battery is the 317 Watch battery weighing in at 0.19 grams and measuring just 5.5mm by 1.6mm.
- Despite all the hundreds of different battery sizes available, just five sizes account for over 95 per cent of all batteries consumed - AA, AAA, C, D and 9V.
- In 2003 the Duracell Bunny celebrated its 30th Birthday.