

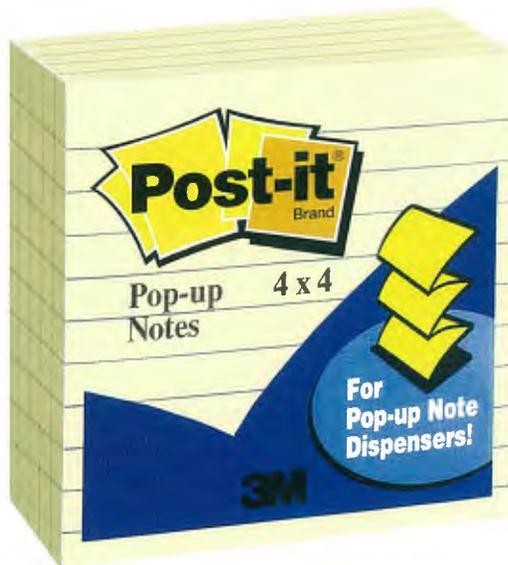


THE MARKET

3M created an entirely new market when it launched Post-it® Notes in 1980. It is hard to know how offices survived before 'Repositionable Notes' were invented. Go into any office today and computer terminals, doors, desks, and folders will be dotted with the familiar brightly-coloured notes. They have become an essential element of our working - and home - lives. Whether they are reminding us of the address for the next meeting or to 'Call Dave at 5 pm', the Post-it® Note is an example of a product we didn't realise we needed until it was invented.

Doing away with the need to scribble on pieces of paper and attaching notes with paper clips, Post-it® Notes target any business which needs to remember, communicate and organise information. In other words, every business. According to 3M's research, secretarial is the largest slice of the Post-it® Note market, with big users including education, management training and the small office/home office (SOHO) sector.

Despite what everyone says about e-mail doing away with the hand-written word, 75 per cent of



adults are described as 'note writers' or 'messenger'. Of these, 56 per cent are heavy users of repositionable notes, 30 per cent are light users and 14 per cent don't use them at all. Curiously, 71 per cent of heavy repositionable note users are women. Women also go for the brighter coloured notes more than men, which partly explains why Post-it® Notes are now available in many more colours than the original Canary® Yellow.

ACHIEVEMENTS

The Post-it® Note was a genuinely important invention. Fortune Magazine recently recognised this when, in November 1999, it ranked the Post-it® Note in its Products of the Century League. Alongside the paper clip, the Xerox photocopier and fax machine, the Intel microprocessor and the Apple Macintosh, 3M's adhesive note was judged to be a product that has helped to revolutionise the workplace.

As with other brand names in the Fortune league - like Xerox and Hoover - the Post-it® is one of those rare trademarks which has gained fame the world over and is immediately identified with 3M's innovative repositionable yellow notes. That in itself is an enviable achievement and a formidable marketing position for any brand.

Not surprisingly, brand awareness is very high, with 62 per cent spontaneous and 95 per cent prompted awareness.

The Post-it® Note, and its inventor, Art Fry, have been suitably honoured over the years. Fry received the Outstanding Alumni Award from the University of Minnesota, the Premio Smau Industrial Design Award from the Italian Design Association and was voted one of the best 100 people in the world by Esquire Magazine. The product has even been celebrated in a book, called 'Rapid Problem Solving with Post-it® Notes'.

HISTORY

In the 1970s, 3M scientist Art Fry used to sing in a church choir on Sundays. His idea for the Post-it® Note came when he was looking for a way of organising musical scores and song sheets for the service. Making do with marks made from small slips of paper, he began to think of how he ideally needed a bookmark that would attach and detach lightly, stick without falling off and not damage the paper.

Remembering an adhesive discovered a few years earlier by another 3M scientist, Dr. Spencer Silver, Fry started to form his idea. Silver had been working on a project to create an extra strong adhesive, but, in the process, had inadvertently discovered a new 'low tack' glue. It had the peculiar characteristics of having a low adhesive capacity, yet was able to stick to paper perfectly and could be stuck and re-stuck without leaving a trace of adhesive behind.

Fry ordered some of the adhesive and experimented putting some on the edge of a paper to make bookmarks. During the early stages of development, Fry stuck one of his new marks to a document, wrote a message on it, and sent it to his boss. His boss wrote a reply, and sent it back, attached to some other work. Later, the two realised they had inadvertently invented a new communication tool.

Thanks to a 3M policy of encouraging its employees to spend up to 15 per cent of their time working on personal projects, Fry was able to concentrate on developing his idea, and, after eighteen months, presented it to the marketing department. As he had come up with a product that nobody realised they needed, the marketers needed some persuading. For a start, they had no idea how to test market it. Indeed, when it



was test marketed in four US cities in 1977, the results were not good. However, some stores had seen extremely high sales. It turned out these were at places where samples had been given away free - allowing people to try the product first.

This persuaded 3M to launch a heavy consumer sampling campaign. The results showed that 90 per cent of consumers who had tried Post-it® Notes said they would buy them. Soon after, in 1980, 3M launched the product nationwide in the US and followed with a launch into Europe.

THE PRODUCT

Nowadays, there is a lot more to the Post-it® Brand than yellow squares of sticky paper. There is now an entire product portfolio under the Post-it® Brand name, offering a range of time saving solutions to meet various needs in the office and home.

The original Post-it® Notes now come in square or rectangle-shaped, large or small format, pastel or neon colours, in pads, printed cubes or dispensers.

Post-it® Flags evolved from the original Post-it® Note idea and were launched in Australia in 1988. Rather than being used as a communication tool, 3M found that some consumers were ripping up their Notes and using them to mark specific pages. With the introduction of Post-it® Flags, the task of organising, marking, colour coding, tabbing and filing paperwork became a whole lot easier.

Post-it® Easel Pads turn walls into writing surfaces. They are giant sheets that can be stuck and re-stuck on walls without leaving traces, and are ideally used in group work sessions and brainstorming.

Post-it® Memoboards are designed to keep documents within handy reach and important information within view without needing drawing pins or magnets to position them.

Post-it® Cover-up and Labelling Tapes are white repositionable adhesive tape, used for correcting documents or to cover sections before photocopying.

Although the core business in the original Canary® Yellow colour note remains strong, 3M is seeing a lot of growth with other Post-it® Products.

RECENT DEVELOPMENTS

The introduction of Post-it®

Pop-up Notes is one of the biggest developments of the Post-it® concept in recent years. Pop-up Notes are easy to use with one hand. When a single note is pulled out, another pops up ready for use.

They come in a variety of dispensers, including a sturdy, weighted design that is less likely to 'walk' from the desktop

than a normal pad of Post-it® Notes.

The latest addition to the Post-it® Branded Note stable is a range of products called "Super Sticky."

Post-it® Notes were originally designed for use on paper based items, however due to our desire to place them on all kinds of surfaces like computer monitors, doors,

telephones, car dashboards and household appliances, a note with 'more stick' was required. Post-it® Super Sticky has a new adhesive technology that provides greater adhesion to vertical surfaces like those mentioned above while still allowing for multiple clean removals.

PROMOTION

When Post-it® Notes were first launched, the dilemma of how to market a product nobody knew they needed was to turn to sampling. That way, people could see the benefits for themselves. After the success of large-scale sampling in the US, the UK was used as a test market in 1981, with Post-it® Notes flooding London's business districts. They were received just as enthusiastically and the initiative spring-boarded the product's launch across Australia in 1984.

More recently, 3M has used advertising in bold campaigns positioning Post-it® Brand as the brand of preference in terms of quality, leadership and emotional value to the end user. Now that there are several other repositionable note competitor brands, 3M aims to invest in the integrity and 'original leader' position of its Post-it® Brand.

Backing the promotional campaigns and product innovations such as Super Sticky and the Premium

Colour Note range, is 3M's extensive use of market research. User interviews and focus groups are used to shed light on how people use the product. Recent research commissioned to gather information about colour preferences, for example, told 3M how hundreds of users rated and used different colour palettes.

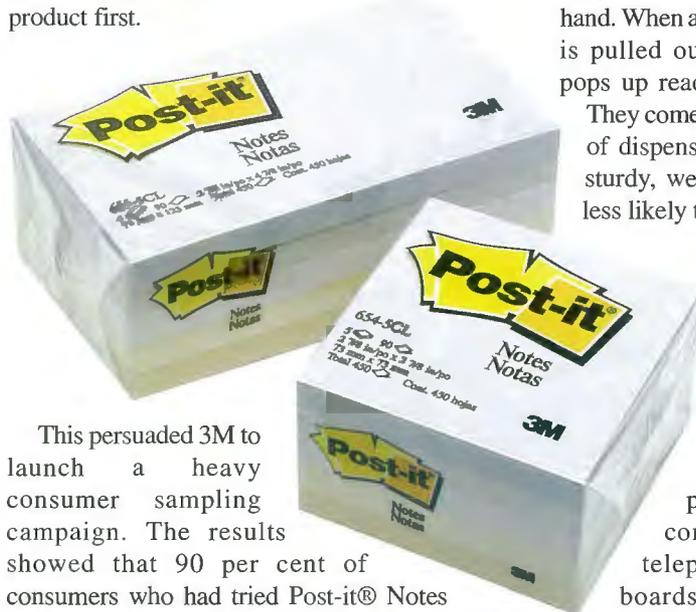
BRAND VALUES

The Post-it® Brand promise is to provide products that deliver fast, friendly, repositionable communication and organisation tools to help get the job done.

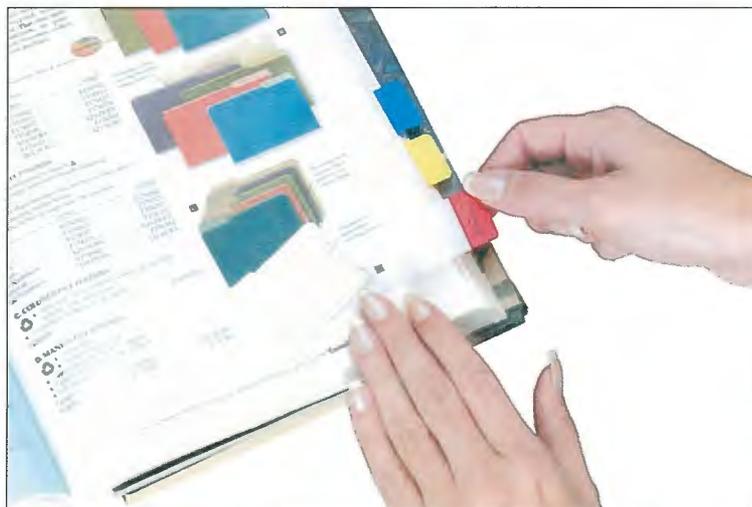
They are designed to meet specific needs, such as not forgetting anything, accessing information, communicating quickly and managing the paper trail.

As the original brand in the repositionable notes sector, 3M attaches great importance to the integrity of its Post-it® Brand. The brand that appears on the packaging of every Post-it® Note is a symbol of reliability, quality and innovation. 3M has a tradition of innovation which is second to none and this value is strongly reflected in its most famous brand.

For further information on the



Post-it® Brand in Australia, contact 3M Australia on 136-136 or access the web at www.3M.com.au.



THINGS YOU DIDN'T KNOW ABOUT POST-IT® NOTES

- The formula for making the adhesive on Post-it® Notes is a closely guarded secret at 3M. Only a handful of scientists at the company know it.
- Over 400 Post-it® Note products are now sold in over 200 countries.
- The most common place to find a Post-it® Note in an office is on a computer.
- A Post-it® Note travelled 4,800 kilometres, through all weathers, attached to the back of a van.
- The original test marketing name of Post-it® Notes was the less catchy 'Press and Peel Notes'.
- In Japan and China, Post-it® Notes are made in narrow downward strips, to accommodate the writing styles.
- The most popular Post-it® Note colour is currently neon pink.