

Schick®

GET READY

THE MARKET

The razor blade market in Australia is currently valued at approximately \$163 million split between replaceable razor blades (\$89m), disposable razors (\$57m) and razors (\$16m). Around 143 million blades are used each year by the wet shaving population which is approximately 74 per cent of all male shavers.

The past few decades 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. The late 1990s welcomed the introduction of the triple blade in systems and disposable razors, and razor handles designed specifically for women. The new millennium has seen significant technological advancements, led by Schick, namely with the introduction of the world's first ALL-IN-ONE razor for women, which eliminates the need for shaving gels, foam or soap.

ACHIEVEMENTS

One of the early noteworthy accomplishments of the Schick Shaving Products Group 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 blades. These strips, some of which contain aloe, are made from water-soluble polymer. When activated by water they provide lubrication that makes the shave more comfortable by reducing 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 blades in some products are wrapped with very thin wire. Patented Microfine Wire Wraps protect the skin from nicks, cuts and irritation while providing the closeness the shaver needs.

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. The innovative flexing action of the twin blade cartridges shaves like no other system and conforms to the unique shape of every face.

Closeness is the most cited criteria in the shaving process, and the introduction of triple blades to the razor category has tapped into this consumer need. This technological advancement



ensures the three blades are positioned on the skin at the optimum cutting angle to ensure triple blade closeness with reduced irritation during the shaving process.

The world first ALL-IN-ONE shaver has created a shaving revolution for women, as it allows users to lather and shave in one simple step. After many years of research, this product delivers what women are looking for - a simplified shaving process.

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. This razor was the forerunner 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 Razor Company and renamed it the Schick Safety Razor Company.

American Chain and Cable manufactured

the product for Schick until 1958, when Schick set up its own manufacturing operations in Bridgeport, Connecticut. In 1961, Schick moved its manufacturing facilities into its present home in Milford, Connecticut, now the headquarters of the Shaving Products Group. The following years were busy ones for Schick as it introduced many 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. In 1970, Schick was acquired by Warner Lambert, where steady technical progress continued. In 1993 Warner Lambert Schick, merged with Wilkinson Sword, to create Schick Wilkinson Sword. Globally the dominant brand name in each country is used. In Australia, for example, it is Schick and in Europe it is Wilkinson Sword. In 2000, Pfizer Pharmaceuticals purchased Warner Lambert, and in 2003 sold off the Schick business to its current owners, the Energizer Battery Company.

THE PRODUCT

To obtain the very best in shaving products, it is essential that each process be carried out within closely specified limits. In all Schick 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. 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. Other panels evaluate production from all manufacturing facilities to ensure consistent quality across plants.

RECENT DEVELOPMENTS

Approximately half of Schick's sales are derived from products introduced over the past ten years. The launch campaign, for the FX razor with flexible blades in 1991, 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 entered the women's blade market in 1995 with the Schick Silk Effects Razor. This razor featured 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.

In 1996 the FX Performer was launched. A razor designed for extreme closeness and comfort, it introduced the revolutionary



technology of a rubber 'skin guard'. The patented 'skin guard' is designed to stretch the skin and cushion the impact of the blades, providing an even smoother, closer shave.

In 2002, Schick introduced Xtreme 3 Disposables, the world's first triple blade disposable razor, and it still is the only triple blade disposable in Australia. The Xtreme 3 razor kit with replaceable blades entered the market in late 2002. The patented blade balance technology positions all the three blades on the skin at the optimum cutting angle for reduced irritation.

Most recently, 2003 saw the launch of the new women's razor: Schick Intuition, which lathers and shaves in one easy step with its All-In-One cartridge. This world first contains triple blades surrounded by a Skin Conditioning Solid rich in cocoa butter, aloe vera and vitamin E. Water activates the conditioners in the solid, creating a light lather, so there's no need for shave gel, soap or body wash.

PROMOTION

The Schick portfolio always has a comprehensive marketing program including above- and below-the-line activity. The key focus is on generating consumer awareness of the brand through advertising and at point of purchase. In recent years Schick has invested heavily in TV advertising across the majors but has also extended into other media including radio, cinema, magazine and outdoor campaigns.

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 simpler, safer, closer and less irritating process.

Keeping the consumer in mind, these advances have always been driven by different consumer needs and by the desire to deliver a shaving benefit greater than earlier 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 - technology that clearly provides new, targeted benefits to the consumer, 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, or 125 days, in the act of shaving.
- 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.