

# Schick®



## THE MARKET

The razor blade market in Australia is currently valued at approximately \$198 million split between replaceable razor blades (\$106m), disposable razors (\$65m) and razors (\$25m).

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. Since then, the systems razors have benefited immensely from technological advances. Razor handles designed specifically for women have been introduced, as well as lubricating strips, guard bars and an increasing number of blades all attempting to deliver a closer, more comfortable shave.

## ACHIEVEMENTS

One of the most 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 last longer and provide 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. Warner Lambert originally patented this improvement to the daily shave. 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. Another approach to the same end is used on many products, in which an aquaglide strip 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 protect the skin from nicks, cuts and irritation while providing the closeness the shaver needs.

Another major development in shaving 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.

Schick's entry into the women's blade market was in 1995 with the Schick Silk Effects for Women Razor. This razor has patented micro-fine wires wrapped around twin blades which make getting a closer shave gentler on your skin. The razor was the first designed specifically to meet women's needs - not just an adaptation of a man's razor. Since then Schick has continued to launch innovative new shaving solutions into the women's wet shave market and their differentiated portfolio of products has seen them recently become the market leaders within women's razors in the Australian market (Aztec scan data MAT 19/8/07).

Schick has been first to market with a number of



products: the first triple bladed disposable, the Xtreme3; the first all-in-one women's shaving system, Intuition; as well as the first four-bladed razor, Quattro. The Xtreme3 disposable is currently the number one selling disposable brand.

## 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 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. After the acquisition of Schick by Warner Lambert in 1970, steady technical progress continued. In 2003 Schick was acquired by Energizer Australia Pty Ltd, which has resulted in a steady increase in volumes and profit year on year.

### THE PRODUCT

To obtain the very best in shaving products, quality assurance is essential. In all manufacturing sites strict quality checks are carried out at each stage of the production process. They 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

2003 saw the launch of a unique women's razor: Schick Intuition, designed to simplify the shaving process with its All-In-One cartridge – completely revolutionizing shaving for women. Its triple blades are surrounded by a skin conditioner enriched with ingredients good for your skin: cocoa butter, aloe vera and vitamin E. This lathers, shaves and moisturises in one easy step so there's no need for shave gel, soap or body wash. In 2006 Schick Intuition was upgraded to Schick Intuition Plus, developed from consumer feedback, making the convenience proposition even more effective. Intuition Plus is now enriched with Shea butter for even more moisture, has a pivoting head to follow curves, a new slimline easy to grip handle and comes in a range of variants for different skin types.

Recently, Schick Quattro for men was launched. It was the world's first 4 bladed razor with 4 synchronised blades for a closer smooth shave. It was followed by Quattro for women in 2005, the only 4-bladed razor with a metal handle designed especially for women. The four ultra-thin blades provide a super-smooth, long lasting shave so that you can even skip a day or two.

More recently, in 2007, the Schick Quattro Titanium as well as the Schick Quattro disposable for women and men were introduced. Schick Quattro Titanium's titanium coated blades provide a shave with less irritation than the leading brand (Gillette Mach 3). The Schick Quattro disposables have handles that are ergonomically designed to suit the way a man or woman shaves while delivering a high performance shave with the ease and convenience of a disposable.

### PROMOTION

A comprehensive marketing program including above and below the line activity supports the Schick portfolio. 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 advertising across the major brand platforms Quattro (for men and women) and Intuition. The TV presence of the brands has been extended into other media including outdoor, radio, cinema, magazine and online – fully integrated consumer awareness 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, and that the segments are laid out according to the way consumers shop.

### 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 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.