



THE MARKET

As with most tropical countries, the Philippines suffers a surfeit of insects that are not only considered pests, but pests that are dangerous to human health.

The top two in the list are the mosquitoes and the cockroaches. Mosquitoes are not only the cause for the spreading of Malaria, but of the even more deadly Dengue. Although Malaria is generally confined to the countryside, Dengue outbreaks often occur in the urban areas. And even if the mosquito is not carrying any disease, the scratching of mosquito bites to relieve irritation often causes infection most especially in children.

Cockroaches on the other hand, are considered to be a nuisance in maintaining household hygiene. In recent years, however, there has been a growing awareness in the Philippines of the dangers that cockroaches impose on health at home. Cockroaches often carry diseases such as infectious hepatitis, leprosy, bubonic plague, dysentery, diarrhea, and many more.

Thus, when Baygon was introduced to the Philippine market in 1977, it was a product for which there was a tremendous consumer need. Baygon simply killed and eliminated insects both seen and unseen. One spray in a room, and everyone is guaranteed a safe and sound sleep.

The market rapidly grew, so that by the beginning of 1999, the Philippine insecticide market was valued at P911 million (Source:



ACNielsen Retail Audit). Mosquito coils account for 38% of the market, Aerosol sprays at 32%, Liquid sprays at 20%, electric mosquito repellents at 5%, and the rest are the other forms like baits and flypapers.

ACHIEVEMENTS

Since its introduction just over 20 years ago, Baygon has been the dominant market leader, and has become a household by-word when it comes to insect control. It is the flagship brand of Bayer Consumer Care Division, the biggest contributor in terms of sales and profitability for the company.

The reason for this success is that consumers are firmly convinced, from their own experience, that the products of Baygon are of the highest quality and with proven superior efficiency. Furthermore, Baygon has been supported with extensive distribution, aggressive marketing activities and competitive pricing.

Because of these factors, Baygon controls 56% of the total insect control market. The brand controls dominant shares in the Aerosol (70%), Liquid (83%), and the Electric segments (76%).

HISTORY

Bayer Germany developed Baygon initially to solve a medical problem. Chaga's Disease, a deadly infection caused by the bite of the Triatoma bug, was discovered in 1908 by Brazilian Physician Carlos Chagas. This disease is caused when a worm-like parasite name Trypanosome enters the blood via the bug-bite. It then rapidly reproduces and attacks initially the liver, spleen and lymph glands before completing its deadly task the esophagus colon, central nervous system, and finally the heart.

In 1964, Bayer made its first landmark in fighting this disease when they invented Baygon, a broad spectrum insecticide that not only effectively dealt with the Triatoma bug, but all other insect pests, both the crawling and the flying varieties. All insecticides developed after World War II that were successful against mosquitoes causing malaria had little effect on the robust bugs. With the development of Baygon by Bayer, an effective product was finally found to combat them. Baygon has insecticidal properties, and it also drives the bugs out of their hiding places.

In 1977, Baygon entered the Philippines through Bayer Household and Hygiene Group which was a department of Bayer Crop Protection Division. The first product introduced into the market was Baygon Liquid Spray. The following year, the aerosols were introduced.

The brand was so successful in penetrating into the market that in 1987, Bayer decided to form a separate division to handle Baygon and



the other consumer goods. Bayer Consumer Products was born followed by several new product introductions and strategic alliances. Baygon Mosquito Coil and Baygon Electric Mosquito Repellers and Mats were introduced in 1988.

At this time, CP Division has one sales distributor handling the whole of the Philippines. It was felt that this set-up was inhibiting growth. So in 1991, the Division instigated regional distributorships, with successful results.

1991 witnessed the introduction of three new products - Baygon Fly Paper, Baygon Fly Bait and Baygon Cockroach Bait. A year later, Baygon 24-hour Cockroach Bait Station was introduced.

In order to attain instant brand recognition and highlight Baygon's leadership in the market, the now familiar V-logo design was introduced in 1993. In 1994, Baygon introduced the water-based aerosol and liquid sprays.

The research and development continued seeking innovative and better ways to eliminate household pests. Even though Baygon's formula had proven over the years to be extremely effective, a major breakthrough was made in 1997 with the introduction of Bayothrin.

Bayothrin, the latest ingredient among the family of pyrethroids, was developed by Bayer laboratories in Germany. It has been proven to eliminate more effectively all flying and crawling insects even at low concentration level. It is also the first ingredient to be environment-friendly because it is biodegradable (i.e. it easily disintegrates after some time preventing its accumulation in the environment). This new development allowed Baygon to maintain its lead in the field of insect control.

THE PRODUCT

Through, the constant research development of its parent company, Bayer of Germany, Baygon can unassailably claim to produce the most effective and safe household insecticides in the world.



In countries such as the Philippines where the greater majority of population lives in houses that do not have either insect screening or air-conditioning, there is a great demand for a method that will not just kill mosquitoes but provide continual protection against insects' intrusion over many hours at an affordable cost. Baygon has provided the solution with the Baygon Mosquito Coil that is marketed complete with a Coil Holder. The coil is set on the holder and the end is lit, then allowed to smolder. The smoke given off has an inoffensive odor, but contains the fast action Bayothrin causing an instant death for mosquitoes. The odor is also designed to have a repellent effect. The popularity of this product can be judged by its availability throughout the Philippines in outlets varying from supermarkets to small family-run sari-sari stores.

Just a little behind in sales of this product is Baygon Aerosol Spray. It is available in Kerosene-based (Green) and Water-based (Blue). It contains the new fast-action Bayothrin and has the advantage of seeking out and killing all flying and crawling insects. The Baygon Aerosol WB formula has a pleasant odor and is ideal for delicate areas such as bedrooms, nurseries, and dining areas. The Baygon Aerosol KB is ideal for the hard-working parts of the house such as the kitchen, cooking areas, under the sinks and storage rooms.

For the cost conscious market, a popular product is the Baygon Liquid Insect Spray which has the same formulation and effectiveness as the aerosol. The delivery is achieved using a hand-operated Baygon spray-gun which is refillable.

Baygon has produced a more modern product for those who would like the same benefit of the coil but rebel against the thought of emitting smoke, especially in nurseries. They offer three products that utilize electrical heating to produce the necessary evaporation. The Baygon Genius Electric Liquid Vaporizer is a modern and safe method to control mosquitoes. The liquid Baygon insecticide contained in a plastic bottle is inserted in a chamber-like device, which is then plugged in an electric socket. The formula allows for slow vaporization that will provide continual protection against mosquitoes. The alternative offered is the Baygon Electric Mosquito Repeller and Mosquito Mats. Although using similar principles, a mat impregnated with active ingredient



is used instead of liquid refill. A new addition to the family of Baygon Electrical Products is the Baygon Master, a gel vaporizer that contains Bayothrin. All these products are safe, convenient and use very little electricity.

Flies are also a major problem for Filipinos. So Baygon introduced a range of products specifically designed to control house flies. Baygon Fly Catcher, an adhesive ribbon that is suspended from the ceiling, is one of the most innovative products introduced by Baygon. Another form is the Baygon Fly Paper which is a flat sheet covered with a strong adhesive that is intended to trap house flies and other insects. These two products do not contain active ingredients. The Fly Bait is a powder product that contains an active ingredient for elimination and control of house flies.

Baygon also has a range of products for cockroaches and other crawling insects. The Cockroach Bait is in a powder form while the Cockroach Bait Station is in a tamper proof container with an impregnated tablet inside.

Baygon has the widest assortment of insect control products with a total of fifteen (15) product types and thirty-four (34) SKU's.

PROMOTION

Baygon uses an extensive multimedia advertising and promotional campaigns. From the traditional media like television, print and radio to the new emerging channels such as cinema, outdoor and point-of-purchase advertising. Baygon also uses heavy trade and consumer promotions and public service campaigns.

Baygon's advertising has matured over the years. Initially in the 1980's, emphasis was on how effective Baygon was as an insect killer. That was why the brand's advertising was the "Rambo-type" which highlighted Baygon's Triple Killing Action. In the 1990's, there was a subtle change in Baygon's advertising approach. The superwoman character was adopted to highlight Baygon's efficacy in killing insects.

But it was realized that Baygon no longer needed to demonstrate the product's effectiveness by showing dead insects. The consumers already know the products superior efficacy from their own experience.

A big leap was made to elevate Baygon's advertising to a more caring and emotional approach. Baygon was depicted as a family friend, protecting them and keeping their good health.

Baygon's image was transformed from a RAMBO, to a SUPERWOMAN, then to a caring MOTHER.

RECENT DEVELOPMENTS

In 1998, Baygon launched its latest product, Baygon Master Vaporizer in to the market. This is a major improvement over other electrically operated vaporizers because it has plug-in device and it has the breakthrough formula Bayothrin that can last for 30 nights. The Baygon Master Vaporizer uses a gel membrane.

Another recent development has been the development of Baygon's own website, which you are invited to visit at www.baygonphil.com.

Recently, Baygon hit the airwaves with two blockbuster campaigns. The first was the sponsorship of Baygon Pera o Bayong, a TV game portion over ABS-CBN's Magandang Tanghali Bayan. This game portion has been acclaimed as one of the most successful game portions to be

implemented in the history of Philippine television. Pera o Bayong had benefited Baygon not only in tremendous sales but also in elevating the brand's image as a caring and supportive brand.

A pitting follow-up to the success of Baygon Pera o Bayong, was the Baygon Iwas-Dengue Campaign implemented last July to September 1999. This campaign has helped the residents of Metro Manila and nearby provinces in preventing the spread of Dengue virus. This campaign also elevated the consciousness of consumers on the dangers brought about by Dengue-carrier mosquitoes.

BRAND VALUES

Baygon means superior efficiency. No other product comes close to its performance and effectiveness. Baygon's state-of-the-art technology and expertise in the elimination of insects is just simply better than any competitors. Consumers have developed a great trust in Baygon to relieve



them of their problems with insects – and Baygon has never let them down.

Baygon also means innovation. Its continual research and development keeps it ahead with the introduction of new and better products.

Baygon means protection for the family. It effectively kills those household insects that are a constant threat to the health of the family. More than that, every mother knows that it carries no dangers for her family. Baygon is safe to use in the house, inspite of being deadly against insects.

Things you didn't know about BAYGON

- All active ingredients used in Baygon formulations are developed and owned by Bayer. Propoxur, Cyfluthrin and Bayothrin are just some of the active ingredients developed in Bayer laboratories in Germany.
- Bayothrin, the current active in baygon formulation, is the latest breakthrough ingredient in insect control. It is proven to be more effective against all flying and crawling insects even at low concentration.
- Dr. Klaus Naumann, a member of the Bayer Chemical Research Team, invented Bayothrin. It took ten years before Bayothrin is finally approved for use in household insecticides.