

# Gillette australia's current marketing strategies flashcard



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This report is to be delivered to the board of directors of Swedish Razors . Inc about Gillette's marketing strategies after a 6 week professional exchange to Gillette Australia Gillette Australia: (a brief overview)\* Has been operating since 1980\* Has had 40% of market share since its first product – the Gillette ' Contour' was launched in 1980\* Employs 400 people in manufacturing and 320 in management The Product: Gillette is about to release a new razor called the ' Mach 3 Turbo' to replace the existing ' Mach 3' (released 1999).

The new product has:\* ' New blade Technology' – with 3 blades (same as 1999 model)\* The ability to shave against the grain\* New lubrication strip\* A new 15% higher premium price. The 15% higher price is so the market thinks it is a premium product the mentality they are trying to invoke is the higher the price, the higher the quality. The replacement cartridges also carry a higher price; a pack of 8 replacement blades was \$19. 99 and has risen to \$22. 99 for the new product. Marketing Strategy Four P's: 1.

Product: Mach 3 Turbo 2. Price: 15% higher than Mach 3, replacement cartridges cost \$22. 99. 3. Promotion: TV, billboards, public stunts, printed. 4.

Place: Mainly Supermarkets\* Planning on spending more than \$10 Million on marketing this year with half of that to be spent on advertising to launch its new razor as well as a relaunch of its skin care range.\* The new razor will be heavily advertised on TV, in print and through outdoor supersites eg.

Billboards.\* Gillette are planning public stunts in capital cities to get people to become familiar with the new product. For example, Gillette are planning to pay everyone's toll on one of the Sydney motorways during peak hour. For

this, they would use advertising terms such as “ Save time with Gillette’s Mach 3 Turbo”\* The aim is to get everyone who has the Mach 3 razor to upgrade to the Mach 3 Turbo because those are the people who would like to have the latest and greatest razor as opposed to the ‘ old faithful’ 5% of the market who are still content with the basic ‘ Gillette Contour’ razor – launched in 1980.

Target Market Gillette is targeting younger customers in the age group of 17 -> 30 years of age. This is because recently, most of the growth has come from this age group. This younger age group is also generally more concerned about their image than other age groups. This is also the reason why they’re relaunching their skin care range at the same time – because younger men are generally showing the most interest in keeping their skin healthy and looking good. Conclusion: For Swedish razors’ advertising to be as successful as Gillette’s, I have given the following recommendations;; Increase marketing expenditure from \$3 Million to \$6 Million; Spend more on product development; Release a new ‘ revolutionary’ product that would appeal to young people.

Eg a razor with 4 blades – make it sound like a massive breakthrough in razor technology- target it to younger customers and try to get some of Gillette’s market share.> Have the cost of the actual razor low but have the cartridge price high and make most of your profit from that.> Sponsor a women’s modelling show or something which will attract mainly males and get them to know about the product.