



# MACH 3

## ANATOMY OF GILLETTE'S LATEST GLOBAL LAUNCH

*Can a consumer product be launched globally*

*in a short time? It can if sufficient resources and time are allocated to planning the effort.*

**By Glenn Rifkin**

**I**N MAY 1994, months before the Gillette Company first shipped its hugely successful Sensor Excel razor in the United States, marketing plans were already under way for the product that would succeed the Sensor Excel. That month, four Gillette marketing executives met with B.B.D.O., the firm's advertising agency, to set the marketing agenda for a new razor that would render Sensor Excel all but obsolete. That new razor, which would later be named Mach 3, was introduced with all the attendant fanfare in the summer of 1998.

At Gillette, there is no such concept as getting ahead of oneself. New products go on the drawing board as much as a decade before they are introduced, and it is a safe bet that even as Mach 3 was hitting retail store shelves, Mach 4 or Mach Excel or whatever the company calls its next

breakthrough razor was well along in its development cycle.

When it comes to blades and razors, Gillette is not content with merely having an innovative product. The company has also turned marketing into a quantitative science, pouring time and resources into marketing plans that are almost military in their precision and implementation.

The Mach 3 shaving system, a blend of leading-edge technology and relentless consumer testing, took seven years and \$750 million to develop. The first industrial design of the sleek new razor existed in 1993. The product was named two full years before it was first shipped, and the efforts were so secretive that the directors, including billionaire and major shareholder Warren E. Buffett, were not allowed to see the product until nine months before its launch.

Gillette has poured another \$300 million into marketing the new product — making Mach 3 the world's only billion-dollar razor — and the results are already off the chart. Sales of the Mach 3 have far surpassed Sensor and Sensor Excel, which both dominated the market in their day and have exceeded even Gillette's lofty expectations. Despite the skepticism of some in the financial press, who felt the new razor was gimmicky and too expensive, in just six months Mach 3 has become the top-selling razor and blade in North America and Europe. If success can be choreographed, Gillette has done it.

No other company takes shaving as seriously as Gillette. The \$10.1 billion Boston-based consumer products giant also sells Duracell batteries, Braun appliances and Parker pens. But blades and razors are the bedrock



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of Gillette's indomitable global brand.

Like other great marketers, Gillette simply knows its customers better than its competitors do. It tests, measures and rates products and preferences ceaselessly around the world. When an Italian man or an Australian woman performs his or her morning ablutions, Gillette has a pretty good idea of what razor will be used and why. The company has parlayed its laserlike focus on its marketplace, and its unmatched ability to forecast what men and women will buy, into a 72 percent market share in both the United States and Europe. This dominance is born from a relentless pursuit of better shaving technologies, a willingness to invest whatever is needed to manufacture its products effectively, and a formulaic, integrated marketing strategy that works everywhere.

### THE SHAVING LEGACY

Ever since 1901, when King Camp Gillette invented the safety razor, Gillette has built a corporate culture around finding better, more lucrative ways to remove unwanted hair from human beings. For much of this century, Gillette was as much a part of the American lifestyle as Campbell Soup and Coca-Cola. The first televised baseball game in 1939 featured ads for Gillette razors.

In 1971, Gillette shook up the shaving marketplace when it introduced Trac II, the first twin-blade razor with two parallel blade edges housed in a single cartridge. With Atra

in 1977, Gillette increased performance and pressed its "comfort and closeness" mantra with an innovative pivoting head. And in the same time period, Gillette, mired in a new battle of disposable razors with the likes of Bic, unveiled the Good News, the first twin-bladed disposable.



By the mid-1980's, with disposable razors taking up a whopping 50 percent of the market, Gillette executives decided to break out of what they saw as a dead-end strategy. With disposables, the razor had become a commodity, and the buying decision was based solely on price and convenience. For a company like Gillette, this was a debilitating situation. Gillette needed a differentiator, a product upon which the brand could be elevated and market share substantially increased. So rather than compete on the existing playing field, Gillette simply created a new category, the shaving system, and took control of it while at the same time eroding the market share of the disposables category.

In 1990, after 10 years of research and development, Gillette introduced

its Sensor twin-bladed shaving system. As with Trac II and Atra, the blade cartridges were disposable. But there was more. With blades mounted on springs that allowed the razor to adjust to a man's face as he shaved, Sensor raised the shaving bar to new heights. The shave really was better — significantly better. The design

not only produced markedly closer shaves but also brought Gillette out of the disposables morass and back into an indisputable leadership position.

But Gillette never rests on its laurels. If two blades could produce a close shave, what might three blades do? For much of this decade, scientists at Gillette's research lab in Reading, England, studied metallurgy, skin and hair and came up with new blade edges — the first since the 1960's — designed to allow men to shave with less force and feel less irritation. In order to insure that consumers would not simply scoff at three blades as a marketing gimmick, the shave had to be demonstrably better.

"What you need when you go to the board and ask for \$750 million in development money is a product that can't fail," said William J. Flynn, the business director of blades and razors at Gillette. "It has to be preferable to what the customer is currently using."

Like other great marketing companies, Gillette acknowledges that product quality is the core value proposition around which everything else swirls. "If you have a significantly

and demonstrably superior product or service, it really is quite meaningful,” said Benson P. Shapiro, a marketing consultant in Concord, Mass. “Procter & Gamble has traded on this for years. When they introduce a new and improved product, it really is new and improved. It really solves a personal problem. What Gillette has done is develop a new technology that worked. The tougher task is getting people to try it.”

Indeed, many superior technologies have slipped away, unnoticed and unrewarded, in the history of consumer products. At Gillette, gaining consumers’ share of mind is an art form. Getting them to try a new product and offering a “reason to believe” has never been better orchestrated than with Mach 3. The first and most important step is creating a clear value proposition for the consumer.

For the Mach 3, the value proposition had to be compelling, succinct and easily understood by a vast consumer base around the world. Like everything else in the development process, it was a painstaking endeavor. Indeed, the value statement took two full years, countless meetings and innumerable focus groups to write. The value had to be there for a wide cross section of shavers, from the serious system user to the disposables user. It had to work for the blue-collar worker in Des Moines as well as the executive in Milan.

Having tested the product with thousands of men, Gillette knew what mattered. Shaving evokes certain key reactions in men: It is time-consuming, irritating and often unpleasant.

Not surprisingly, men around the world crave the same thing: a close, clean, comfortable shave without nicks and cuts. Most men, Mr. Flynn said, take between 100 and 500 strokes when they shave, often going over the same area again and again. So a bridge was needed to get from the idea of a close shave to a less irritating shave. Add to that mix the disposables user, who values the quickness of a shave, and the value proposition emerged: The Mach 3 offers “the closest shave ever in fewer strokes — with less irritation.”

What sounds so simple and obvious was a “Eureka” revelation inside Gillette. With this statement, all marketing efforts would have a common foundation upon which to build. Gillette could not only woo its own Sensor Excel customers to move up, but also grab market share among disposables users. “If you don’t put it into language that gives a promise of something better, people won’t try it,” Mr. Flynn said. “But if you can create an appeal that gets them to try the product, the product will sell itself.”

### GOING GLOBAL

Gillette’s vaunted marketing machine is actually the sum of many parts, all tied inextricably together by time-honored traditions within the company. The Horizon Committee, for example, is chartered to capture the future, looking five to 20 years ahead for what the hair removal experience is likely to be. Even today, Gillette is looking beyond wet shaving to lasers and other forms of technology for potential products.

The Mach 3 group, code-named the 225 Task Force, worked for five full years in concert with R&D to produce and orchestrate the introduction of the new product. They concentrated as much on creating a great new brand as developing a great new product. The five years were characterized by ceaseless product improvement, constant consumer testing around the world and, eventually, creation of a marketing strategy to not only press the new value proposition but also substantiate the claims.

To Gillette’s chief executive, Alfred M. Zeien, the company looks at the world “as one nation,” and global product positioning is *de rigueur*. By mid-1996, under John Darman, vice president of business management for male shaving, the task force began to pull together specific plans for a global introduction. With Mach 3, Gillette had a distinct advantage; the company had essentially been there before. The company’s experience with both the Sensor and the Sensor Excel had created a template for the manufacturing and global marketing and promotion of a shaving system. Sensor had been so successful that it had turned the company’s earnings around and set off a string of 32 straight profitable quarters at Gillette. The lessons were clear:

- Because the product would probably take off immediately, manufacturing had to insure that it had enough capacity to avoid shortages at the outset.
- To facilitate a smooth global introduction, all packaging, point of sale and other promotional and support

material had to be the same, simply translated into 30 languages for other geographies.

- In the same vein, all marketing and advertising was based on a single campaign that was released in every market, again with minor local adjustments and translations.
- Pricing needed a built-in elasticity, but by carefully testing the concept with consumers, Gillette fixed a profitable price point based on the expected number of blades per user per year.

The plans needed to be thorough, coordinated and highly secretive. Early on, Mr. Darman brought executives from Gillette’s satellite offices around the world together with B.B.D.O. executives. B.B.D.O., the company’s agency since 1988, had

come up with the signature descriptor “Gillette: the Best a Man Can Get” in the late 1980’s and had been an integral part of the development team on Sensor and Mach 3.

Like a military strike, a global introduction had to be carefully planned and orchestrated to be successful. Gillette had introduced Sensor in all of its markets in just 18 months. But Mach 3 would be completely introduced around the planet in under one year. The new product would be introduced in North America in July 1998, in Europe and Russia on Sept. 1, in Japan in February 1999 and in the rest of Asia, Latin America and Australia by mid-year.

“We want to accelerate sales and profit growth,” Mr. Flynn said. “A global launch is the means to do that.” The

faster the product is in the market globally, the faster existing Gillette customers will trade up to the new product and the faster new users will be drawn from competitors. Such quick-strike thinking not only leads to better financial results, adds Mr. Shapiro, a former Harvard Business School marketing professor, but prevents competitors from thwarting Gillette’s efforts in remote markets before the product is shipped.

The naming process began in July 1995, three years before the rollout. B.B.D.O.’s computers yielded such suggestions as Vector, Synchro and Triad. But the eventual name had to work as well in Germany and Latin America as it did in North America. Thousands of one-on-one interviews around the world with consumers

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## THE EUROPEAN CAMPAIGN

Gillette’s ability to introduce its new products globally is built upon best practices gleaned from decades of experience, particularly with its highly successful Sensor razor products. From Sensor to the new Mach 3, Gillette has initiated rollouts with remarkable success. But despite the almost military precision with which Gillette attacks the global marketplace, there are issues specific to certain geographies that require careful planning. William J. Flynn, business director of blades and razors for Gillette, talked with Glenn Rifkin about unveiling Mach 3 in Europe.

**S&B:** You actually launched the Sen-

sor Excel, Mach 3’s predecessor, in Europe before North America. And then you did just the opposite with the Mach 3 launch. Why?

**WILLIAM FLYNN:** We went into Europe with Sensor Excel first because Europe is a bigger market than the U.S. It’s about 20 percent bigger, in fact. At that point in time, 1991, we looked at the economy in Europe, which was lagging and not as bullish as the U.S., and felt the market there needed a shot in the arm. We needed to get some energy going and thought launching there first would do that

while at the same time demonstrate that we are an international company. With Mach 3, we wanted to launch in July 1998, but realized that August is not the greatest time to advertise in Europe. Everyone is out at their summer homes. In truth, the time factor was not that significant. We launched in Europe two months later.

**S&B:** How do you evaluate each individual market?

**WILLIAM FLYNN:** We look with great detail at each market. We know that the primary growth driver is the

confirmed that the name Mach 3 would fly. Keeping it a secret became a C.I.A.-like operation, with all executives required to sign confidentiality agreements — telling spouses was strictly verboten — and no one was exempt.

By 1996, specific plans started to come together. The task force drew up advertising budgets, capital costs, sampling costs and formulas for achieving more profit per user per year. In this manner, the strategic business plans for 1997 and eventually 1998 were written.

Gillette has always carefully tracked blade usage. With the Atra razor, men used an average of 30 to 32 blades a year. The number dropped to the high 20's with Sensor, and, because of its superior performance, the

number is expected to drop even more for Mach 3. Based on these estimates, the company set out pricing strategies. Because of the success of Sensor, which had been priced at a 25 percent premium over the previous offering, Gillette was extremely aggressive in its pricing for Mach 3. Mach 3 was priced 35 percent higher than Sensor Excel — at \$6.49 to \$6.99 for the razor and a similar increase for blades — and again, consumers did not blink.

“In our consumer-use test study, we asked questions about what they'd pay,” Mr. Flynn said. “As we increased the price, their preference actually improved. That was the first time we'd ever seen that happen.”

To orchestrate the product unveiling successfully, Gillette followed

strict guidelines about all advertising, marketing and promotion. Everything from packaging to point-of-sale displays to retail sales guidelines was created with a single audience in mind rather than individual geographies.

Thus, all packaging, point-of-sale displays and support material are the same around the world. The color scheme, an aqua green, and all typefaces and design elements are also the same. Mach 3 packages from Spain, Germany, Britain and Italy are identical except for the language on the package. The company purposely keeps the number of words on the front of the package to a minimum to avoid the need for design alterations to the packaging. Gillette also knows its markets intimately. For countries like Italy and Spain, where many

media, so we have to make sure we are spending our money wisely. Where is the greatest opportunity for profit growth? What does the competitive environment look like? We create a media spending model that is predicated on things such as profit by country, share of voice, trade-up potential, incremental profit above the competition. We do this in 17 markets in Europe. When we launched Sensor, we created the Sensor Derivation Model, which was essentially how much money we spent and what share of voice we achieved. So with Mach 3, if we replicated the Sensor launch, what would it look like? How would it play out?

**S&B:** *What did that model tell you with the Mach 3 launch? How do you build share of voice?*

**WILLIAM FLYNN:** For example, we knew that we spent more in Italy than Germany. The Italian market is much more devoted to disposable razors, so we had to concentrate more media in Italy. All this helps create the final plan. And we had to lay on top of that new elements for the Mach 3 program. With Sensor, it was basically a television plan, heavy television advertising. With Mach 3, we had print, outdoor, radio and the Internet. It was more of a multifaceted media effort. We had to factor all this into the Sensor Derivation Model.

**S&B:** *What does the model help you achieve?*

**WILLIAM FLYNN:** It is the foundation for our media spending plan. We needed to go to all the geographies and put together a rationale for what we were recommending per market. We base our plans on gross rating points, or G.R.P.'s, which equate to the number of spots you have on television. It gives some perspective to the weight of the advertising you do. And we have figured out a way to [equate] everything to a G.R.P., so we can take all media and come up with an assumption that equates to a 30-second television commercial. So we might say we'll need 3,500 G.R.P.'s in Ger-

stores are small, Gillette created a special display for the Mach 3. More than 100,000 of these displays were sold in the first six months after the premiere.

Even the television and radio advertising is the same. A single Mach 3 television commercial is being used in all countries. Though some local production had to be done in certain markets, the commercial is essentially the same everywhere — male models have to have faces that are “acceptable” in all regions.

By creating a single look and feel to the entire global campaign, the Mach 3 achieved a branded look almost instantaneously. A believer in big-budget advertising, Gillette seeks to surround the consumer with its

**EXHIBIT I  
MACH 3 MARKET SHARE AFTER LAUNCH**

Country	Blade Market Share	Months After Launch
U.S.	14.6%	5
France	13.6%	3
Germany	13%	3
Italy	16%	3
Spain	15%	3
Britain	16%	3

Source: The Gillette Company

message, embracing every medium, from television to billboards to the Internet. It stepped up its public relations efforts for Mach 3 and received 10 times as many mentions in the media, called share of voice, for the product rollout as it had for Sensor. Gillette

tracks the media as closely as it tracks its customers.

Mr. Flynn described a visit to Spain shortly after the Mach 3 inauguration. He was walking in Madrid where Mach 3 billboard ads dominated the sidewalk. He walked into a drugstore and was met immediately with the Mach 3 display, which mirrored the sidewalk advertising. And almost as if on cue, a radio commercial for the razor came on over the store’s speakers. “It really told me why the brand is doing so well in all markets,” he said.

Mr. Flynn points out that the Mach 3 will be “advertising driven” for its first two years and then, as the product becomes entrenched in the marketplace, advertising efforts will

many, but only 3,000 in Spain because the cost of media is not as high in Spain. It’s a model and a baseline to work from.

**S&B:** *So you leave little to chance.*

**WILLIAM FLYNN:** That’s right. We have advertising tracking studies, TV versus radio versus print. We learn from history which medium is most effective. Our primary thrust is to surround the consumer with all media. Television may be more impactful than radio, but if you do both, it’s even better. And that has to be scrutinized in terms of the overall objective of the plan. The plan is to make Mach 3 part of the landscape — get it

everywhere. Make it part of people’s vocabulary.

**S&B:** *Is your ability to achieve that different from country to country?*

**WILLIAM FLYNN:** Yes. From a competitive point of view, we’re stronger in Germany, the U.K. and France. We’re not as strong in Italy. There is a big difference in terms of systems like the Sensor and Mach 3 and disposables. Germany is a very big systems market. Only 20 percent of that market is disposables. Italy and Spain are both 50 percent disposables.

**S&B:** *What do you do about that?*

**WILLIAM FLYNN:** Media has always

worked well in Italy. That is why when we went out with Sensor, we spent more on media in Italy than any other country. And it worked. One of the big success stories with Sensor was in Italy. The local Gillette folks did a fabulous job. They built the systems business back in 1991 better than anyone else. They did it with media, merchandising and a good story to the trade. Before Sensor, the market was 60 to 40 in favor of disposables. They shifted 10 percent of users to systems.

**S&B:** *How do you get even more men to shift to Mach 3?*

**WILLIAM FLYNN:** We’re still focused on heavy media spending, doing a lot

slow while a sampling campaign commences. He points out that 75 percent of Mach 3 sales go to Sensor Excel users who are moving up to the new product. To win over disposable users, sampling is crucial. "Sampling is extremely effective," Mr. Flynn said. "I was the marketing manager for Sensor Excel, and I went to a focus group in New Jersey. One guy admitted that he was a system user, but he had been a hardcore disposable user until he got a Sensor in the mail. We'd have never gotten that user otherwise."

**ANOTHER WINNER**

By early 1999, Gillette could safely declare victory. Mach 3 simply blew away the skeptics and became the type of whirlwind success that product developers and marketers dream

about. The Mach 3 has easily supplanted the Sensor Excel as the No. 1 brand on the market. In fact, said Mr. Flynn, it took Sensor two years to reach the sales level that Mach 3 achieved in six months.

In the United States alone, Mach 3 razors have outsold Sensor four to one compared with Sensor's first six months on the market and outsold Sensor blades three to one. Mach 3 razors brought in \$60 million in the first six months, compared with \$15 million in Sensor sales during its first six months. Mach 3 blades generated \$68 million in sales in its first six months; Sensor blades brought in just \$20 million in its first six months. Mach 3 razors already have a 15 percent market share in the United States and as much as 17 percent in Italy. (See Ex-

hibit I.) It took Sensor two full years to reach that market share.

Gillette is happy but hardly satisfied. The company expects a 20 percent to 30 percent market share for Mach 3 razors and blades over the next two years as it sells more than a billion blades annually around the world. And though it is closemouthed about future products, there is little doubt that Gillette sees an opportunity to move Mach 3 into the women's market, much as it did with Sensor.

If and when Gillette introduces a women's Mach 3, it will undoubtedly be with a blitzkrieg approach. In a competitive global economy, Mr. Shapiro said, Gillette understands that every consumer it can get to try a new product sooner is one less customer who is likely to get away. **S&B**

of the fundamentals. It really comes down to a lot of blocking and tackling. You need to sell the program to the retail trade and get their full support. With Mach 3, the display activity has been tremendous. If you go into any store in Italy and look for Mach 3, you won't have trouble finding it. There are big displays everywhere with tremendous visibility. It's a bit like looking for Coca-Cola. You see it everywhere.

**S&B:** *Are you seeing a payoff from this already?*

**WILLIAM FLYNN:** Major league. We've already achieved a 16 percent blade value or dollar share in Italy, which is

the highest blade share of all Gillette's North Atlantic markets. And it's harder to get distribution in Italy, which makes this even more impressive. We've achieved with Mach 3 in Europe in three months what we achieved with Sensor in 18 months.

**S&B:** *What other factors contributed to this early acceptance?*

**WILLIAM FLYNN:** There are a lot of things that make it happen with each individual market. In Italy, the amount of work that was happening a full year before the launch was amazing. They go back to the Sensor launch and they say: "This is what you achieved for Sensor. We're going to achieve vol-

umes that meet or exceed that, and we don't want to be out of stock." So manufacturing has to be on target with its forecasts. We want the product cut in at the point of sale, and we want to be able to meet demand. So the team works with individual accounts, and well before the official launch, they'll go in and reset the aisle. Before they had started to ship, either the Gillette sales force or outside contractors went in and reset the blade and razor section of the retailers to leave space for Mach 3. There were signs saying, "This is where Mach 3 will be." When the Procter & Gamble folks saw this in the stores, they were amazed — the way space

was set for the product; the coordination in getting displays up when the advertising broke. There was a lot of preplanning to make sure that Mach 3 was in a leadership position from the outset and make sure that out-of-stocks were minimized.

**S&B:** *How do you get the retailers to buy into this so intensely?*

**WILLIAM FLYNN:** By making sure that things are coordinated. It's the blocking and tackling. And when you have public relations that creates the buzz, it is quite significant. Retailers see another Sensor coming, and they see that the sales force wasn't kidding.

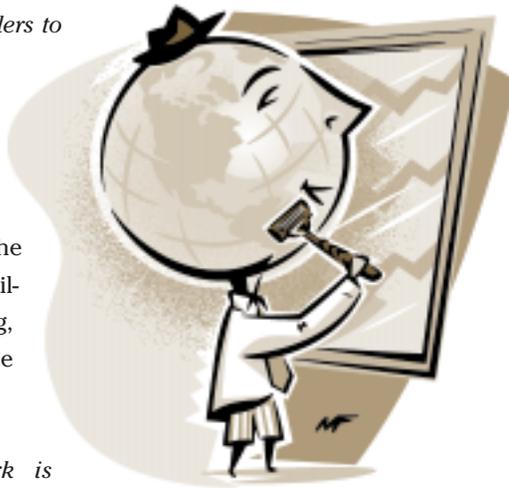
**S&B:** *All that upfront work is phenomenal.*

**WILLIAM FLYNN:** That's something Gillette does the best, from an executional point of view. The company prides itself on this. A year before launch, the manufacturing people pegged how many cartridges and razors they could produce: between 50 million and 70 million razors and 400 million cartridges. They were able to call it a year in advance. You need extraordinary people to do that.

**S&B:** *So you can get other geographies on board quickly by having the answers before they ask the questions?*

**WILLIAM FLYNN:** You have to get it to the point where they realize that everything has been fully vetted eight ways to Sunday. We've done our research. We tested everything thor-

oughly in all their markets. We tested the name throughout Latin America and Europe and the scores we had showed that Mach 3 was even stronger than Sensor had been. We had impact scores, diagnostic scores, scores to show how it was different



from Germany to Spain to Italy. We had tests to see how the name was pronounced in different countries. We took the value proposition and created an advertising campaign. The commercial tested better than any other commercial we've ever run in the blade and razor business.

**S&B:** *But does that guarantee buy-in from country managers?*

**WILLIAM FLYNN:** It sold because we had evidence that it had tested extremely well. It had to come across as extremely credible. When we first showed the European marketing directors and general managers the packaging under the tent, we had to get them in on translations and on local advertising. They challenged us, but they came away feeling we had an-

other Sensor. It really is incumbent to get everybody on board through test results.

**S&B:** *Now that the launch has been overwhelmingly successful, how do you sustain the momentum?*

**WILLIAM FLYNN:** We do not go back to business as usual. We are wrestling with that now. How do we get the Mach 3 afterburn? How do we convince [country managers] to spend the money on this brand? How much money should you put against each individual unit? We need to get them to spend the amount of money we recommended last year. We can't take our foot off the accelerator. We need to spend a specific amount over the next two to three years to keep it going. We have numbers on this that are very convincing. We have to continue the tremendous efforts in point-of-sale displays, for example. We have to make sure they have all the tools necessary to continue with a razor program in which a customer buys a razor and gets a free package of other shaving products. We've established marketing guidelines for the year 2000. We created a very good Sensor Excel program that tied in with radio. They were humorous radio ads, and we worked with local markets to develop the ads for drive time for each local market. We tied that in on a cooperative basis with retailers. We called it the Challenge program: "Try Sensor Excel and you won't go back." We think we can do that with Mach 3 as well. 

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