

Gillette: The 11-Cent Razor, India, and Reverse Innovation

Only six months after the October 2010 release of the Gillette Guard, the razor already held 50% of the Indian shaving market. The Guard, a low-weight, plastic, disposable-blade razor, represented over a year of in-depth research that involved observing Indian men as they purchased and used razors in their daily shaving routines. The result of that research was a 15-rupee (0.34 USD) razor with 5-rupee (0.11 USD) blades, uniquely designed for Indian men.¹ To help the Guard reach the 50% milestone, Gillette had been promoting the product all over India, with billboards and TV commercials featuring Bollywood actors shaving with the razor. The price of the Guard was higher than that of the market leading double-edge blades, but the new razor offered a close shave without the frequent cuts that resulted from quick rusting, double-edge models.

Gillette's leading product in the US — the Gillette Fusion ProGlide — stood in sharp contrast to the Guard. The Fusion ProGlide was Gillette's most technologically innovative razor. Gillette's frequent TV commercials touted the ability of the Fusion ProGlide's five blades to give a comfortable, close shave, while enabling men to create elaborate facial hair designs. At 9.99 USD for the razor and 16.99 USD for a four-pack of blade cartridges, the Fusion ProGlide was not only Gillette's most advanced razor, but it was also Gillette's most expensive and most profitable razor.²

John Sebastian,ⁱ Gillette's Manager of Male Grooming products, sat in his office at World Shaving Headquarters in Boston, Massachusetts, holding a Gillette Guard and a Gillette Fusion ProGlide in his hands, wondering what to do next. Sebastian had been given the task of analyzing market conditions and making a recommendation to the vice president of male grooming for the Gillette Guard global strategy. There were over a billion men in low income countries, who potentially would be willing to try the Guard. The Guard could be a viable low cost option for many Americans. Despite the fact that the premium priced Fusion ProGlide was Gillette's best selling razor, not every American was willing to pay such a high price. Many Americans were especially price sensitive due to the state of the economy, which was slowly recovering from the 2008 financial crisis. Introducing the Guard to the US market could allow Gillette to dominate the low end of the shaving industry and boost sales in a slow growing market. On the other hand, Gillette's high margin products like the Fusion ProGlide might suffer if the Guard began to cannibalize sales. Sebastian was preparing for the meeting with his supervisor, during which he would offer his strategy recommendations to the vice president of male grooming for the Gillette Guard. The meeting was quickly approaching.

i The character and scenario are fictional. The remaining company and market details are factual.