

Category Outlook

GENERAL MERCHANDISE LIGHTERS

Lighting the Way in a Gloomy Economy

During challenging economic times, it is imperative to closely examine and adjust the product mix. Identifying lagging segments and top performers is critical. According to Information Resources, Inc., U.S. Convenience Store sales of disposable pocket lighters have slowed down from the past few years of growth but have demonstrated resiliency, posting only slight sales declines of -2.6% in the last 52 weeks ending August 23, 2009.

Reviewing other segments within the lighter category reveals some keen consumer insight. Refillable pocket lighter volume, which makes up less than 3% of all individual lighter purchases and 5% of dollar sales, has dropped dramatically, posting declines of 28% or more for the current 52 week period. With the current pinch on consumer budgets, the demand for \$5-\$10 lighters appears to have diminished significantly.

So where's the silver lining?

BIC® Lighter, which currently holds a significant market dollar share (85%) in the disposable segment, has contributed to the stability of the disposable lighter segment by posting an annual sales growth of 1.2%.

Among the top-selling brands in its portfolio, there is clearly a top performer. Beyond the #1 ranked BIC® Classic® full size lighter and #2 BIC® Mini lighter is the #3 BIC® Special Edition® brand which controls a 16% dollar share of disposable lighters and has posted impressive double-digit dollar sales gains of 13.4%.

BIC® Special Edition® lighters feature visually

striking wraps around the lighter that display a variety of themes, images and patterns. "With average retail prices of \$1.59, the consumer is given an avenue to express their style while staying comfortably within tightened budgets," said Richard Pecka, assistant trade marketing manager, BIC Consumer Products USA. "We find that many consumers are likely to purchase multiple lighters at one time should they find a design that appeals to them, a friend or a relative."

A great example of this is the BIC® Traditional Tattoos Series, which incorporates the latest designs from renowned tattoo artists. Body art enthusiasts find these lighters to be incredibly appealing, making them one of BIC's most popular series. Like tattoos themselves, consumers feel the lighters say something about their personalities.

BIC recently launched a new addition to its designer lighter series. The BIC® Rock Bands Collectors Series® features logos and designs taken from some of the most well-known bands in rock n' roll history. With lighters inspired by KISS, Aerosmith, Lynyrd Skynyrd, Mötley Crüe and Ozzy Osbourne, this new series provides a unique way for consumers to support their favorite bands of yesterday and today. The new series will launch in January 2010 with a suggested retail price of \$1.69 per lighter. Devoted music fans will now have a new collectible to add to their musical treasure trove, and another expressive way to flick their BIC.

You can visit www.biclighter.com to view the entire BIC® Lighter Collection.

