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C104

1:00-2:15
Theme (Everyone): The Everyday Life

Intro (Alaina): Every day beings with a sunrise. When we wake up, we usually start our morning by brushing our teeth. This task is usually what happens at the beginning of our day. In the same way, a company must start somewhere. So in order to explain about our company, we will start at the beginning…

History (Alaina): William Proctor, a candle maker, and James Gamble, a soap maker, immigrated to U.S. around the 1830s. Without knowing each other until they married sisters. They started their business in 1837 and their first popular brand, Ivory soap took off. Today, Proctor and Gamble has grown and expanded so much it is inevitable that you have used at least one of their products as you go throughout your day. When you brush your teeth, you most likely use Crest toothpaste on your Oral B toothbrush, both P&G products.

Overview (Alaina): They have used their large platform to jumpstart community initiatives which Austin will talk about, Victor will touch on the specific product categories, Owen will explain their overall finances, and Spoorthi will explain how P&G solves problems internally. Now, Taylor will touch on the values that P&G stands by everyday.

Values (Taylor): Like Alaina was saying, P&G’s values stem from the history of the company—those values being integrity, leadership, ownership, passion for winning, and trust. According to the P&G website, published 2019, their purpose reads “We will provide branded products and services of superior quality and value that improve the lives of the world’s consumers, now and for generations to come.” P&G strives everyday to make the lives of their customers easier with their products, as well as improve the world as a whole. A big place we see
P&G striving to make the world a better place is with their 5 different social responsibility initiatives, those being sustainability, community impact, gender equality, diversity and inclusion, and ethics and corporate responsibility. Think back to when you’re brushing your teeth you finish the tube of toothpaste. Rather than just throwing it away, P&G is trying to make 90% of their packaging recyclable by 2030, as part of their Ambition 2030 initiative. Ambition 2030 is an initiative released during Earth week 2018 stating P&G’s sustainability goals they want to attain by the year 2030 that target finite resources and growing consumption. Along with making 90% of their packaging recyclable, they wanted to reducing packaging as a whole by 20%. To do that, P&G is trying to make their products do more with less. For example, Dawn Ultra has 3 times more grease-cleaning power per drop, which saves up to 25,000 tons of plastic per year according to the P&G website. Also, P&G’s sustainability initiative includes providing full transparency with what goes into their products. On their website, they provide a full list of ingredients that they do not use in any of their products. Also, they use a lot of the same ingredients in each of their products, and a detailed description of what those ingredients actually are is provided on their website. Any preservatives used in their products as well as ingredients used in any fragrances are also included in the list. Along with sustainability, P&G also uses their many feminine products to promote gender equality. Perhaps the most widely known is the Like A Girl campaign. Always, a P&G owned brand that provides feminine products, began the initiative in order to give girls ages 16-24 confidence. According to the Always website published 2019, the campaign aims to give young girls the tools to use failure as fuel to build confidence and be able to try new things to lead them to be successful. This campaign educated girls going through puberty on the uniqueness of their bodies and how being a girl is something
to be proud of. Many girls across the world use the Always brand everyday and the brand has in turn helped millions of girls embrace themselves and build confidence. My colleague Austin will now touch on a third social responsibility initiative and how the many brands owned by P&G make the world a better place each and every day.

**Community Impact/Solving Problems Externally (Austin):** Procter and Gamble consistently uses their platform and money for good, where they cover a wide variety of initiatives including sustainability, gender equality, diversity/inclusion, and community impact. In times of need, P&G uses their vast array of products to help out communities. Specifically, they assisted those affected by natural disasters by washing 68,000 loads of laundry for over 50,000 victims. This program called Tide Loads of Hope was created in 2005 in the wake of Hurricane Katrina.

To impact the global community, P&G has made strides to help impoverished areas across the world. In 2004, they launched widget to convert “clicks”, or views, on blogs into clean drinking water. They set a goal to generate 100,000 days of clean drinking water by using water purification packets that cleanse the unpurified water of bacteria, viruses, and solid matter in under 30 minutes. Since 2004, they have delivered 14 billion litres of clean drinking water to those in need, far exceeding their goal. On the Children’s Safe Drinking Water website, the success of this program is highlighted by 13 year old Boniface, who lives in Kenya, where the clean water allowed him and his to stay healthy and attend school, and the same is true for countless others like him. In P&G’s 2018 Citizenship report off the P&G website, they detailed the strides they are continuing to make for those in need in their own community. In 1915, they established the community chest in their headquarter city of Cincinnati, known as the United Way of Greater Cincinnati, or UWGC. This foundation fights for the health, education, and
financial stability of everyone in the greater Cincinnati area. This year alone, they have contributed close to $10 million to help the underprivileged in their own neighborhood. Now, my colleague Victor will talk about the products that make all of this philanthropy possible.

**Product Categories (Victor):** Thank you Austin. In 1924, Proctor and Gamble claims to have invented the concept of market research by going door to door asking housewives how they were liking their product Ivory soaps, as Alaina previously mentioned. Since then, P&G has grown to have 5 broad categories of products due to intricate marketing and effective data research. First, Fabric and Home Care which makes up 32.0% of their revenue and a market share of 10.5%. This means that out of all Fabric and Home Care products, 10% of them are made by P&G. P&G is always innovating. They recently launched a new Pampers Pure line and to understand consumer feedback on their product, they talked to Moms and Dads within their company who used these diapers. This effectively cut the time from idea to market launch in half because gathering the data was quick and simple. Second, we have Baby, Feminine and Family Care which makes up 27.0% of their revenue. P&G’s international brands are always innovating and Whisper China, which makes feminine care products, recently launched an ad campaign about inspiring the young generation of girls in China and building them up. Next is Beauty Care makes up 19% of P&G’s revenue, and they recently launched the SK-II Bare Skin Campaign. This campaign invited women to be photographed without any makeup, in an effort to inspire confidence and show the impact that could be made with a simple advertisement. This image was the result of this campaign.

Health Care makes up 12% of P&G’s revenue and they own many notable brands, such as Vicks which manufactures DayQuil and NyQuil. Last year, Vicks India launched a bold
advertisement campaign taking on bias in India. The ad looked at how those with money often received extensively better healthcare in India than those without, and highlighted how Vicks is available for everyone to make them healthier. Finally, Grooming makes up 10% of P&G’s revenue and they own many known brands, like Head and Shoulders and Pantene. Last year, during the FIFA World Cup, Head and Shoulders Mexico capitalized on their countries intense passion for soccer. They released a simple ad with FIFA players washing their hair with Head and Shoulders, which did great things to propel their brand forward.

**Revenue and Finances (Owen):** P&G is a massive corporation making over 60 billion dollars in sales each year, they are able to stay financially stable through their consistent dividend increases, foreign revenues, and target market. Dividends have been consistently increasing every year for over 60 years with a spike in 1999 that led to a major increase of dividends declared to this day. In 2013 dividends declared were 5 times what they were 1999 according to (the Cincinnati Enquirer). In terms of revenues the United States accounts for less than half of Proctor & Gamble’s total revenues. With ⅔ of their assets here in the US they are able to make more revenues overseas without having to outsource as much of their cost of production. Their target market is mainly large retailers, notably Costco, Target, and Walmart… the 3 biggest retailers in America. Over ⅓ of P&G’s sales coming from their top ten customers (P&G’s Annual Report).

P&G is working on downsizing. In 2014 CEO AG Lafley announced a plan to cut over 100 brands that amounted to 8 billion in revenues. The idea was to cut costs and liquidate smaller brands such as joy and then focus resources on their strong brands such as dawn to reinvigorate sales.
The result of this initiative led to employee numbers to drop from 120,000 to 92,000 as well as decreasing total revenues since 2014 when brands initially were dropped. In the last year their net income took a large hit as it was a 33% from the year before as well as a double in the net loss of cash. Yet through all of this turmoil they still continue to give their stockholders a consistent increase in dividends according to their annual report.

Solving Problems Internally (Spoorthi): Thus far, we have talked about the incredibly positive impact that P&G has had on the community and how they have developed their product line. However, they have also had internal and external struggles. In 2011, P&G was fined 211.2 M euros for price fixing washing detergent in many European countries. Unilever and P&G had an agreement, in order to make detergent packaging more environmentally friendly, to reduce plastic use and maintain prices. They decided to collectively increase prices later. P&G was yet again fined $32M for coordinating price hikes of drugstore, perfumery and hygiene products sold in Belgium between 2002 and 2007, according to the Brussels-based antitrust agency. However, they recovered by paying the fine and strengthening their global compliance team.

Another critique of P&G is their faux competition. As you go throughout your day, you are presented with the option of choosing between products. For example, if you are washing your hair, you can choose between Aussie, Head and Shoulders, and Herbal Essence. These are all P&G products. If you are changing your child’s diaper, you can choose between Pampers and Luvs. Again, both of these are P&G products. The company’s marketing and advertising functions have done an excellent job pitting their own products against each other to increase revenues. This is detrimental to the free market and affects consumer choice.

Conclusion (Spoorthi): Let’s go back to earlier today when we brushed our teeth using Crest toothpaste, a P&G product. Since we woke up to where we are now, our lives are filled with
P&G, whether we realize it or not. Our beauty, hygiene, home, hair, and skincare products are all made by the same company. P&G, which had humble beginnings as a soap and candle company, grew exponentially since then. Through successful products combined with essential acquisitions, they were able to expand their product range. As their profits and platform grew, P&G turned its sights towards bigger and better causes such as sustainability, clean drinking water initiatives, and helping those affected by natural disasters. Although they were accused of price fixing in the past, the company has made tangible efforts to increase global compliance and maintain their international market shares. Proctor and Gamble has been an unstoppable force for the past almost 200 years and we know that they will continue to be at the forefront of providing home and lifestyle products, community service, and innovation.
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