

P&G – Competing with itself – and winning.

Procter & Gamble is one of the world's premier consumer-goods companies. Some 99 percent of all U.S. households use at least one of P&G's more than 300 brands, and the typical household regularly buys and uses from one to two dozen P&G brands. P&G sells six brands of laundry detergent in the United States (Tide, Cheer, Gain, Era, Dreft, and Ivory Snow). It also sells six brands of bath soap (Ivory, Safeguard, Camay, Olay, Zest, and Old Spice); seven brands of shampoo (Pantene, Head & Shoulders, Aussie, Herbal Essences, Infusium 23, Pert Plus, and Physique); four brands of dishwashing detergent (Dawn, Ivory, Joy, and Cascade); three brands each of tissues and paper towels (Charmin, Bounty, and Puffs), skin care products (Olay, Gillette Complete Skincare, and Noxzema), and deodorant (Secret, Sure, and Old Spice); and two brands each of fabric softener (Downy and Bounce), cosmetics (CoverGirl and Max Factor), and disposable diapers (Pampers and Luvs).

Moreover, P&G has many additional brands in each category for different international markets. For example, it sells 16 different laundry product brands in Latin America and 19 in Europe, the Middle East, and Africa. (See P&G's Web site at www.pg.com for a full glimpse of the company's impressive lineup of familiar brands.) These P&G brands compete with one another on the same supermarket shelves. But why would P&G introduce several brands in one category instead of concentrating its resources on a single leading brand? The answer lies in the fact that different people want different mixes of benefits from the products they buy. Take laundry detergents as an example. People use laundry detergents to get their clothes clean. But they also want other things from their detergents— such as economy, strength or mildness, bleaching power, fabric softening, fresh smell, and lots of suds or only a few. We all want some of every one of these benefits from our detergent, but we may have different priorities for each benefit. To some people, cleaning and bleaching power are most important; to others, fabric softening matters most; still others want a mild, fresh scented detergent. Thus, each segment of laundry detergent buyers seeks a special combination of benefits.

Procter & Gamble has identified at least six important laundry detergent segments, along with numerous subsegments, and has developed a different brand designed to meet the special needs of each. The six brands are positioned for different segments as follows:

- Tide provides “fabric cleaning and care at its best.” It’s the allpurpose family detergent that “gets to the bottom of dirt and stains to help keep your whites white and your colors bright.”
- Cheer is the “color expert.” It helps protect against fading, color transfer, and fabric wear, with or without bleach. Cheer Free is “dermatologist tested . . . contains no irritating perfume or dye.”
- Gain, originally P&G’s “enzyme” detergent, was repositioned as the detergent that gives you “great cleaning power and the smell that says clean.” It “cleans and freshens like sunshine.”
- Era “provides powerful stain removal and pretreating for physically active families.” It contains advanced enzymes to fight a family’s tough stains and help get the whole wash clean. Era Max has three types of active enzymes to help fight many stains that active families encounter.

- Ivory Snow is “Ninety-nine and forty-four one-hundredths percent pure.” It provides “mild cleansing benefits for a gentle, pure, and simple clean.”

- Dreft is specially formulated “to help clean tough baby and toddler stains.” It “rinses out thoroughly, leaving clothes soft next to a baby’s delicate skin.”

Within each segment, P&G has identified even narrower niches. For example, you can buy regular Tide (in powder or liquid form) or any of several formulations:

- Tide Powder helps keep everyday laundry clean and new. It comes in regular and special scents: Tide Mountain Spring (“the scent of crisp mountain air and fresh wildflowers”); Tide Clean Breeze (the fresh scent of laundry line-dried in a clean breeze); Tide Tropical Clean (a fresh tropical scent); and Tide Free (“has no scent at all—leaves out the dyes or perfumes”).

- Tide Liquid combines all the great stain-fighting qualities you’ve come to expect in Tide powder with the pretreating ease of a liquid detergent. Available in original and Mountain Spring, Clean Breeze, Tropical Clean, and Free scents.

- Tide with Bleach helps to “clean even the dirtiest laundry without the damaging effects of chlorine bleach.” Keeps “your family’s whites white and colors bright.” Available in Clean Breeze or Mountain Spring scents.

- Tide Liquid with Bleach Alternative is the “smart alternative to chlorine bleach.” It uses active enzymes in pretreating and washing to break down and remove the toughest stains while whitening whites.

- Tide with a Touch of Downy provides “outstanding Tide clean with a touch of Downy softness and freshness.” Available in April Fresh, Clean Breeze, and Soft Ocean Mist scents.

- Tide Coldwater is specially formulated to help reduce your energy bills by delivering outstanding cleaning, even on the toughest stains, in cold water. Available in both liquid and powder formulas and in two new cool scents —Fresh Scent and Glacier.

- Tide HE is specially formulated to unlock the cleaning potential of high-efficiency washers and provides excellent cleaning with the right level of sudsing. Available in Original, Free, and Clean Breeze scents. By segmenting the market and having several detergent brands, P&G has an attractive offering for consumers in all important preference groups.

As a result, P&G is really cleaning up in the \$4.9 billion U.S. laundry detergent market. Tide, by itself, captures a whopping 40 percent of the detergent market. All P&G brands combined take an impressive 60 percent market share—more than four times that of nearest rival Unilever and much more than any single brand could obtain by itself.