Procter and Gamble case Analysis

The intense competition in particular market drives businesses to evaluate their policies and effectiveness regularly. Each company has its own business characteristic, which certain policy is suitable fit for a company while others could be unacceptable. Several conditions that prompt the differentiation treatment among different company are nature of the business, workers learning and development mentality, top level manager vision, dynamics market condition, and competitor business strategy, to name a few.

From investors or outsiders point of view, financial performance of a company is noteworthy since they aim at investing their money to the company by buying a number of shares from stock market. Under such circumstances, the investors would assess in much details regarding the corporate current performance and possible future states. In other terms, investors need to examine the business risks of the company in order to save their investment.

The assessment of business risks is also challenging since different business types imply a significant different treatment of strategic business control and evaluation. For example, a firm that produces sheets of paper has relatively stable, functional skills are specialized to gain operating efficiencies. There are relatively no strict challenge from the same competitor, because the market share are divided equally, as long as they keep the productions quality and maintain the cheapest cost of production.

In contrast, firms in electronic industry like Nokia and Apple Inc, which produce mobile-phones and other portable electronic products; they face a fiercer challenge since the business environment changes rapidly, which in turn, forces the firm to find an effective business strategy that can improve their cost-efficiencies with the same quality product. The situation also occurs in the fast moving consumer goods where a number of brands continue appear in order to offer attractive products to consumers.

Regardless of whether the environment is stable or dynamic, an organization needs to exercise control over its operations so that its objectives are achieved as preliminary business planning and as part of managing business risks.
- Nature of the industry: Analysis with respect to industry and consumer behavior. (facts about industry)

-The Procter & Gamble Company (P&G) boasts boatloads of brands. The world's top maker of household products courts market share and billion-dollar names. It's divided into three global units: household care, beauty and grooming, and health and well-being. The firm also makes pet food and water filters and produces a soap opera. Two dozen of P&G's brands are billion-dollar sellers, including Febreze, Fusion, Always, Braun, Bounty, Charmin, Crest, Downy/Lenor, Gillette, Iams, Olay, Pampers, Pantene, Tide, and Wella, among others. P&G shed its coffee in 2008 and it's selling Pringles. Being the acquisitive type, with Clairol and Wella as notable conquests, P&G's biggest buy in company history was Gillette in 2005.

**Principal Operating Units:**

- Global Beauty Care; Global Health, Baby, and Family Care; Global Household Care.

**Principal Competitors:**

- Unilever; Johnson & Johnson; Kimberly-Clark Corporation; Sara Lee Corporation; Kraft Foods Inc.; L'Oreal SA; Colgate-Palmolive Company.

- P&G has extensive experience in the understanding of consumer behaviour and interaction with fast moving consumer goods both based on large base quantitative assessments of products and qualitative 1-on-1 consumer interactions. The product research department identifies new product opportunities based on societal and product trends to develop concrete product opportunities from ideas, through concept and final prototyping. The department has members across the technical centres around Europe and in different businesses. They are linked in with rapid prototyping organizations and multi-functional commercial teams. The consumer understanding knowledge covers both psychology knowledge and industrial design aspects.

- Consumer understanding knowledge is based on practical understanding market drivers, societal trends and market analysis. It involves practical tools of consumer focus group
settings and advanced human psychological, anthropological and behavioural science based approaches. In addition new monitoring technologies could achieve superior quantification of this capability.

The organization: SWOT analysis

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<th><strong>INTERNAL FACTORS</strong></th>
<th><strong>POSITIVE</strong></th>
<th><strong>NEGATIVE</strong></th>
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| **STRENGTHS**        | - Strong focus on research and development  
                       - Leading market position  
                       - Strong brand portfolio  
                       - High-quality product, quality processes and procedures.  
                       - Have a first rating in mouthwash market share. | **WEAKNESSES**  
                       - Not enough make a distribution channel.  
                       - Lack of canning or packaging.  
                       - Undifferentiated products or services with other competitor |

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<th><strong>THREATS</strong></th>
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|                      | - Brand which it concentrate for a healthy oral.  
                       - Move into new market segment that offer improves profit.  
                       - A developing market such as in the Internet.  
                       - Future growth plans  
                       - Expansion in developing markets | - Too many competitors in this industry.  
                       - Price wars with other competitors.  
                       - Not patentable, competitor can attempt to duplicate a product  
                       - Global economic conditions |
**Strengths**

- The large scale, on which the P & G operates, is one of its strengths. It is a global leader for different product categories like fabric, home, baby, beauty, health and personal care in many countries. The company markets its brands in more than 140 countries.

- The strong branding of P & G makes it one of the most successful brands in the world.

- The company has a vast experience in oral and personal hygiene products

- Also, it has an extensive experience in marketing in different market segments and is one of the best marketers in the world.

- The company is able to customize its global products and brands according to the local preferences.

**Weaknesses**

- The beauty and health products by P & G are mostly for women.

- P & G does not make and offer any private label products for the retail customers and is, missing an opportunity.

- The large scale operation of the company makes the culture heavy and processes slow. This also leads to quality control problems.

- Price wars with .

**Opportunities**

- An opportunity for P & G is health and beauty products for men.

- P & G has doubled its Environmental Goals for the year 2012 and thus, promises more value for the environment concerned customers today.
• Using the online social networks and internet marketing techniques is also an opportunity for P & G.

• Company is constantly trying to pursue growth overseas.

**Threats**

• The competitors are making their product portfolios diverse day by day and using different marketing and promotional strategies to increase their market share.

• In the market many substitutes are available for P & G products at cheaper prices.

• The private label growth is also a serious threat to the P & G’s market share.

• Too many competitors in this industry and price war with them.

**Potential outcomes**

Since the company has the mission to provide branded products and services of superior quality and value that improve the lives of the world’s consumers. Therefore, the company should develop branding strategies to position their products as ones have high perceived quality. In addition, since market values acquisitions that Procter & Gamble performs, in the future, the company may conduct other mergers and acquisition that will strengthen the corporate brand image as the provider of home and personal care products.