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Assessment 2

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Executive Summary

Proctor and Gamble is an international company which specialises in consumer goods and currently is headquartered in Ohio, Cincinnati. It has operations in more than 183 countries. The company manufactures a range of products which comprises beauty and products home care products and wellness Care products.

Table of Contents

Introduction	4
PESTLE analysis of P&G	4
Porter's five forces of P&G	6
SWOT analysis of P&G	8
Role of marketing in P&G	9
Recommendations	10
Conclusion	11
References	12

Introduction

Proctor and Gamble is a transnational consumer goods company that is focused on producing and selling several products which comprise house care products, health care products and skin care products. This paper will focus on covering the different marketing functions of the organisation and will provide elaborate research on the external and internal factors impacting it.

PESTEL ANALYSIS (APPENDIX 1)

Political Factors

Political involvement is considered to be an essential way to bring the purpose to life through public policy (Malavasi, 2023). The principles, values and purpose, of P&G, participate in the process of the political framework which helps to shape public legislation and policy which helps to fulfil the corporate purpose.

Economic Factors

P&G is considered to be the biggest player in the retail sector. In 2022, the sales amount of this giant was over £88 billion worldwide (Sun, 2022). It has invested around 172 million GBP in advertising in the UK. P&G is forecasted to grow revenue and earnings by 3.8% and 6.1% per annum respectively.

Sociocultural Factors

The social-cultural factors impacting the behaviour include social and cultural values, beliefs and attitudes. Proctor and Gamble have its operations in different countries and each country has a set of cultural values and beliefs (Topcu *et al.*, 2020). The company has to conform its selling strategies and product offerings to meet the inevitably of consumers in unusual markets. For example, P&G Whitethorn has to develop products that cater to the specific needs of consumers in Asia or the Middle East.

Technological Factors

P&G is a highly innovative company that invests heavily in search and development. The company uses technology to educate new products and better existing ones (Gadinis and Miazad, 2020). For example, Proctor and Gamble specialised and developed manufactured tide pots which specialise in a concentrated laundry detergent that is convenient and more efficient than most traditional washing detergents. The commitment of the company is towards innovation and it has helped them to exert a competitive edge in the market.

Legal Factors

Legal factors refer to the laws and regulations that rule a company's operations. P&G is subject to a wide range of laws and regulations in the countries where it operates (Baragiola and Mauri, 2022). For example, the company has to abide by environmental regulations, laws of labour, and regulations on product safety. In case they are unable to comply with regulations, there are chances of fines, valid actions and hampering the company's reputation.

Environmental Factors

P&G is committed to sustainability and has set a goal to tighten its environmental footprint by 50% by 2030. The company has implemented several initiatives to reduce waste, conserve energy, and use renewable resources (Shi, 2021). For example, P&G has improved the draw of products made from recycled materials, such as Tide Eco-Box, which uses less impressionable and composition boards than traditional packaging.

Porter's five forces of P&G



Fig 01: Porter's Five Forces model.

Source: (Czinkota *et al.*, 2021).

The threat of New Entrants

This industry is dominated by different large multinational companies like Procter and Gamble which have important economies of scale and have also established a proper distribution network (Czinkota *et al.*, 2021). The organisation faces Limited competition from new entrants in the industry.

Bargaining Power of Suppliers

In the undefined goods industry, suppliers have comparatively low bargaining power undefined to a large number of suppliers usable and the comparative moo cost of altogether materials (Mahmoudi and Parviziomran, 2020). P&G, as a large transnational company, has significant bargaining power over its suppliers, as it can negotiate lower prices and secure long-term contracts with suppliers.

Bargaining power of buyers

P&G faces intense challenges from other boastfully undefined goods companies, such as Unilever and Johnson & Johnson, as well as smaller niche players (Zhang, 2021). To maintain its competitive position, P&G focuses on innovation and product differentiation, developing products that meet the needs of particular customer segments.

Threat of Substitutes

P&G faces competition from substitute products in all of its product categories, from generic brands to premium brands (Deepak and Jeyakumar, 2019). To wield its market position, P&G focuses on brand building and developing strong customer relationships, investing heavily in merchandising and advertising to create a loyal customer base.

The Intensity of Competitive Rivalry

The volume of aggressive rivalry refers to the degree of competition between present players in the market. In the consumer goods industry, the intensity of competitive competition is high due to a large number of competitors and the high level of advertising and promotion (Rego *et al.*, 2022). They need to maintain their top position, and that's why P&G focuses on innovation and product differentiation, and they have invested to a great extent in research and development for developing new products that meet the recent needs of its customers. Porter's Five Forces is a framework used to analyse the aggressive situation of an industry (Baragiola and Mauri, 2022). The five forces admit the scourge of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the terror of substitute products or services, and the intensity of competitive rivalry.

The advantages of Porter's five Forces comprise a structured approach to analysing industry competition, which can be useful in the strategic undefined making. It also helps place areas where a company may have a competitive advantage or disadvantage. However, one disadvantage is that it may oversimplify the undefined realities of an industry, as it only considers five factors and may not account for other remarkable variables (Smiles and Purcell, 2023). Additionally, there are certain situations where it might be relevant to specific industries or markets, such as those with

rapidly changing technologies or highly regulated environments. Finally, it may not describe non-market forces, such as social and professional factors, which can too impact an industry.

SWOT analysis of P&G

Strengths: P&G has a strong brand reputation and a wide range of products that are recognized and sure by consumers around the world. The company has a strong statistical distribution network and economies of scale that undefined it to produce products expeditiously and cost-effectively (Chen, 2022). Additionally, P&G has a warm focus on innovation and research and development, which enables it to develop fresh products and stay ahead of the competition.

Weaknesses: P&G faces pure competition in the consumer goods industry, and its trust in a few identified brands makes it vulnerable to changes in consumer preferences (Brown and Butler, 2019). Additionally, the company's focus on cost-cutting for years has led to an unfavourable judgement that it is sacrificing quality for cost savings.

Opportunities: P&G has opportunities to expand its product lines into new categories or to record new markets. The company can also leverage its sustainability initiatives and focus on social responsibility to build a loyal customer base and differentiate itself from competitors (Hodges, 2020). Additionally, P&G can enthrone e-commerce and direct-to-consumer channels to reach fresh customers and step-up sales.

Threats: P&G faces threats from intense competition in the consumer goods industry, with big multinational corporations and littler niche players vying for market share (Czinkota, *et al.*, 2021). The companion also faces threats from changing consumer preferences and the rise of e-commerce, which interrupt orthodox distribution channels.

Marketing Strategy	Description	Example for P&G

Segmentation	Dividing the market into distinct groups of consumers with similar needs or characteristics	P&G segments its market by demographic factors like age, gender, and income, as well as psychographic factors like lifestyle and values (Rangaswamy <i>et al.</i>, 2020). For example, P&G may target millennials with natural and sustainable products under their brand name “The Honest Company” or premium range products like SK-II to high-end customers. Procter & Gamble (P&G) focused on using geographic segmentation to target specific markets supported on geographic location. P&G divides its global operations into six regions: North America, Europe, Greater China, Asia Pacific, Latin America, and India, Middle eastern United States and Africa (IMEA) (Sun, 2022). Within each region, P&G has further segmented its markets based on local anaesthetic culture, language, and other preferences. For example, in North America, P&G offers a range of laundry detergents, fabric softeners, and stain removers that cater to different regional preferences (Burchell and Ryan, 2023). Similarly, in Greater China, P&G provides the consumers with skin products below the Olay brand, tailored to meet local consumer preferences.
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Targeting	Selecting one or more market segments to focus on and develop products and marketing strategies to meet their needs	P&G targets different segments of the market with different brands and products (Cennamo, 2021). For example, Pampers is targeted towards parents with young children, while Gillette is targeted towards men who shave regularly.
Positioning	Developing a unique image and reputation for the brand or product in the minds of consumers relative to competitors	P&G positions its brands as high quality, trustworthy, and innovative (Saqib, 2020). For example, their Always brand is positioned as reliable and empowering for women, while their Tide brand is positioned as a tough and effective laundry detergent.
Marketing Mix	The set of tactics and strategies that a company uses to promote and sell its products, including product, price, place, and promotion	P&G's marketing mix strategies vary by brand and product, but they often focus on high-quality, reliable products, competitively priced, available at a wide range of retailers and online stores, and promoted through advertising and sponsorships (Ahmed <i>et al.</i> , 2019). P&G may price its products in a more premium fashion as compared to its competitors to reflect the product's sensed value, such as Gillette Fusion ProGlide razor. On the other hand, P&G may offer lower-priced products to appeal to price-sensitive consumers, such as the Luvs diaper brand. P&G has a "People Development Program" that provides bespoke training and coaching for its employees (Yang, 2019). The company uses advanced

		technologies and data analytics to optimize its cater chain and production processes.
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Role of marketing in P&G

Market Research: P&G invests heavily in market research to understand consumer needs and preferences. By conducting undefined commercialised research, P&G can develop products that meet consumers' needs and desires. Marketing research also helps P&G place emerging trends in the market and adjust its product development strategies accordingly.

Product Development: Once P&G identifies undefined needs and preferences, selling plays a key function in developing products that meet those needs (Cui *et al.*, 2021). Marketing teams work with product development teams to create products that meet specific customer needs, spell to consider factors such as cost, quality, and sustainability.

Branding and Advertising: Marketing is responsible for the development and promotion of P&G's brands. P&G has a portfolio of well-known and trustworthy brands, such as Tide, Pampers, and Crest (Slavova, 2020). Marketing teams process to upgrade these brands through advertising campaigns, sponsorships, and other marketing initiatives.

Distribution and Sales: Marketing also plays a key function in P&G's statistical distribution and sales strategies (Sustainability, 2019). By understanding consumer behaviour and preferences, marketing teams can identify the most effective channels for distributing and selling P&G's products.

Recommendations

Focus on Sustainability: P&G has a strong focus on sustainability, and this should be leveraged in its merchandising efforts (Ellram, Tate and Choi, 2020). It highlights the company's sustainability initiatives and how they align with consumers' values and can serve P&G to build brand trueness and specialise itself from competitors.

Expand Direct-to-Consumer Channels: E-commerce is rising and that's why they need to consider expanding the direct-to-consumer channels for reaching out the new customers and stepping up sales. Prices of investment in their E-Commerce platform and they have also collaborated with recently existing online marketplaces.

Develop Customised Products: Customization is a development trend in the consumer goods industry, and P&G should consider developing more made-to-order products to meet specific consumer needs and preferences (Rundin and Colliander, 2021). This can be achieved through commercialised research and the application of data analytics to place undefined trends and preferences.

Partner with Influencers: Influencer selling is the right tool for building brand awareness and loyalty, and P&G should consider partnering with influencers in relevant niches to promote its products (Bandhan, 2022). This will help the company reach new audiences and build swearing with consumers.

Emphasise Innovation: P&G has a strong focus on innovation, and this should be emphasised in its marketing efforts (Campbell and Farrell, 2020). Highlighting the company's free product undefined and research and undefined efforts put up serve P&G to differentiate itself from competitors and invoke consumers who value innovation.

Market penetration: P&G should be accomplished by launching marketing efforts to build brand recognition, providing promotional offers, and enhancing distribution systems (Tien, 2019). For instance, P&G may work with internet shops to broaden their reach or provide special discounts on Tide washing detergent at supermarkets.

Product development: P&G should think about developing new items in their present markets in order to broaden their product offers (Sun, 2022). For instance, P&G may create a line of eco-friendly and natural home cleaning goods under their brand name, such as "The Honest Company," to appeal to people who are concerned about the environment.

Conclusion

From the above discussion, it can be concluded that Merchandising plays a critical role in P&G's success. By investing in market research, product development, branding and advertising, and distribution and gross sales strategies, P&G can create products that meet consumers' needs and preferences, build brand recognition and loyalty, and increase sales and revenue.

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APPENDIX 1 PESTLE ANALYSIS

PESTLE Factor	Favourable / Unfavourable	IMPACT ON THE COMPANY
Political	Neutral	P&G operates in multiple countries, so changes in political conditions could affect the company's operations (Dudko and Strok, 2022). However, P&G has a strong reputation for ethical practices, which may help them navigate political challenges.
Economic	Unfavourable	Economic downturns can impact consumer spending on non-essential products like those produced by P&G (Min, Zacharia and Smith, 2019). Additionally, inflation and supply chain disruptions can increase production costs for P&G.
Sociocultural	Favourable	P&G's products are designed to meet consumer needs, and the company invests heavily in research to stay attuned to changing societal trends.
Technological	Favourable	P&G is known for its innovation and has a long history of investing in technology (Sarkar, 2019). Advances in technology can improve the efficiency of P&G's production processes and allow them to develop new products.

Legal	Favourable	P&G is committed to complying with all relevant laws and regulations, and the company's legal team works to stay up-to-date on any changes (Nemchina, 2019). P&G also has a strong reputation for ethical practices, which can help them navigate legal challenges.
Environmental	Favourable	P&G has made significant commitments to reduce its environmental impact, including setting ambitious sustainability goals (Mukhopadhyay, 2022). This can help the company appeal to environmentally-conscious consumers and improve their reputation.