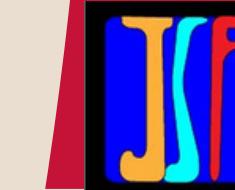


Old Spice

Strategy Plan book



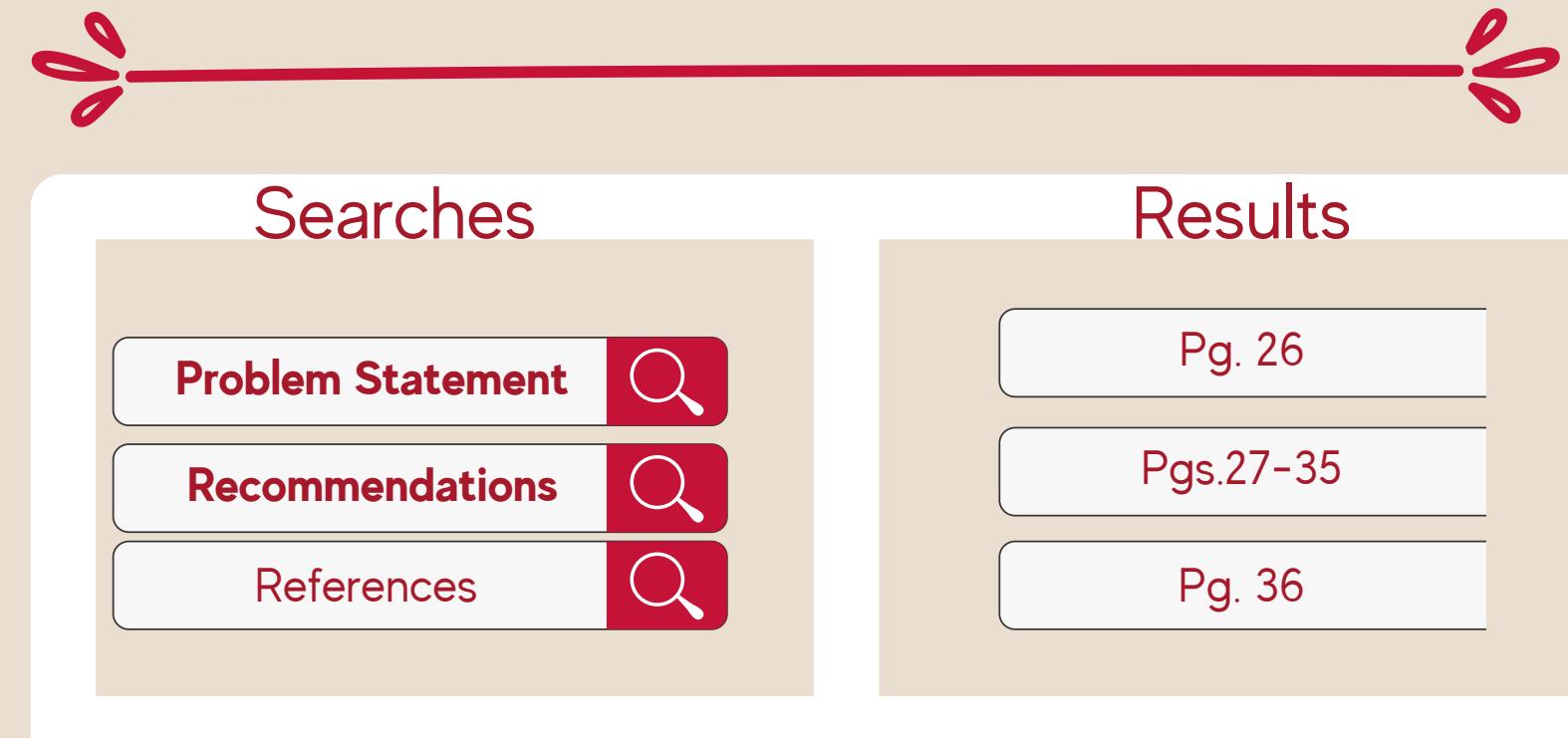
JS&P Agency

12/07/20

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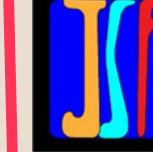
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Executive Summary

From the desk of:
 JS&P Agency

The founders of JS&P agency are Jennifer Johnstone, Noah Shultz, Harmandeep Punni and David Pietrzak.

Purpose: JS&P Agency has been tasked with creating a strategic campaign to help Procter & Gamble position their brand Old Spice as a leading brand in the global beauty and personal care market.

Overall Mission: Old Spice has traditionally had a masculine brand image. Therefore, we plan to focus our strategic plan on ensuring Old Spice is keeping up with societies evolving definitions of masculinity.

Company Analysis

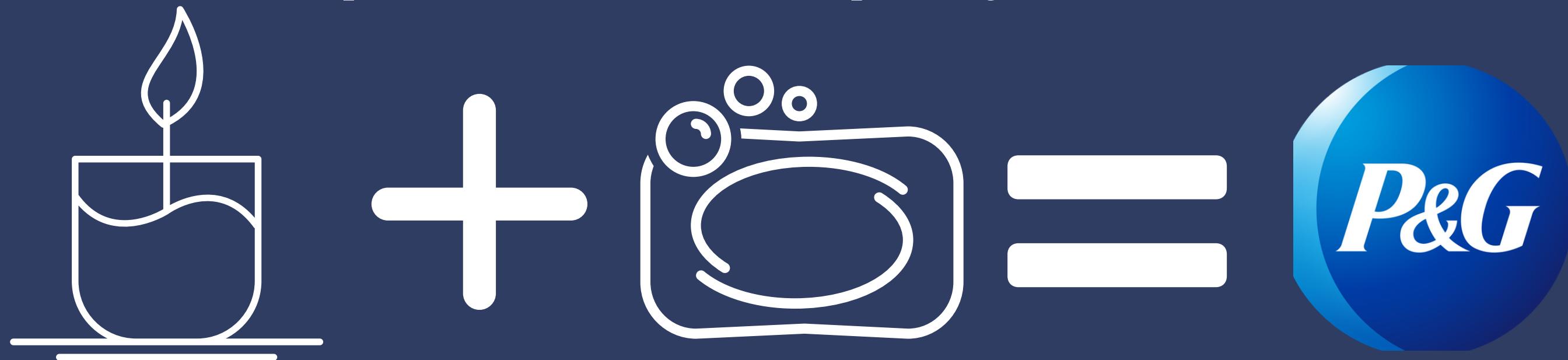
- Procter & Gamble Co. is a American-based, multinational consumer-based company that produces and sells products in the following categories: Baby & Feminine & Family Care, Beauty, Fabric & Home Care, Grooming, and Health Care.¹



- The company manages 30 plus brands including Old Spice, Olay, Pantene, Bounty and Gillette.¹ It was established in 1837 in Cincinnati, Ohio and founded by William Procter and James Gamble.²

Company Analysis

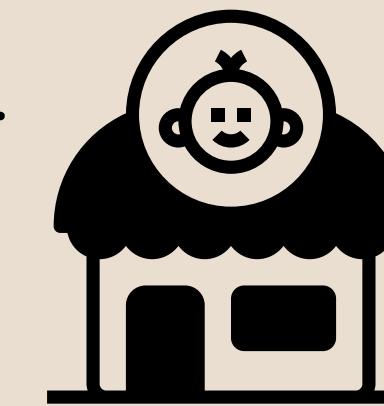
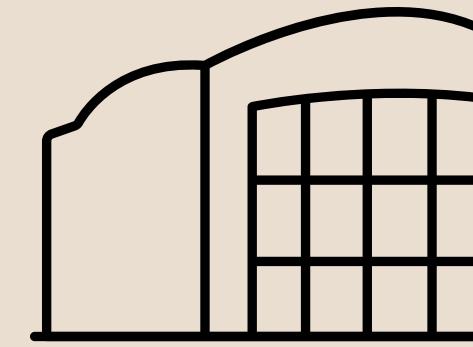
- Procter was a candlemaker and Gamble was a soapmaker and together they initially sold candles and soaps to the Union army in the civil war. This was monumental as soldiers were now familiar with Procter & Gamble products and continued their patronage of them even after the war.²



- Over time, the company kept innovating and expanding their product lines, and acquiring new brands under its name. Today, Procter & Gamble is considered one of the biggest advertisers and marketers of consumer goods .²

Company Analysis

- Procter & Gamble Co products can be found in locations like department stores, grocery stores, mass merchandisers, membership club stores, drug stores, baby stores, distributors, e-commerce, wholesalers, specialty beauty stores, pharmacies, and more.¹



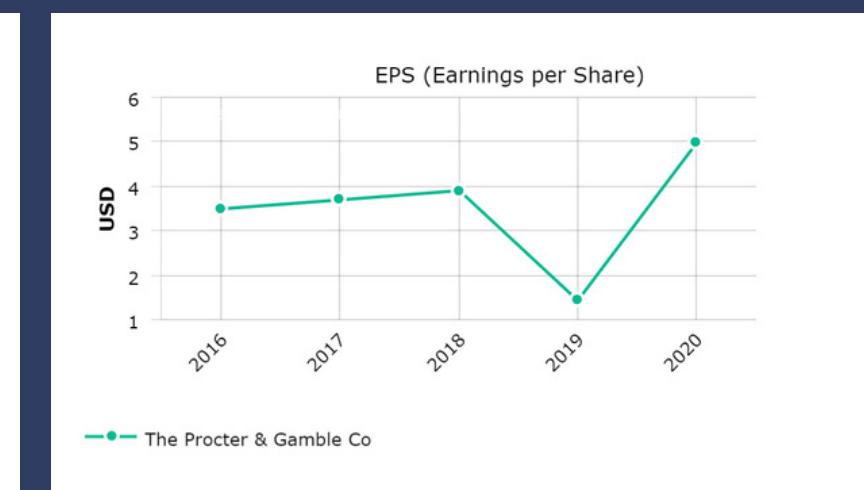
- The company also operates 17 manufacturing plants across 20 U.S states and 84 manufacturing centers in around 37 other countries. They truly have a global reach as they have go-to market plans at local markets in North America, Europe, Middle East, Africa, Latin-America, Asia-Pacific, Greater China, and India regions¹.

Company Analysis

Current Financial Performance



- Procter & Gamble's sales growth, net income growth, earnings per share, and return on equity have all skyrocketed compared to the past year. Their reported revenue in the United States for 2020 was \$31,300 million. This was a 9.4% increase from last year.¹
- Their reported revenue internationally for this year is \$39,700 million. This was only a 1.5% increase from last year. Overall, net sales have increased by 5% to \$71 billion over 4% increase in unit volume.¹



Company Analysis

Recent Developments



- In recent developments of the company, they acquired Merick KGaA which is a over-the-counter healthcare business that is foreign-based and worth \$3.7 billion dollars. Also, the company has ended its partnership with another healthcare business known as Teva Pharmaceutical Industries.¹
- As of October 2020, they have made some strides in environmentalism as they have introduced reusable aluminum bottles and refillable pouches for their hair care products and as their historical tradition, donated 250,000 pads to the Stop and Shop school food pantry.¹

Consumer Analysis

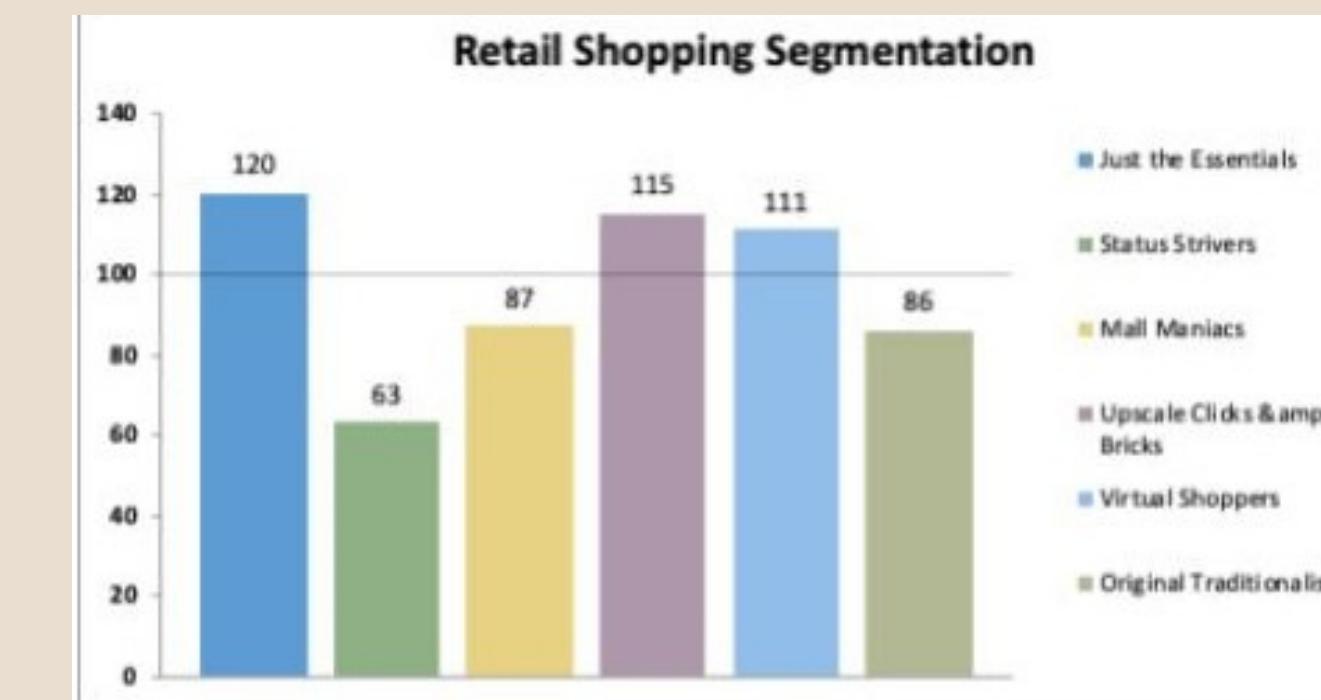
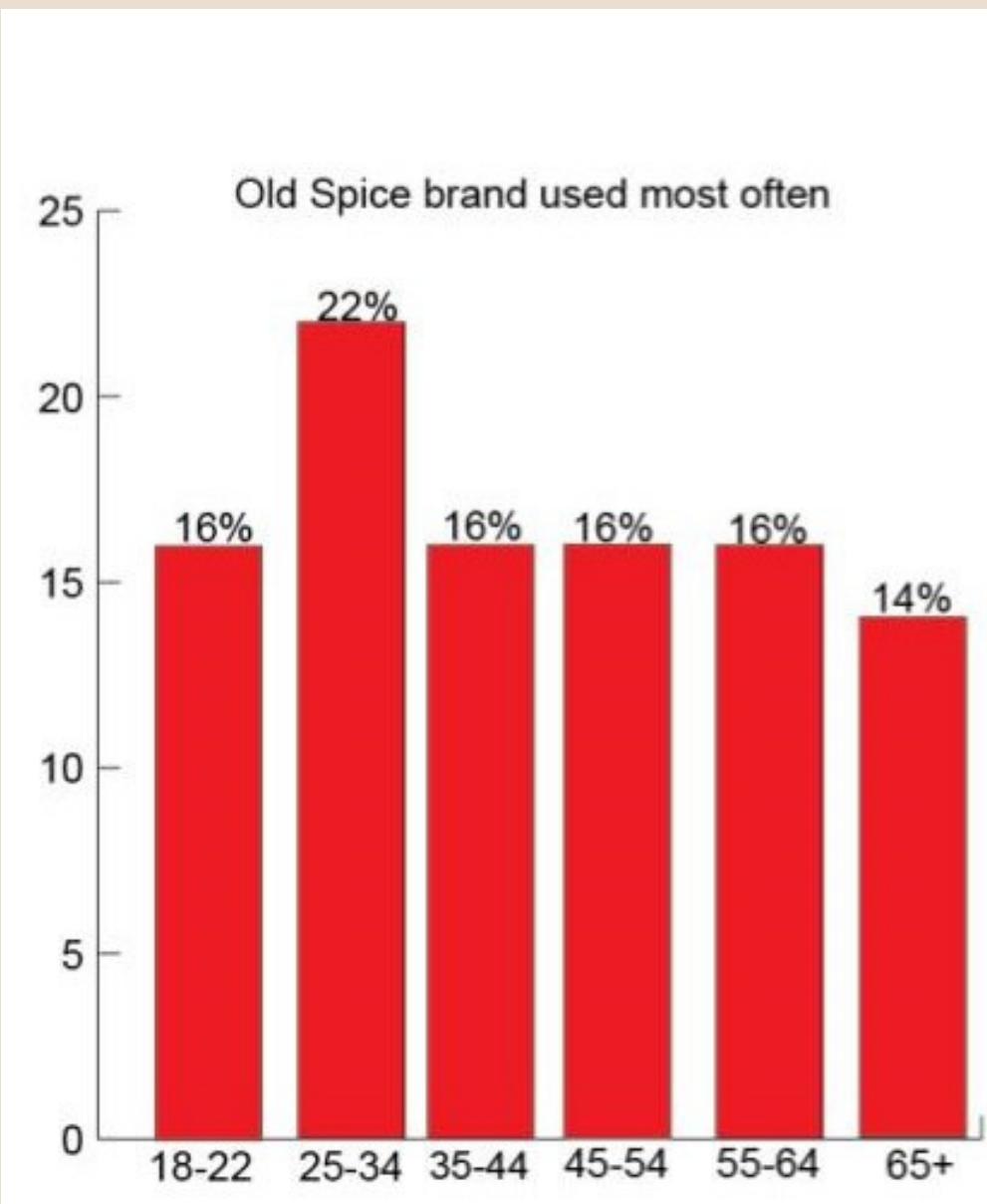
- Old Spice's users are predominantly men in the 18 – 34 age range. However, research shows that females are the buying decision makers when it comes to consumer-packaged goods in the household³, which explains their success with using male sex symbols to sell to young men. Old Spice consumers are motivated by convenience and tend to take a functional approach to personal hygiene by only using products that meet their basic needs. (See Just the Essentials)

General Statistics

● Median Household Income	\$80,901
● Median Age	41.9
● Employed	68%
● Married	53%

Source: Simmons Research LLC, Spring 2018 Simmons Connect

Consumer Analysis



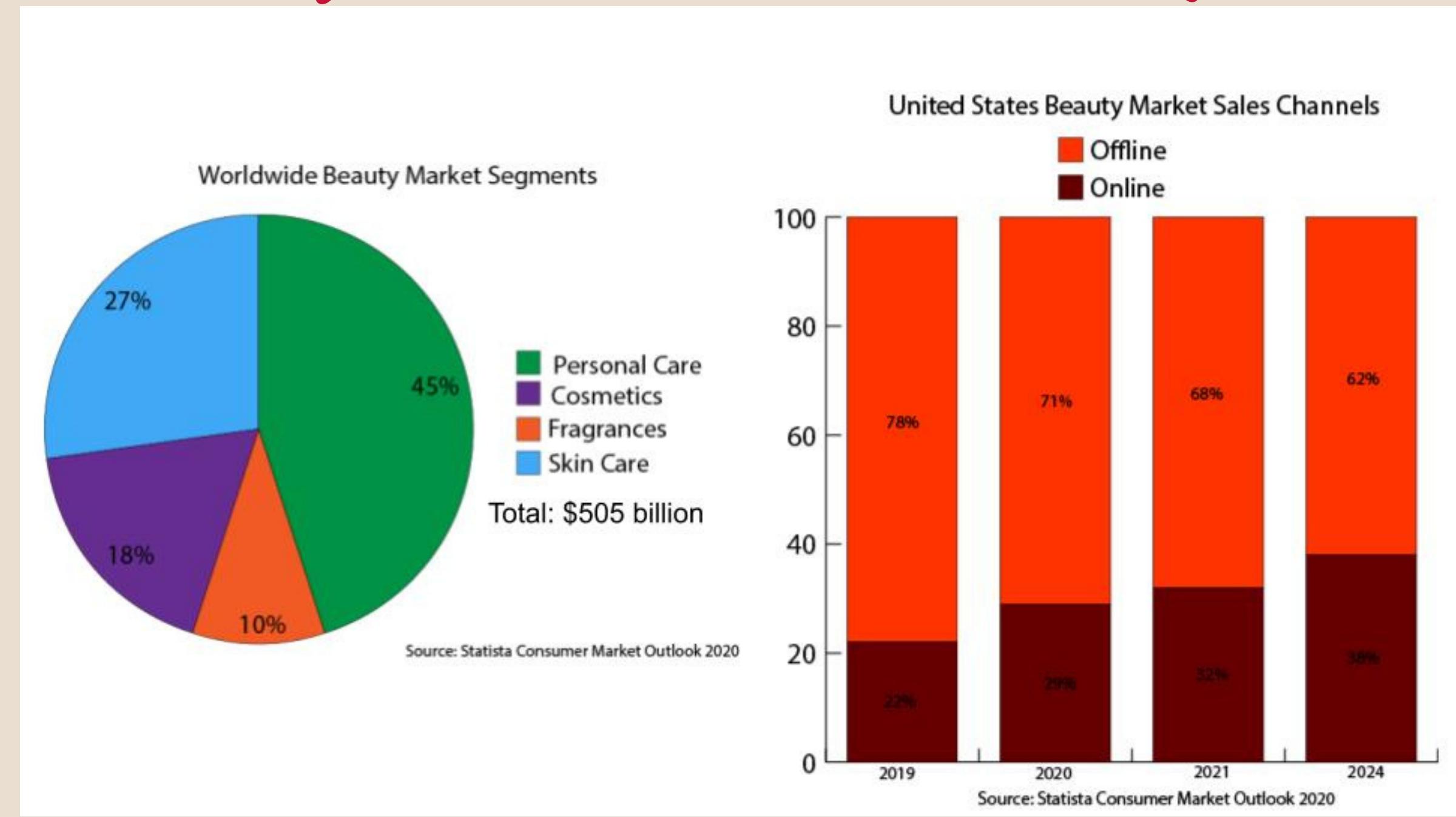
Just the Essentials: No-nonsense consumers who primarily purchase necessities; they know what they want and are not impulsive shoppers.

Source: Simmons Research LLC, Spring 2018 Simmons Connect

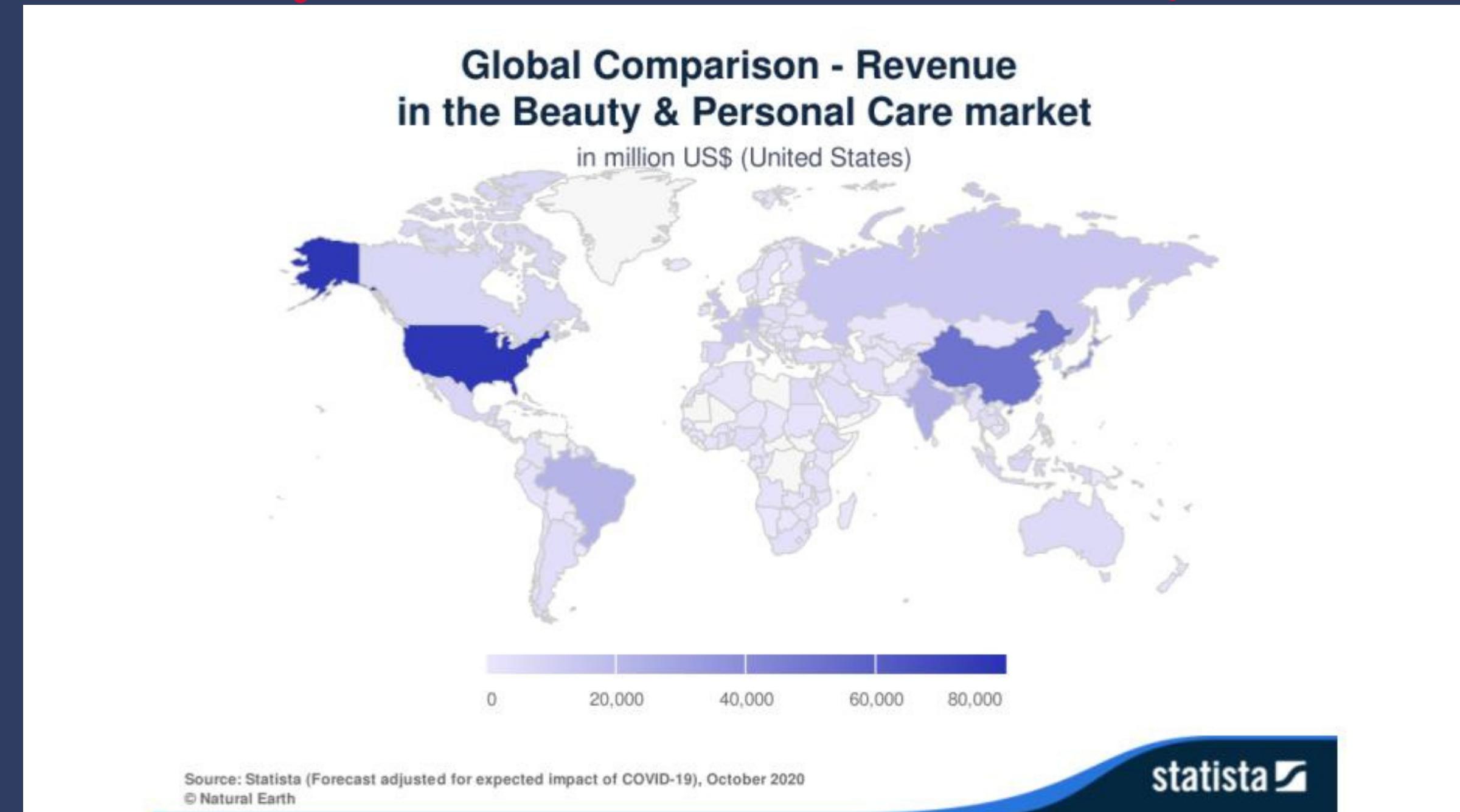
Market Analysis

- Thanks to need-driven demand for personal hygiene products, the Beauty and Personal Care Market enjoys steady growth. Trends to be aware of within the market include single-use plastic bans as consumers expect brands to be environmentally friendly and shifting consumer behavior due to COVID-19.⁴ Consumer spending on household goods is a key market driver for the Beauty and Personal Care Market and is growing at a rate of 3.3% yearly⁵. However, COVID-19 has had an adverse impact on the market, and a 4% decline in market revenue can be expected in 2020⁵.

Market Analysis



Market Analysis



Market Analysis

- Procter & Gamble is a key player in the Beauty and Personal Care Market and takes a significant market share across all their brands. In 2019 Old Spice took 7.1% of the sales share of leading deodorant brands⁶.



Product Analysis



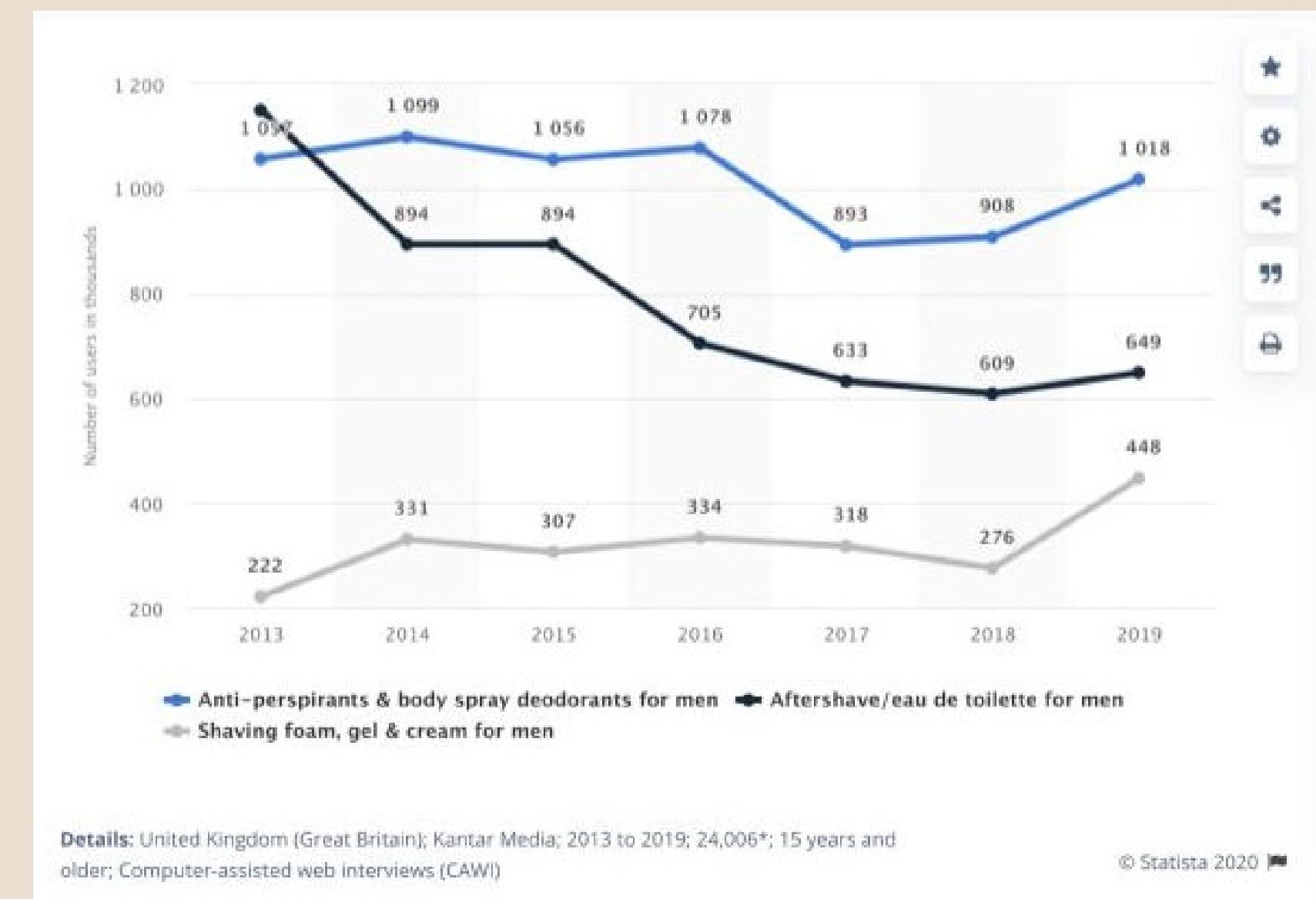
Old Spice creates convenient and functional personal care products, geared towards men. These products are particularly receptive to consumers concerned with the value and convenience of the products.



Old Spice does not emphasize specific ingredients changes from other popular products yet sells their products based on brand image, this is common among the major competing products. The consumers expect Old Spice products to meet a certain standard of quality and performance consistent with the brand.

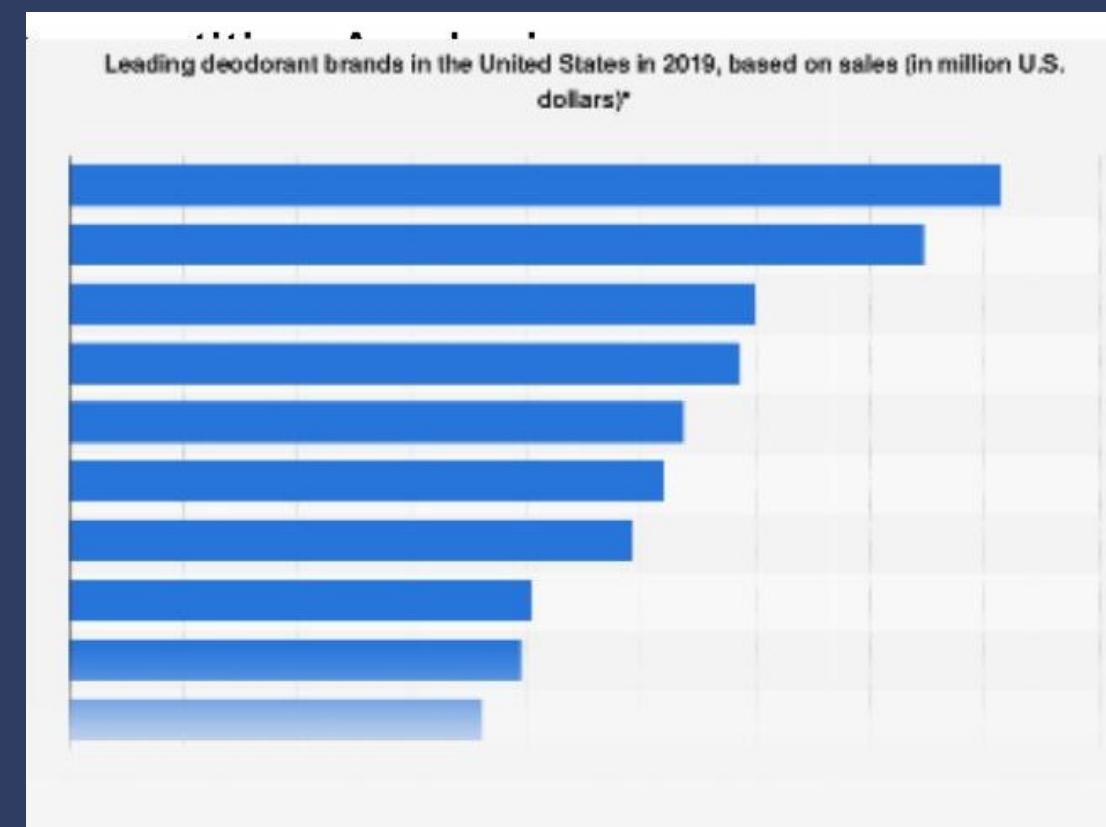
Product Analysis

Old Spice's best-selling products are their deodorants and body spray, followed by after-shave, and lastly their shaving cream/gel.⁷



Competitive Analysis

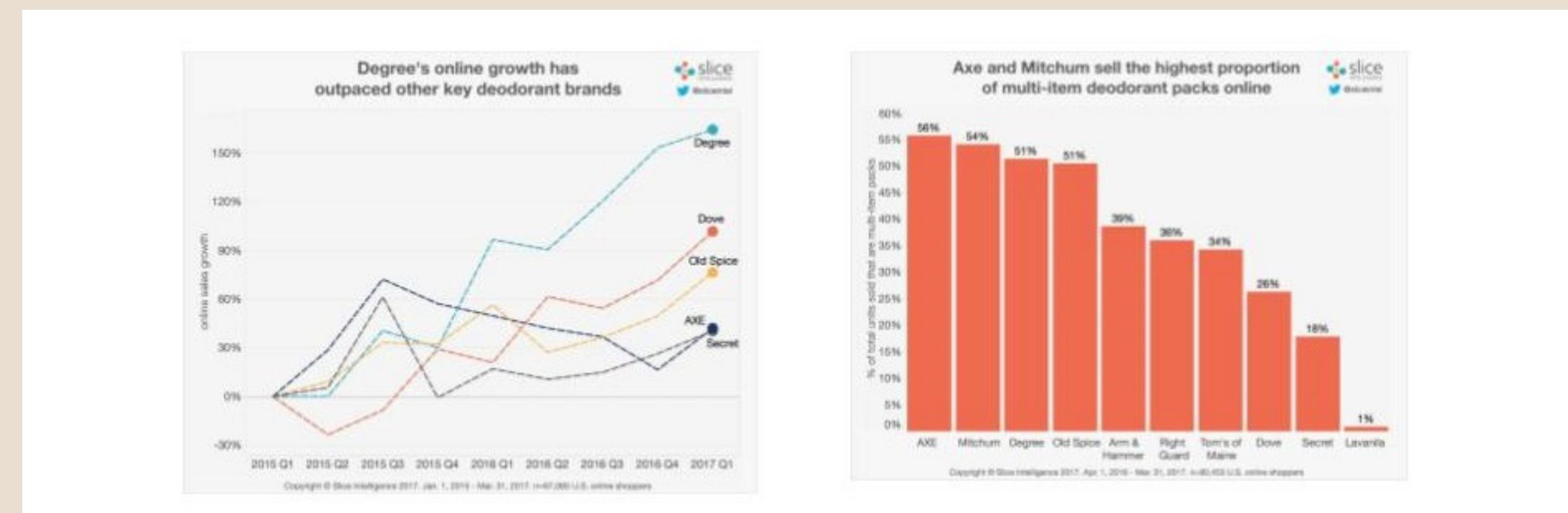
Procter & Gamble Co has many competitors such as Unilever, Colgate- Palmolive, L’Oreal SA, and Johnson & Johnson. Their products are deodorants, soaps, dishwashing liquids, therefore intense competition limits brand loyalty. It's harder for them to claim a "real" competitive advantage. Some threatening Procter & Gamble competitors include Church & Dwight and Unilever.¹ For a closer look, Old Spice directly competes with Axe, Gillette, and Right Guard.⁸ Proctor and Gamble, the parent company, has credibility and reputability; however, the availability of cheap substitutes and fake products negatively affects their brand image. In addition, many of these competitors have a better financial standing, better brand recognition, and more established relationship with their suppliers and customers.¹ They must increase brand engagement and potentially create a loyalty program to encourage purchases online.



Competitive Analysis

Online Presence:

Procter & Gamble Co has a restricted online presence compared to their competitors. Their online store mainly only operates in the U.S which means they are not tapping into the full potential of the global market.⁹

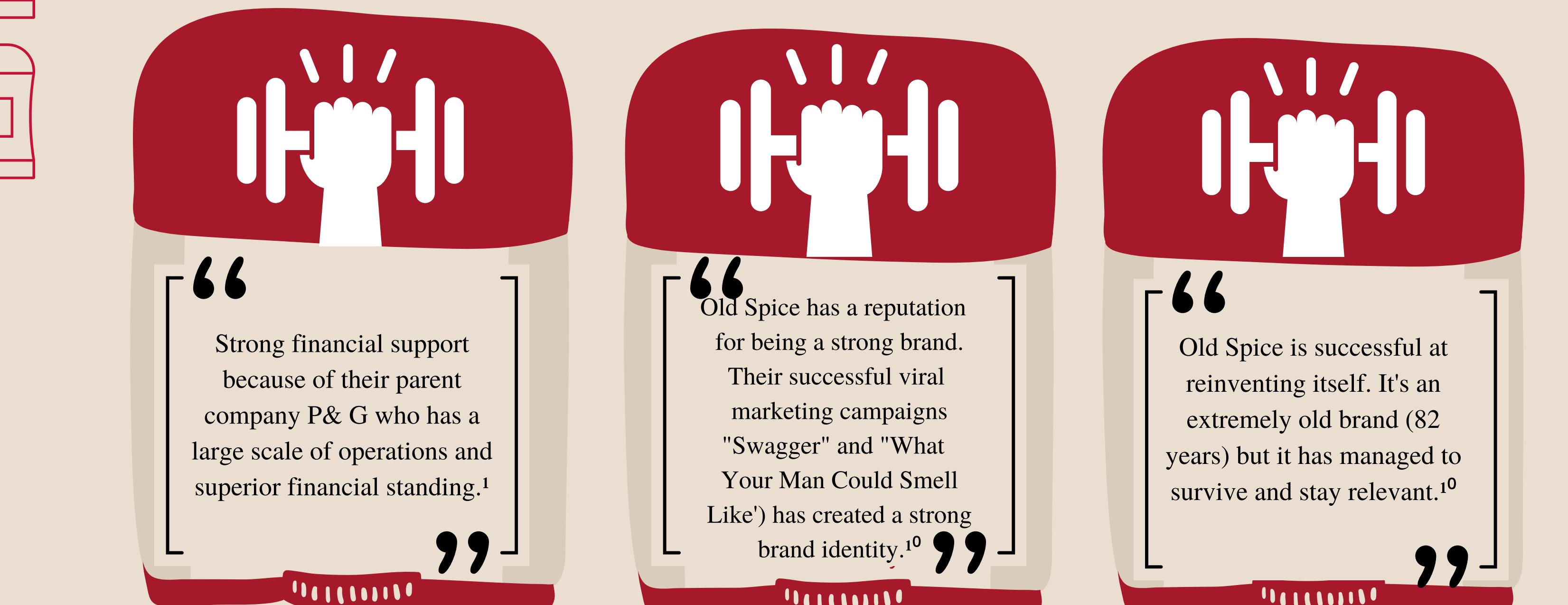


Competitive Analysis

Procter & Gamble sell and market products in the consumer goods sector. Which means that they are dependent on a few customers. Their profit and sales can go down due to economic downturns because consumers disposable income will be down. The market for hygiene products is heavily saturated, and other companies (Johnson & Johnson) are excelling financially in having greater resources to target women. The resources available to Proctor and Gamble outweigh those of many competitors. This allows them to launch massive campaigns, product lines, and promotions that are high quality and have a large reach. As an American multinational company Procter & Gamble has a large scale of operations in terms of geographical segments, and revenue. This gives them a competitive advantage and helps them be in the market leading position that they are in.¹



SWOT Analysis



Strengths

SWOT Analysis

“
Old Spice products
can be easily
imitated and thus
their market share
can go down.¹
”

“
Many customer complaints
have been charged against Old
Spice regarding their products
causing rashes and chemical
burns.¹⁰
”

“
Their parent company (P&G)
has a strong dollar. This means
that its exchanging the dollar at
a high rate. So, when they
export any of their products,
the exporting is very
expensive.¹
”

Weaknesses

SWOT Analysis

“

Between 2019 and 2023, the deodorant market is expected to grow by about \$747.92 million¹⁰

”

“

Can try to appeal to other markets such as women and even younger men since interest in male grooming is more accepted now.¹⁰

”

“

Old Spice can increase its online presence to increase their sales since that is how most people are getting consumer goods due to COVID-19.¹¹

”

Opportunities

SWOT Analysis

Threats

“

There is currently a \$5 million lawsuit against Old Spice that can affect its image and business.¹²

”

“

Many people are becoming more wary of deodorants because of possibly carcinogenic /environmental effects they have. ¹⁰

”

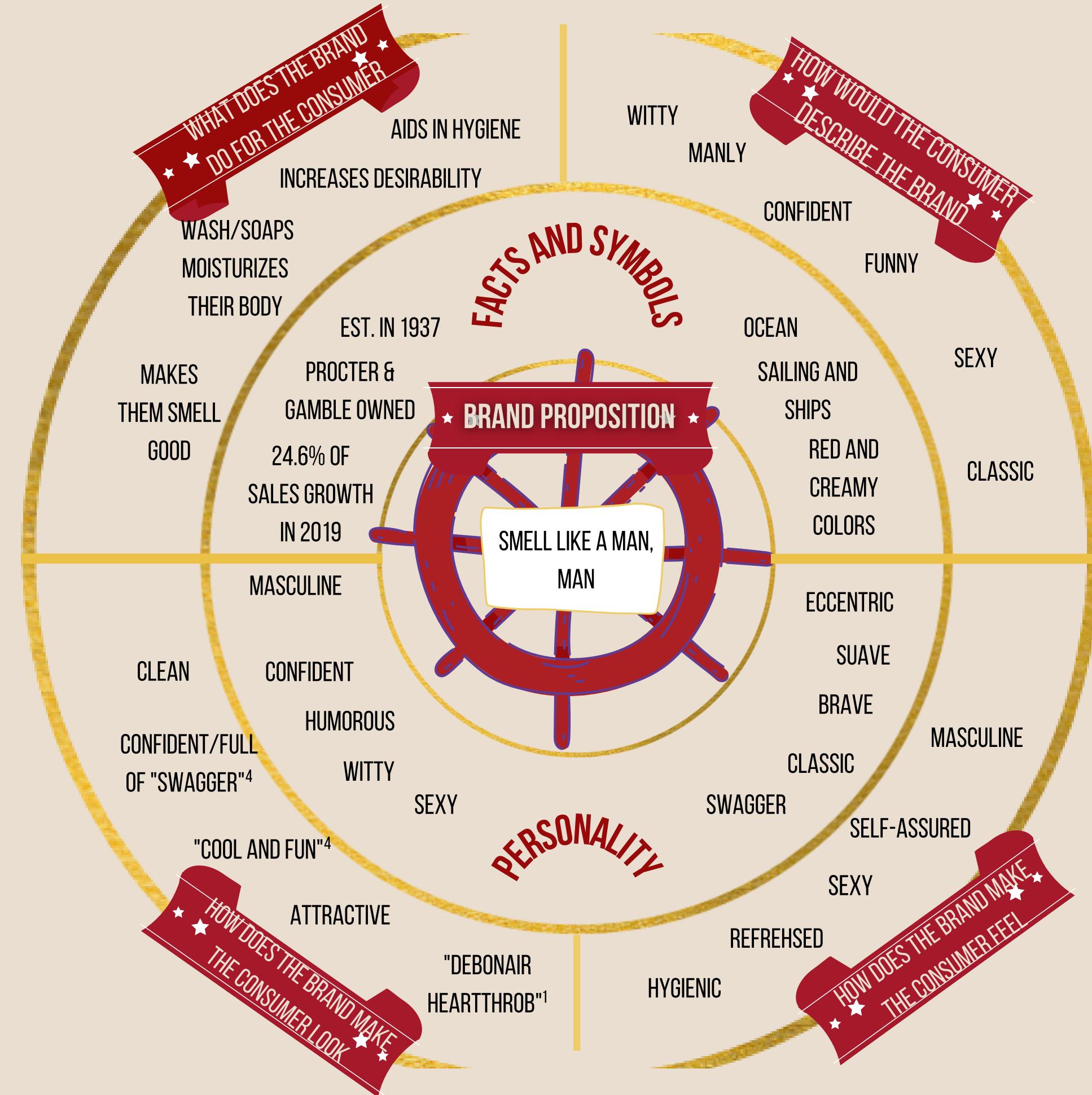
“

Targeting consumers based on gender may not be sustainable strategy in this case since more of the younger generation are rejecting gender norms. ¹³

”

Brand Essence Chart

Pg. 25



Problem Statement



Though Old Spice is still a pretty strong brand, they also have some weaknesses that can possibly diminish their sales and their brand value.

1

Saturated market: there is a lot of competition in the deodorant/body wash market. Old Spice is falling behind many of its competitors.¹⁴

2

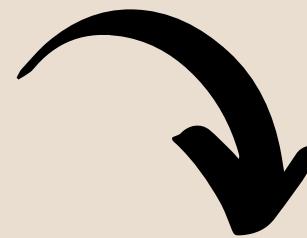
There are two main things that could negatively affect Old Spice's reputation: its \$5 million class action lawsuit¹² and failing to capture other markets (women/gender fluidity)

Recommendations



Marketing Objectives

- Redesign Old Spice Packaging to be gender neutral.



Reasoning: Several studies show that Generation Z (which is part of Old Spice Target market) are more accepting of gender fluidity and support "de-gendering" of products where it doesn't really make sense to delineate based of gender ¹⁵



Evidence: DesignAnalytics research demonstrated that associations of gender where not much prioritized when consumers were assessed objectively on what facets of products in a given category do they find essential when it comes to purchasing decisions. ¹⁵

Recommendations



Marketing Objectives

- Redesign Old Spice Packaging to be gender neutral.



Evidence (Cont.):

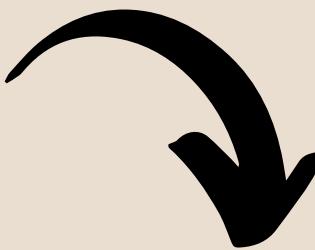
- In that study, for example, the attribute "makes me feel masculine" was ranked 34st in importance in the male body wash category.¹⁵
- When Samuel Adams Boston Lager did a redesign that deemphasized their masculine image, as twice as many consumers preferred the updated gender neutral version.
- Other examples of successful gender neutral re-designs are Diet Coke and Think Thin Bars.¹⁵

Recommendations



Marketing Objectives

- Find and include a new brand ambassador for this gender neutral Ad Campaign who are known for breaking gender stereotypes such as Jaden Smith or Harry Styles.



Reasoning: One of the things that Old Spice succeeded at in their old campaigns is that they used brand ambassadors really well to connect with their audience (ex: Isiah Mustafa).¹⁰ They can tap into that same core idea in a different way. Instead of having a celebrity endorser that embodies the masculine traits, they can subvert their own image and have a different type of celebrity endorser. This is a risky strategy since it might alienate certain section of the audience but gender-neutral marketing has been incredibly effective for many brands.

Recommendations



Marketing Objectives

- Find and include a new brand ambassador for this gender neutral Ad Campaign who are known for breaking gender stereotypes such as Jaden Smith or Harry Styles.



Evidence:

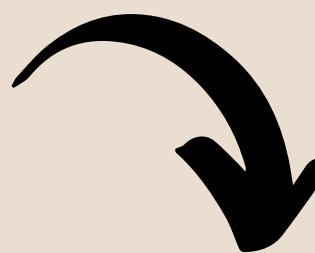
- This strategy has been effective before with brands like Louis Vuitton who used Jaden Smith as one of their models who wore "feminine" outfits with the other female models in their 2016 campaign. Not only did this bring the brand additional publicity, but it became semi-viral on social media.¹⁶

Recommendations



Marketing Objectives

- Increase online sales by improving online presence and making better use of online channels such as Amazon..



Reasoning: Online sales have increased during COVID-19. To increase Old Spice marketshare and possibly become more competitive, taking advantage of this trend would be wise.¹⁷

Evidence: As you can see from the chart, online sales especially during the holidays are projected to increase from last year in part because of the virus.¹⁷



Recommendations



Marketing Objectives

- Increase online sales by improving online presence and making better use of online channels such as Amazon.



Evidence: Old Spice has cultivated their social media presence effectively before with their viral ads such as "The Man Your Man Could Smell Like", It got them 1.2 million hits on their various social media platforms. So, they have a strong social media presence.¹⁸ They can use social media especially the new shopping feature on Instagram to increase their virtual sales. According to Adweek, Facebook's ads have an average return on investment is 152%.

Recommendations



Communication Objectives

- Build Awareness and comprehension for the new gender neutral ad campaign.



Reasoning: We have to communicate this re-packaging of select Old Spice products to capture a new audience (Gen-Z and Millennial generation of both genders) through advertising channels to promote general awareness of this campaign.

How We Will Do This: Using social media to promote this ad by partnering with online influencers who are known to bend gender or societal norms. Creating ads for TV, buying radio spots, creating billboard advertising, and transit advertising for this new campaign should generate some hype.



Recommendations



Communication Objectives

- Change the perception of Old Spice deodorants often leading to rashes or chemical burns.



Reasoning: The recent lawsuit filed against Old Spice that claims that many of their products are defective and caused chemical burns can hurt Old Spice's brand equity.

How We Will Do This:

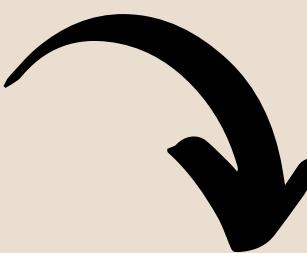
- Explain to consumers that majority of Old Spice consumers don't experience any of these adverse effects. Only 1% of men might experience some irritation due to alcohol sensitivity, an ingredient which every deodorant has.¹⁰

Recommendations



Communication Objectives

- Update social media to reflect updated brand image. Call attention to new gender neutral packaging.



Reasoning: We want customers to be aware of the direction that we are leading Old Spice. Updating social media will inform customers of new changes to the brand image and increase awareness of the brand.

How we will do it: Our goal is to create interactive social media features such as contests that encourage users to repost Old Spice in order to maximise interactions and increase the efficiency of Old Spice's social media

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² E. (2020, November 09). Procter & Gamble Company. Retrieved December 07, 2020, from <https://www.britannica.com/topic/Procter-and-Gamble-Company>

³<https://www.pewsocialtrends.org/2008/09/25/women-call-the-shots-at-home-public-mixed-on-gender-roles-in-jobs/>

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