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GROWING IN ASIA: P&G TURNS TO MARKET RESEARCH

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“Create excitement in the market with new products; entice the competitors to play, and together, we can grow the market,” said Medhee Jarumaneeroj, the 'influencer marketing & external relations leader' for Procter & Gamble (P&G) Asia's male grooming outfit. Speaking at the [Marketing Excellence Speaker Series](#), a monthly talk organised by SMU's [Centre of Marketing Excellence](#), Jarumaneeroj expressed excitement about Asia as a huge growth market for the American multinational.

P&G, according to its [website](#), creates more brands than any other consumer goods company. While the company's large stable of brands – from Bounty to Braun, Oral B to Old Spice, Tide to Tampax – are all relatively well-known in the US, not all of them are as widely known in Asia. Jarumaneeroj pointed out, for instance, that while all 38 categories of P&G products are sold in the US, only 19 of those categories can be found on the shelves of Asia's shopping malls and supermarkets. But that will likely change, given the company's strategic shift towards Asia.

In 2010, President & CEO Robert McDonald announced an ambitious goal to acquire one billion additional customers by 2015, and ultimately, to “convert every person on this planet into a customer”. To achieve this, the company plans on innovating so as to “touch more lives” around the world; and in particular, those in the tiger and dragon economies.

To signal that it is serious about enlarging its regional presence, P&G recently launched, for the first time, its [Olay Men Solutions](#) skincare range in Asia – products that have not been made available in the US.

Invent to change the game

Innovation, for P&G, is not limited to the creation of a new product, Jarumaneeroj clarified. Rather, it refers to “a new way of thinking or execution (that) creates value for the company”. This includes broadening the customer base through a wider vertical portfolio of medium to high-end products; reaching out to more customers geographically and deepening that relationship, and fulfilling a wider range of needs through brand expansion.

Citing the example of the long-established 'Oil of Ulan' skincare fluid for women, Jarumaneeroj said that the company had to first work around consumer perceptions before they were able to grow the market. Back then, people associated the pink liquid with the older generation as they saw it as something that their mothers used.

"We had to show that it was not a product for older ladies, but for ladies who do not want to look old," he said. The company updated the look, removed the "Oil" in its name to remove suggestions that it contained pore-clogging oil, and re-launched it globally as Olay in 1999.

P&G then proceeded to "play the portfolio", growing the brand both vertically and horizontally. Products were added to address different customer concerns such as aging, skin dullness, blemish, acne, and sun damage. Several ranges were also introduced to capture various price points, from "prestige" to "mass-tige" (mass market plus prestige) levels.

For Singapore consumers, the point-of-market entry price (in 2009 and 2010) before moving onto "counter brands" was S\$75 for the prestige brand and S\$60 for the mass-tige brand, Jarumaneeroj revealed. Depending on the geographic location, the company would adjust price bands accordingly.

The [Pro-X](#)range is an example where products, whilst developed with dermatologists and other scientists, retail within an affordable, point-of-market entry price. Yet, they are also positioned to be just as effective as other advanced professional products.

Market expansion

Another way to expand is to grow the market for everyone, as opposed to merely increasing your slice of the pie by taking from your competitor. However, this involves "inviting" your competitors to play along, said Jarumaneeroj.

He spoke of a time in Thailand where 99 per cent of customers used a liquid fabric softener dilute: three caps per laundry load. When P&G introduced a liquid fabric softener concentrate – one capful per laundry load – competitors began to do the same. Over three years, Thailand's market for P&G's Downy concentrate grew 12 per cent, he said, adding that everyone benefits when the pie grows bigger.

Another way to grow is to understand the customer; how they live, think and act. This is especially important for new markets, and many companies would first conduct focus groups to get a sense of how to market their goods and services, said Jarumaneeroj. But focus groups are only useful in certain cultures, he added.

In places like Australia and Singapore, customers are more likely to be honest about their feelings towards a brand or product, whereas in Thailand, Malaysia or Indonesia, people tend to be more polite and reserved with their judgments. The efficacy of focus groups would thus depend on the culture of the market, Jarumaneeroj noted.

Before launching its Gillette brand of shavers in India, P&G opted to send in and immerse its market research team in the country instead of relying solely on traditional focus groups. Not that the company distrusted focus groups as a means of research, but India was perhaps too important a market to risk failure – going by its estimate of half a billion traditional razor users.

After penetrating the India market for Gillette shavers, the company extended the product line from the double-blade system to the double-blade with lubricant. Later, varieties with even more blades and skincare comfort emerged – a growth strategy that has been successful across global markets.

Marketing to Mars and Venus

At P&G, there are "no different strategies" for marketing to Mars or to Venus, Jarumaneeroj revealed. In order to "touch and improve lives", the company adopts a gender-neutral "purpose-driven", "values-led" approach to branding. Simply put, the numbers will go up as long as you understand the consumer and innovate accordingly.

In its communications with men and women, P&G would leverage on different “media touch points” to reach its target segments, some of which may differ slightly for men or women. In some countries, blogs and social networks may reach male audiences more effectively whilst print and broadcast may work better on female audiences. Technologically sophisticated advertising, such as mobile apps, may also be effective for some markets. What is most important is an understanding of the customers, rather than to simply divide by gender lines.

To illustrate, Jarumaneeroj spoke about the marketing of Olay Men Solutions and Gillette skincare. The former builds on Olay's reputation amongst its predominantly female customers whilst the latter derives its brand equity from its strong blade and razor technology. Products from Olay Men Solutions are thus bought by "mothers, wives and girlfriends" whilst Gillette's skincare products are bought by the men themselves.

Ultimately, marketers need to be realistic and employ strategies that can "earn money for the company". Do not fall victim for “marketing mantras” that overemphasise market share, Jarumaneeroj said. There are many ways to grow and marketers should not limit themselves to textbook strategies, he concluded.