

Procter and Gamble Building Sustainability in the Heart of a Brand

Procter & Gamble Co. (P&G) is a Fortune 500, American multinational corporation based in Cincinnati, Ohio, that manufactures a wide range of consumer goods. As of 2008, P&G is the 6th largest corporation in the world by market capitalization and 14th largest US Company by profit.

Case Background: P&G has always been a leader in sustainability, addressing it as both a responsibility and a business-building opportunity, by providing products and services that improve the quality of life of consumers, now and for generations to come. As concern over the effects of climate change and the need to reduce our ecological footprint have become dominant societal challenges, P&G has recognized its responsibility as well as opportunity as a market leader to develop more sustainable innovations for its leading global brands.

In the laundry detergent business, leading brands account for annual sales of over US\$ 5 billion. P&G has developed new formulations for a range of laundry and cleaning products that enable excellent cleaning performance at lower temperatures, saving energy and reducing greenhouse gas emissions.

With *Ariel Cool Clean* formulated to be effective at low temperatures; P&G has positioned the Ariel brand as a low-temperature wash detergent.

Case Description: Ariel's Cool Clean technology is a formulation that performs optimally at lower wash temperatures, significantly reducing energy consumption and greenhouse gas emissions. With Ariel Cool Clean, P&G recognized its ability to contribute to the global call to reduce greenhouse gas emissions.

In the UK, where the average washing temperature had been 43.5°C (2002), the P&G campaign urged consumers to "Turn to 30". The Turn to 30 Ariel boxes stated the clear, consistent message: "Energy Saving and Brilliant Cleaning". These two benefits were framed by the additional plus: the consumer would be supporting the environment by living more sustainably. P&G took a holistic communications approach: coordinating the simple "Turn To 30" message in TV and print advertising, direct marketing, Internet campaigns, in-store events, PR and promotional activities. Consumers were made aware of the energy savings of washing at 30° in layman's terms. It was expressed as: "If all of the UK turned to 30°, the annual energy saved could power over 500,000 homes for one year."

P&G has learned that quantifying energy savings is a cultural process: in Italy, Ariel Cool Clean energy savings were better perceived as the amount needed to light up the beautiful *piazas* (central squares), whereas in the UK, the annual energy savings of a single home were materialized in equivalents like: watching 1,400 TV soap operas or preparing 2,500 cups of tea.

In each country where the Cool Clean technology was introduced, P&G partnered with important climate-oriented and energy saving third parties. In France, P&G teamed with WWF and ADEME (a government-funded sustainability agency), a German ecological research institute, Öko-Institut, the Italian energy supplier, Enel, and the Alliance to Save Energy. In the UK, P&G worked with the Energy Saving Trust. Together they launched the Ariel Energy Saving Promise, an individual commitment challenge with prizes and regional competitions.

Achievements: In the UK field tests conducted with the Energy Saving Trust (2006), 122 households "Turned to 30" for two weeks and audited their washing machine energy consumption compared to the previous two weeks. The Energy Saving Trust, as a third party, validated the results of this field test: the average energy savings were 41% per household.

The repeated advertising campaigns have been successful in changing consumer habits. In 2007, an IPSOS survey reported that 17% of UK households now wash at 30°, up from only 2% of households in their 2002 survey.

The average UK washing temperature across all households has decreased from 43.5°C to 40.2°C. Importantly, 27% of all Ariel users washed at 30° in 2007, which is twice the average of other leading brands (13%).

According to the latest IPC Green Research, approximately 85% of consumers claimed that Ariel's 'Turn to 30' campaign was the main reason that convinced them to turn down their washing temperatures.

There is clear evidence that Ariel customers have taken the message and are washing at reduced temperatures without compromising on cleaning performance or convenience, while saving energy, money and reducing their ecological footprint. For P&G, Ariel Cool Clean campaigns have strengthened brand loyalty, increased its consumer base, and further positioned P&G as a sustainable innovation leader.

Reference: www.wbcsd.org