

Internal Factors

External Factors

# Open English



[ Nature of External Environment ]

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# Open English

- actions taken to provide value to customers and gain a competitive advantage by exploiting core competencies in specific, individual product or service markets
- concerned with a firm's position in an industry, relative to competitors, and to the five forces of competition

• Porter's Five Forces

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## INDUSTRY

- has a presence in a variety of industries including personal goods, household goods, paper goods, healthcare, food, beauty and feminine products

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- in order to maintain a leader in fast moving consumer goods, it engaged all operations internationally

- Competitors:
  - Unilever
  - Kao
  - L'Oréal
  - Avon
  - Colgate-Palmolive
  - Playtex

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- wide range of products distributed by P&G creates challenges for new entrants
- a company without the capital for heavy marketing or research and development would never be able to compete

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## Buyers

- the buyers of P&G is largely dispersed on buyers
- because the firms focus is on low prices and targeting low-income consumers, more than 1/3 of P&G's total revenue comes from low-cost offers like wet-wipes

## Substitutes

- there are numerous substitutes for all of P&G's products available
- brands such as baby wipes are used to clean up after kids. The cost of baby wipes is generally lower than baby wipes from P&G
- P&G's focus is on low prices and targeting low-income consumers, more than 1/3 of P&G's total revenue comes from low-cost offers like wet-wipes

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## Suppliers

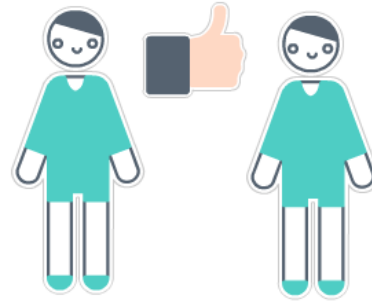


- P&G has a co-dependent relationship with suppliers
- suppliers need P&G to generate revenue but have little bargaining power
- P&G needs suppliers for quality materials and the best production prices possible

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# Suppliers



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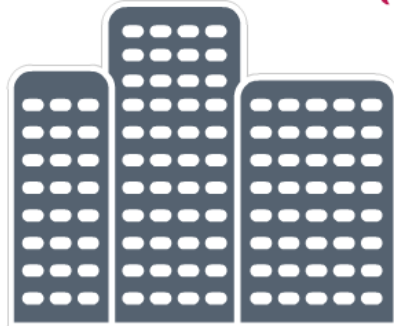
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- In order to maintain a leader in this market, P&G must continue to expand its operations internationally

## • Competitors:

- Unilever

- Kao

- L'Oreal

- Avon

- Colgate-Palmolive



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- Scale of products distributed by P&G creates challenges for new entrants
- a company without the capital for heavy marketing or research and development would never be able to compete



# Substitutes

- there are considerable substitutes for all of P&G's products creating an intense competitive environment
- in order to differentiate, P&G must continue to provide new and innovative products and branding
- P&G works collaboratively with customers to develop deep shopper and consumer understanding and improve its store presence