

[Nature of External Environment]



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Business Level Strategy

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

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• in order to maintain a leader in fast moving consumer goods, it needs to respond to competitors' initiatives

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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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• 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 dependent 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

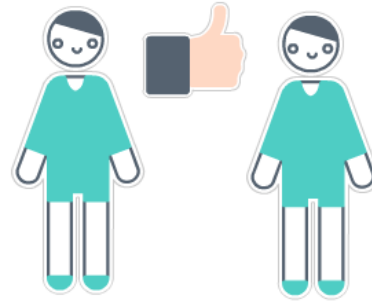
Substitutes

• there are substitute products for all of P&G's products available in the market
 • P&G's products are sold in a wide range of price points, from low-cost wet-wipes to high-end baby wipes
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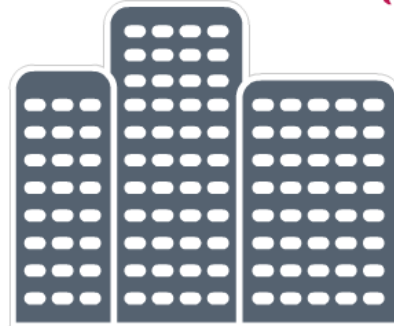
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- In order to maintain a leader in this market, P&G must continue to expand its operations internationally

• Competitors:

- Unilever

- Kao

- L'Oreal

- Avon

- Colgate-Palmolive



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to expand its operations

- Competitors:

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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