

TheCaseSolutions.com

OUTLINE

- Case Summary
- Company Background
- Problem Definition
 - Company
 - Competitor
 - Customer
- Alternative Courses of Action
- Proposed Recommendations
 - Case Questions

TheCaseSolutions.com Procter and Gamble's Background

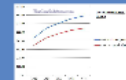
- Company Philosophy
- P&G markets it's products in over 140 different countries
- Net earning of \$1.6 billion in 1990
- Canadian subsidiary contributed \$1.4 billion in sales and \$100 million in net earnings
- Between 1987 and 1990, worldwide sales of P&G increased by \$8 billion

Statement of Purpose and Strategy (highlight)

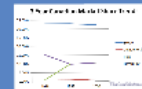
- "We will provide products of superior quality and value that best fit the needs of customers"
- "We will concentrate our resources on the most profitable categories and on unique important Canadian market opportunities"
- "We will continuously stay ahead of competitors while aggressively defending our established profitable businesses against major competitive challenges despite short-term profit consequences"

TheCaseSolutions.com Case Summary

- Gwen Hearst became Scope's brand manager in 1988
- Scope held a 32% market share in 1990
- Since it's introduction in 1988, Plax had gained a 10% market share of the product category and posed a threat to Scope
- Scope and Plax offer two different competitive advantages



The table displays financial data for Scope and Plax. It includes columns for Sales, Net Earnings, and Market Share. The data is presented for both companies across the years 1988 and 1990.



Problem Definition

The problem that P&G and Scope faced was to determine how to maintain their market share in the face of increasing competition from Plax.

Company Overview



Oprah Winfrey

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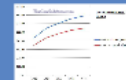
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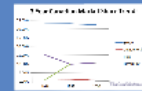
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A table titled 'Financial Data' showing sales and net earnings for Scope and Plax from 1988 to 1990. The columns are 'Year', 'Sales (\$ million)', and 'Net Earnings (\$ million)'. The rows are 'Scope' and 'Plax'.

Year	Scope (\$ million)	Plax (\$ million)
1988	1400	100
1989	1500	150
1990	1600	200



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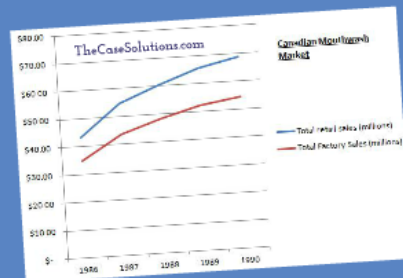
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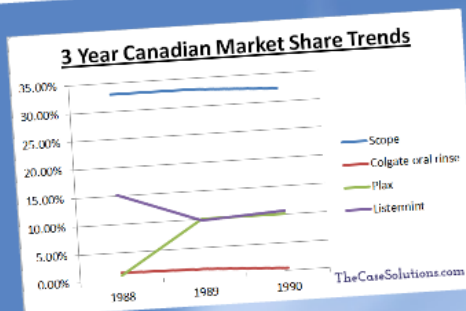
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TheCaseSolutions.com Canadian Mouthwash Market Shares

	1988	1989	1990	1990 Average
				Food Drug
Scope	33.00%	31.00%	32.30%	42.00% 27.00%
Listerine	15.20%	16.10%	16.20%	17.00% 19.00%
Listerimint	15.20%	9.80%	10.60%	8.00% 12.00%
Parasol	13.60%	10.60%	10.30%	9.00% 11.00%
Colgate oral rinse	1.40%	1.20%	0.50%	0.40% 0.50%
Plax	1.00%	10.00%	10.00%	8.00% 11.00%
Visk	16.00%	15.00%	16.00%	18.00% 15.00%
Storck Brands	4.60%	3.90%	3.70%	2.90% 4.50%
Miscellaneous other	100.00%	100.00%	100.00%	100.00% 100.00%
Total	100.00%	100.00%	100.00%	\$24.00 \$44.60
Retail sales (000,000)	\$61.20	\$65.40	\$68.00	

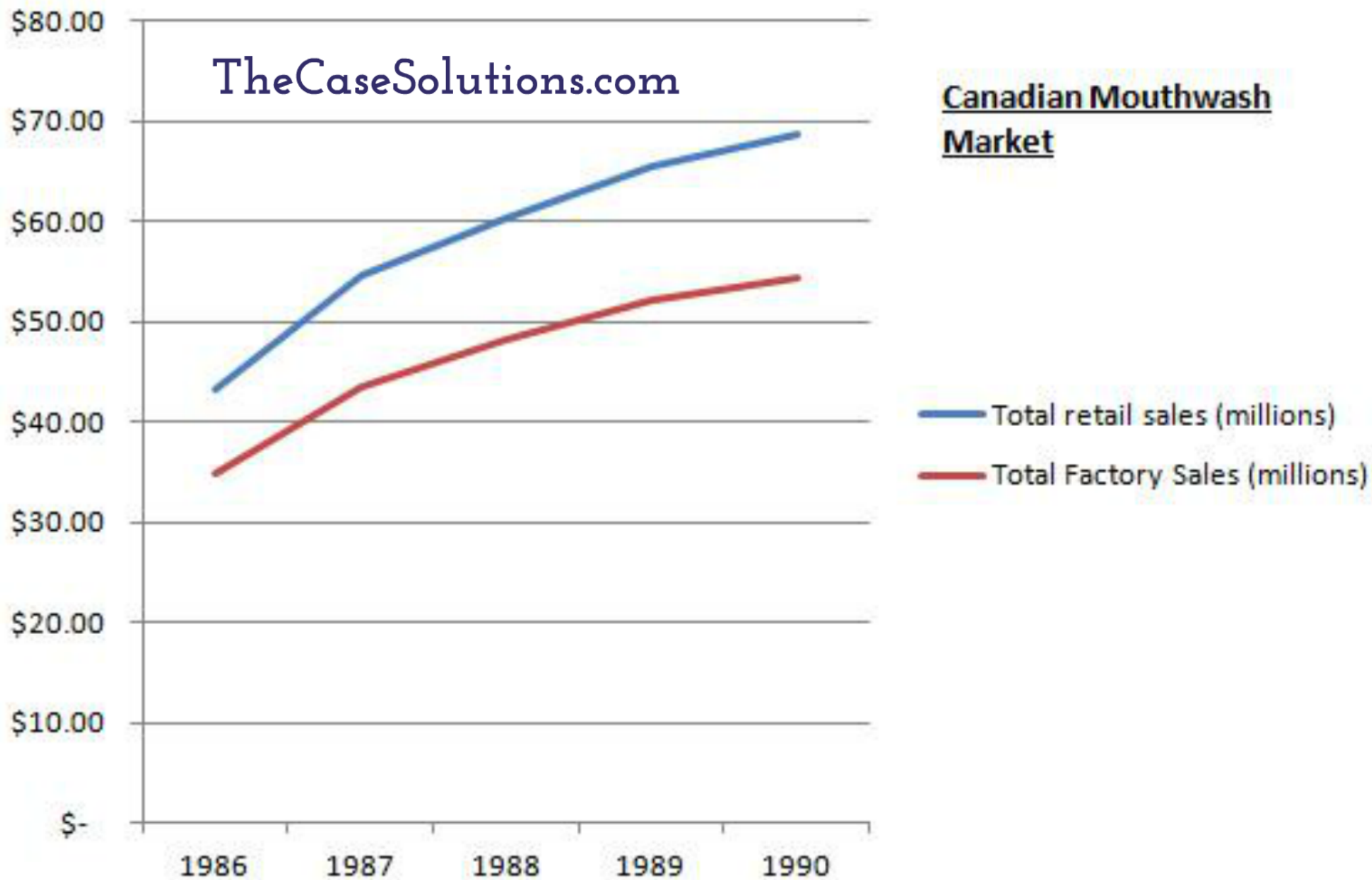


Problem

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Canadian Mouthwash Market



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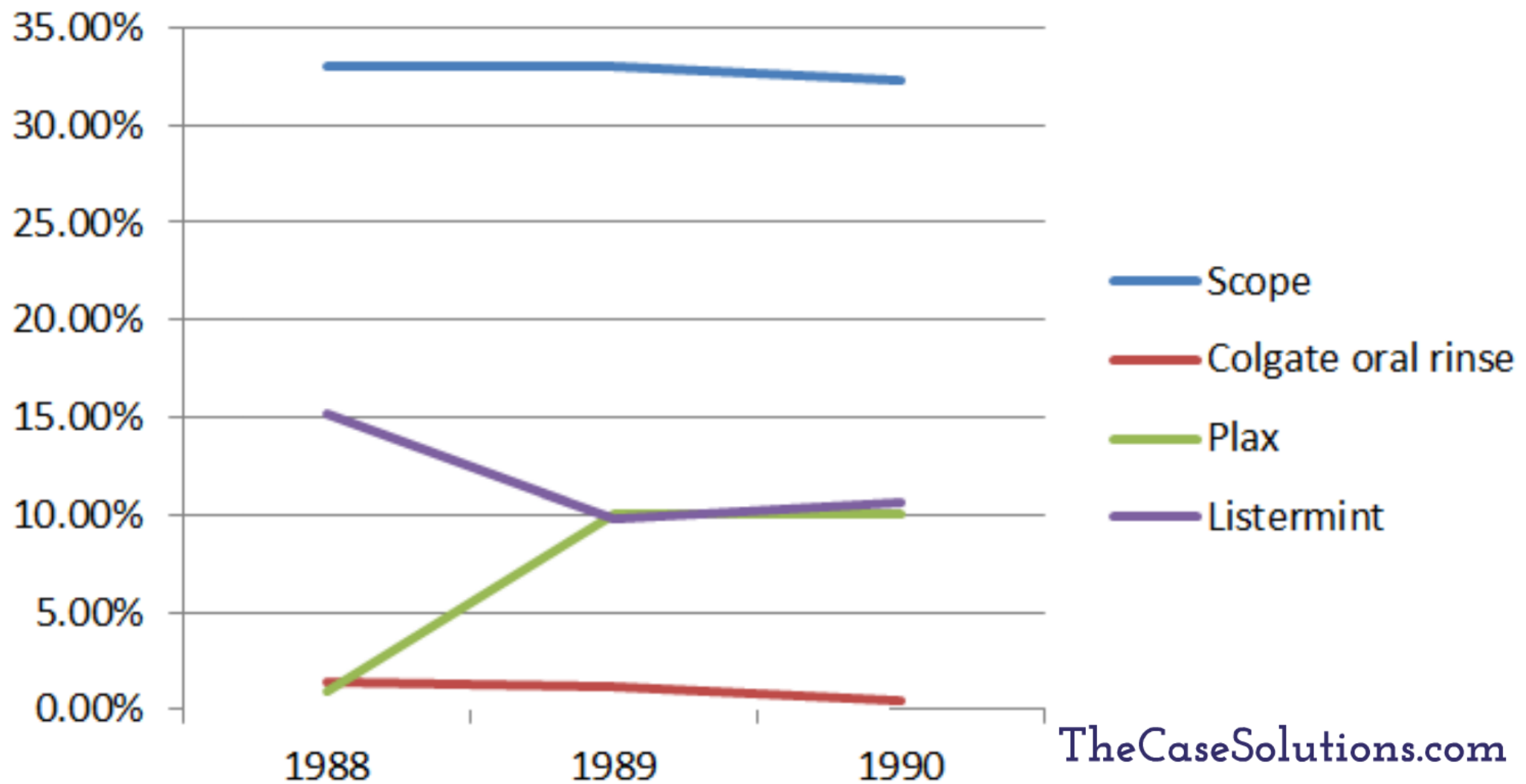
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Canadian Mouthwash Market Shares

	Units			1990 Average	
	1988	1989	1990	Food	Drug
Scope	33.00%	33.00%	32.30%	42.00%	27.00%
Listerine	15.20%	16.10%	16.60%	12.00%	19.00%
Listermint	15.20%	9.80%	10.60%	8.00%	12.00%
Cepacol	13.60%	10.60%	10.30%	9.00%	11.00%
Colgate oral rinse	1.40%	1.20%	0.50%	0.40%	0.50%
Plax	1.00%	10.00%	10.00%	8.00%	11.00%
Store Brands	16.00%	15.40%	16.00%	18.00%	15.00%
Miscellaneous other	4.60%	3.90%	3.70%	2.60%	4.50%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
Retail sales (000,000)	\$60.20	\$65.40	\$68.60	\$24.00	\$44.60

Canadian Market Share Trends

3 Year Canadian Market Share Trends



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