

**RELENTLESS
TIDE****AN
UNSTOPPABLE
MEGABRAND**

Sixty-five years after the introduction of Tide in the US, it still dominates the market. How did Procter & Gamble achieve such a feat? Through continuous incremental innovation, consumer relevance and brand support, say Patrick Barwise, Seán Meehan and Emma Macdonald.

Sustained organic profit growth is the main goal of most companies, but it is extremely hard to achieve. Procter & Gamble's (P&G's) Tide detergent has an almost unblemished record of such growth over 65 years. How has this been achieved and what are the lessons for other companies?

The initial launch of Tide (www.tide.com) in 1946 was a textbook breakthrough in technical innovation. The first heavy-duty synthetic laundry detergent, Tide was not just a new product, but a new kind of product. It was recognised as a National Historic Chemical Landmark by the American Chemical Society and was

described by P&G's former president, Neil McElroy, as "the first big change in soap making in 2,000 years".

Tide's promise was unambiguous. When launched, its advertising proclaimed 'Tide Washes Cleanest'. Initially targeted at housewives in areas with hard water, Tide and the other synthetic detergents that followed it soon displaced traditional soaps for laundry washing throughout the US. Especially in combination with automatic washing machines, it had a big impact on women's lives, saving them hours of drudgery while producing cleaner laundry.

Even more impressive than its initial success, however, is the way Tide has managed to maintain, and even increase, its market lead over more than six decades. This sustained success is based on P&G's classic, gimmick-free approach, the foundation of which is reliable delivery of a clear, relevant brand promise to both the trade and the consumer. P&G tightly manages Tide's product and service quality; the company also quickly follows up on customer and consumer complaints.

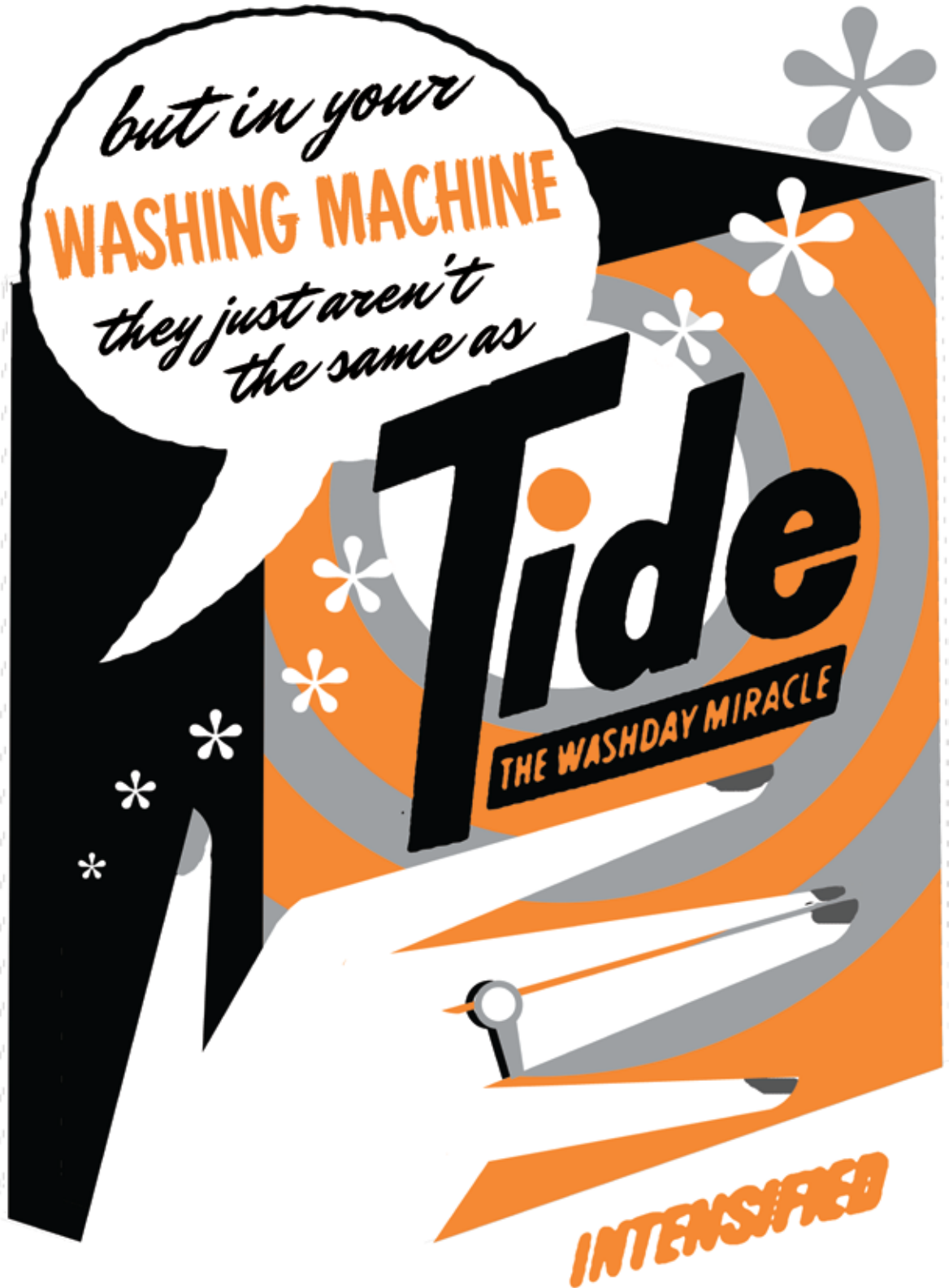
But if all P&G had done was to develop the product, launch it successfully and maintain its quality, it would soon have lost its lead to competitors. Building on its initial lead in the 1940s, Tide's long-term success has been created by three factors:

- Relentless improvement and extension of the brand promise through incremental innovation
- Rigorous use of consumer insights to ensure continuing relevance
- Powerful advertising and other brand support.

Continuous incremental innovation

Tide has had one of the longest programmes of sustained incremental innovation of any product. Even as it was launching, P&G was working on ways to improve both the formula and its production efficiency. According to former P&G chairman, A G Lafley and consultant Ram Charan, P&G has introduced an average of one Tide-branded product innovation per year since its launch. The consistent





aim of these 60-plus incremental innovations has been to ensure that Tide delivered on its core promise, providing unsurpassed cleaning power. When Colgate and Lever Brothers both launched rival products in 1948, *Consumer Reports* confirmed Tide's superior cleaning power. Central to the brand strategy has been a consistent effort to maintain that advantage.

Importantly, Tide's innovations have increasingly gone beyond raw cleaning power. In addition to process innovations to expand capacity and reduce costs, they have included major brand extensions such as Liquid Tide in 1984 and Tide with Bleach in 1988 as well as numerous smaller extensions. For instance, Tide Ultra Concentrate (1992) and Tide 2X Ultra Concentrate (2007) provide benefits to consumers, retailers and P&G by reducing packaging, manufacturing and distribution costs.

Commenting on P&G's remarkable success in laundry detergents, John Pepper, another former Chairman and CEO, explains the significance of continuous incremental innovation in maintaining Tide's category dominance: "As you develop big-win strategies, you must also plan for the small-step improvements that will follow. If you fail to do so, even the most brilliant leaps forward will prove to be unsustainable." Pepper's viewpoint is echoed by Lafley and Charan.

In 2001, however, despite its long history of product improvements, Tide was under pressure in the US market. With a 50 per cent price premium in an increasingly competitive market, it faced a weakening value perception. Consumers were saying, "Yes, Tide is better — but is it that much better?" Many were using cheaper products for everyday purposes while keeping Tide for occasional use with tougher loads of laundry. Household penetration had slowly declined for eight consecutive years: fewer American households were buying Tide — a dangerous trend.

P&G set up a multifunctional team that screened ideas and tested them with consumer research. The result was a series of incremental innovations such as Tide with a Touch of Downy (improved fabric softening), Tide with Febreze (improved deodorising/freshness) and Tide Coldwater (energy-saving, improved, cold-water cleaning performance). By 2005, these

product improvements had boosted Tide's market share to a commanding 43.2 per cent by value, an increase of 5.8 market share points in just four years. The main source of this renewed growth was P&G's re-emphasis on market-driving incremental innovation.

Consumer insights for continuing relevance

A closely related aspect of P&G's winning formula has been its rigorous use of consumer insights to ensure continuing relevance. P&G has always been a leader in the use of formal market research to understand how consumers buy and use its products. Like other packaged goods companies, it has long had access to a wide range of quantitative consumer data, including:

- Usage-and-attitude surveys
- Continuous customer panels measuring household purchases over time
- 'Conjoint' studies of consumers' willingness to trade off different product attributes, price and brand
- Retail audits of competing brands' availability in stores
- Research on media exposure, advertising awareness and related data

All this sophistication and the emphasis on high-tech analytics and hard, quantitative evidence to support decisions can have a downside, however. Lafley believes that, in the late 1990s, P&G lost its focus on the 'consumer is the boss' concept. An over-reliance on high-tech techniques may have contributed to a stifling of innovation and prevented P&G's product teams from getting close to consumers. This is a generic issue for packaged goods manufacturers: they have some of the best marketers and data in the world but no direct contact with consumers. For them, 'customers' are retailers, with whom they have frequent direct contact at many levels.

To counter Lafley's concerns, in the last ten years, P&G has greatly increased its use of more 'high-touch' ways of developing consumer insights to supplement, not supplant, high-tech methods. As well as traditional qualitative research techniques, including consumer testing centres and home visits, P&G has started to put more emphasis on newer, more powerful qualitative methods such as online advisory panels of

consumers and metaphor elicitation in one-to-one depth interviews, instead of traditional focus groups.

Metaphor elicitation, first developed by Gerald Zaltman, derives from a theory that one's memory is mainly based on stories and that conscious thoughts often use mental images rather than words. Consumers are asked to bring pictures with them to a semi-structured depth interview. According to Carol Berning, a research fellow in P&G's Fabric & Home Care development team, "These picture techniques work really well. We start people talking about the pictures and how they reflect their thoughts and feelings about things; and, suddenly, it's three hours later and the consumer will say: 'I didn't think I had that many thoughts and feelings about laundry' or whatever category we're investigating."

P&G now invests over \$200 million per year to understand the 'whole' consumer — who he or she is, including a focus on each individual's aspirations, needs and wants. This has included the development of proprietary research methods to enable deeper understanding across 40 product categories in more than 80 countries.

In developing this holistic, high-touch approach, P&G has increasingly moved away from using external qualitative research consultants towards greater use of in-house team members. The philosophy, according to Berning (who trains P&Gers in the required skills), is: "You don't hire a moderator and watch them talk to your consumer; you talk to your consumer yourself." The advantage to this approach, she says, is important:

"No one cares about the project as much as you do or knows what you are really looking for; so, if you conduct the interview yourself, you have internalised the findings. It is not like watching a TV programme, it's like having a conversation. That's why we do a lot of our own research."

Brand support

Despite the success of Tide's product innovations in 2001–2005, household penetration continued to decline. The brand team felt that this reflected long-term changes in society: women still did the family laundry in most US homes, but their lives had changed. Most now had full- or part-time jobs. Every year saw a decrease in the



number who believed that getting the family clothes really clean was fundamental to their identity. Tide's functional superiority was becoming less emotionally relevant to most consumers. Many also felt that the Tide brand was 'arrogant' and out of touch with customers and their lives. These perceptions had been reinforced by the long-running 'Family Tide' advertising campaign, discontinued in 2000; these ads were set in the laundry room and drove home Tide's functional product performance with a hard-hitting message and tone of voice.

The challenge was to make Tide emotionally relevant to a wider consumer base, including modern women for whom laundry was just part of a busy, fragmented life — and not the most interesting part. P&G knew all about the consumer's shopping and laundry habits, but to reconnect with her, it also needed to understand the rest of her life — its pleasures and pressures, rewards and delights, fears and regrets. It needed a broader understanding of her relationship with fabrics and garments outside the laundry room.

To generate richer insights, a joint team from P&G and Tide's ad agency, Saatchi & Saatchi, was set up to conduct in-depth research. Traditionally, Tide's market research had focused only on mothers. According to one source, "The assumption was that only mothers would do the wash. Yes, they have the greatest number of loads, but they are not the only women that we are trying to connect with." This time, the subjects would include a wide range of women: working and non-working, single and married, with and without children and at varying income levels and ages.

The team also wanted to get away from Cincinnati, Ohio (where P&G is headquartered), and other big metropolitan markets. Instead, they went to Kansas City and Charlotte, Virginia, and recruited 25 women whose only common feature was that they all did their own laundry. The team spent a total of three weeks immersed in the lives of these women, in their homes or going out: with their friends or to coffee shops, manicurists, clothes stores or dinner.

Despite the diversity of these 25 women, the team found that there were many commonalities, for instance:

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- *Pressed by full calendars and little time for me*, typified by the comment: "When I have free time? I barely have time to do my laundry. But when I do, I like to go out with my friends to eat, drink and socialise."
- *Enduring challenge with determination*: "What am I most proud of? Being a mom. I'm a great mom. I had to work because my now ex-husband wouldn't do his part."
- *Feeling the need for appreciation*: "It's nice to be reminded that you are attractive."
- *Having an appreciation of the meaning of garments*: "My mom had a stroke last May. I would give her my blanket. I would wash it, make sure it was clean... perfect. I just wanted something of mine that would be close to her while I was gone. It's a blanket I use when I snuggle up to read a book."
- *Feeling the burden on women from having to do the laundry*: "I hate coming home from work, while there are dirty dishes piled up in the sink, laundry to be done."

The team concluded that Tide's advertising was missing the mark. It needed to create an emotional link that showed an understanding of real women's lives and what mattered to them. This would represent a radically new approach to advertising P&G's biggest and most iconic brand in its biggest market.

'Tide knows fabrics best'

The new campaign focused on making the brand emotionally relevant to 21st century American women. One commercial portrayed a working mother's hectic days as a mother, professional and homemaker; she was first shown in a professional setting wearing white trousers and then playing with her daughter in a children's park in the same outfit. The notion is that a working mother

doesn't go home and say, "Oh, don't hug me; I've got to change first." She throws herself on the floor in her work clothes. In another ad, a woman was shown feeding her baby and then being sensuously cuddled by her husband: a mother still wants to be seen as desirable even if she has to make compromises in her other relationships for the sake of her child.

In all the new ads, Tide's superior functional performance was included but clearly connected to the understanding of women's multiple roles. The new slogan, 'Tide knows fabrics best', said nothing about cleaning. "One of our rallying cries was to get out of the laundry basket and into her life," said Kevin Burke, P&G's Fabric Care Marketing Director.

The campaign successfully strengthened core users' relationship with the brand while also striking a chord with less-committed users. It reversed the long-term decline in Tide's household penetration, which increased from 33.6 per cent in 2005 to 37.0 per cent in 2007, while market share increased to an even more commanding 44.5 per cent by value.

Selling the new advertising

One challenge for the brand team was to sell the new strategy to P&G's top management, most of whom had worked on Tide at some point in the past. The new proposal was risky, as it required a new understanding of the target consumer.

To help P&G's top management accept the risk of this proposal, the agency used the immersive research to achieve buy-in. Eschewing PowerPoint, the agency wrote a series of monologues using only verbatim quotations from the research and hired three actors to perform them in a theatrical presentation at P&G's corporate headquarters in Cincinnati. All of P&G's top management was invited to the performance. The quotations powerfully communicated what mattered to the women the brand team had met, for example:

- "The most important thing in my life right now is raising my children. Who they become will affect our whole family — forever. I long to hear my children say that they feel good about themselves."
- "I am single and live with my epileptic dog. The last time I cried was about a month ago



when she had 13 seizures in one night. The vet suggested I have her put to sleep. But I won't."

At the end of the performance, P&G's top management simply said, "Just do it." The depth of consumer understanding communicated by the script left no reasonable room for doubt.

Even in companies without P&G's resources, mid-level managers can still use these types of ethnographic data (such as verbatim quotes in reports or video clips from customer interviews) to communicate new insights and unwelcome messages to their bosses. Of course, they will usually also need hard data to support their case, but it is often the ethnographic part that really makes the point. This approach can be especially powerful in a business-to-business context: if a successful partner in a professional service firm sees a video of a top client saying that his technical knowledge is great but he doesn't listen, he'll find it hard to deny the problem.

What Tide can teach others

The brand challenge now is to maintain Tide's momentum in a more cost-conscious market without further increasing the complexity of the product line. That will likely involve some consolidation of sub-brands and variants, while continuing to introduce new and better products under the umbrella brand. In recent years, it has also included strong value messages that explain why Tide is worth the price premium it commands.

For most companies and brands, these would be nice problems to have. So what can your company learn from Tide's 65-year success?

First, you need to develop and communicate (internally as well as externally) a clear, customer-relevant brand promise.

Second, build trust by relentlessly delivering on that promise. Especially in service businesses, that's extremely difficult — and can therefore be a significant source of competitive advantage. American Express could not maintain its premium positioning without outstanding customer service, EasyJet's relatively high customer satisfaction is based on punctuality and safety as well as low prices. Even P&G, mainly a product manufacturer to consumers, is also a service business to its trade customers and works

hard to build and maintain their trust. Although every valuable brand is unique, one thing they all have in common (in addition to awareness within, and relevance to, the target market) is trust. You can't buy trust; you have to earn it by consistently delivering the brand promise.

Third, long-term success also requires relentless incremental innovation, continuously evolving and improving the brand promise while still reliably delivering it.

Finally, in order to ensure that the initial and evolving brand promise is always relevant (and that management knows about any failure to deliver it), you need a wide range of sources of customer insights, and you need to ensure that these reach those at the top and are acted on. Sources of actionable insight include the full range of qualitative and quantitative market research — increasingly using online panels, surveys and analyses of social media conversations — but also heeding customer complaints, comments from the front line and other important input.

Everyone loves a breakthrough innovation, and that's what Tide was in 1946. But the real lessons for most companies are about how P&G has turned that initial advantage into such a huge, relentless success over six and a half decades. ■

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