

# A critical analysis of pandg's chinese competitiveness essay sample

[Countries](#), [China](#)



## Summary

This article analyses P&G, one of the largest fast moving consumer goods provider in China. The article firstly offers the achievements of the company as well as the brief history. There are also tough times for P&G in the development history and the strategies adopted by the company help P&G to get through these difficulties and give birth to today's distinguished international company. The success of P&G's international business cannot be isolated from the success of Chinese marketing.

Therefore, the article makes analysis on P&G's competitive operations in Chinese marketing with its success factors. Also, the complete positions of P&G, the CSR, corporate social responsibility of P&G is to investigate the situation of P&G with the usage of SWOT, Porter's five forces model and strategic group analysis. As one of the international corporation, the cross-cultural management is another perspective to be studied with the usage of Hofstede frame. Finally, the article summarizes the achievements of P&G and its experience in the enlargement of business.

1. 0 Introduction

P&G is the short term for Procter & Gamble, one of the most distinguished international daily consumer goods companies. Since the establishment in 1937, P&G has experienced rapid development in both the hometown, USA and the abroad marketing. Right now, P&G has established its branches in more than 80 countries and regions with 127, 000 employees. It has more than 300 different brands covering the fields such as beauty & grooming, household care and so on. It is stated that in 2011 P&G has achieved the net sales of \$82. 6 billion and net earnings of \$11. 797 billion. For the different

segments of the total net sales, the beauty takes on 24%; grooming is about 9%, health care is 14%; snacks and pet care is 4%, fabric care & home care is 30% and the baby care & family care takes on 19%.

Though the net sales has increased in 2011, the operating cash flows and the diluted net earnings, both decrease. For the operating cash flow, it is \$13. 2 billion; while in 2010 the operating cash flow is \$16. 1 billion. For the diluted net earnings, it is \$3. 93 per common share; while in 2010, it is \$4. 11 per common share(P&G Annual Report, 2011, 15). The looking back of P&G's development history shows that the company has encountered many challenges during its grown-up procedures. The year of 1837, the founding year of P&G, was not considered to be a good year for launching business. It is the year that American was hovered by the panic of economical slowdown and the breakdown of banks.

Though Cincinnati, the birth place of P&G', was still the business centre, the economical condition was in the same shoes with the national economical condition, the economical crisis. However, Procter and Gamble insisted to open their own business to compete with the other candle and soup production companies. The history shows that Procter and Gamble succeeded even in this tough period. Another time that P&G has encountered challenges from 1919 to 1920. During this period of time, due to the seasonal purchasing of the wholesalers, P&G had to reduce the quantity of the employees to copy with the unstable of demanding and the decreasing in the sales. The prompt strategies adopted by the management levels helped the company to get through the difficulty.

One of the most recently crises of P&G was in 2000. The crisis forced the CEO of that time, Durk Jager to resign. With the implement of new business strategies, the P&G has finally come back to the right track of development. Therefore, the analysis of the success of P&G in the tough time is rather useful. In 1987, P&G came to China and launched its first branch and the first China research centre in Guangzhou.

The first China research centre attracted elites from Japan, Philippine, India, and American and so on. In 1998, P&G opened its second China research centre in Beijing to offer the technical support for China, Asia and other parts of the world. Right now, P&G has successfully introduced more than 70 brands into the Chinese market. No doubt P&G has made great achievements in China during three decades.

As one of the international corporations, how P&G could develop at such rapid speed and make such a great amount of accomplishments in the comparative short time is rather worth for investigation. This essay makes the insight analysis on the competitive positions of P&G in China with the support of relative theories and frameworks. The competitiveness of P&G, the challenges and chances for P&G's development in China as well as the efficiency cross-culture managements are the main parts of this essay.

## 2. 0 P&G's Competitive Operation in China

Fast moving consumer goods are the main and central products that P&G offers to the world. Fast moving consumer goods are used to distinguish the durable goods, and they are “ purchased for personal reasons and generally

involve relatively low financial outlays” (Perry 2008, 80) The consumers habitually buy the fast moving consumer goods and the life cycle of the products is rather short. It is reported that there are mainly five stages for consumers to take decisions on the purchasing of fast moving consumer goods. The first one is the process of figuring out the problem so that they would understand what they would be to solve these problems. This process needs the product suppliers to offer service and information to the consumers to convince them that the products are the solutions. The second process is the period that consumers are searching for the answers.

In this period, consumers would go back to the experience and information shared or offered by other people to consider which products are the keys to the problems. The third process is the evaluation for the alternative products which means that the basis for consumers to choose one products instead of another. The fourth process is the decision-making process, and the last one is the evaluation of the products after usage.

There are also several factors impacting the choice of the goods, such as personal, psychological, social and cultural factors(Lancaster and Withey 2005). The success of P&G's in Chinese fast moving consumer goods markets is contributed to its understandings on the essence of the marketing, consumers as well as products. By the year 2005, P&G has introduced around 9 categories products with more than 20 subcategories products shown in Table 1. Among the products, Pringles is the product not made in China. Table 1: P&G's Product Categories in China (1987-2005) | | | | | |

Categories| Products|

Hair products| Rejoice, Head & Shoulders, Pantene, Vs, Clairol, Wella|

Personal cleaning | Safeguard soaps and shower gels, Olay soaps and shower gels, ZEXT shower gels, Camay shower gels| Cosmetics | Olay, SK-II|

Women products| Whisper|

Oral care products| Crest toothpaste and toothbrush, Oral-B| Household products| Ariel, Tide, Lenor, Duraceli|

Baby products| Pampers|

Food and drink | Pringles|

Tissues | Tempo|

The first key point of P&G's success is P&G's multi-categories products. The figuring out the problems of the consumers, also the primary perspective of the fast moving consumer goods characteristics, depends on the self-discovery and the pointing out by others. The problems may cover different aspects even in one simple daily aspect. Taking hair care, for example, for both men and women, the problems of consumers may cover dandruff, itchy scalp, hair loses and so forth. For women, there are unique needs such as detangling conditioner, repairing hair conditioner, split end users et cetera.

For men, there are special shampoos catering for the needs of male consumers. All these products imply that consumers have different problems with hair, and they need P&G's products to take care of the hair. When consumers are in the trouble of pointing out the problems, these products function as the underlying answer for consumer's troubles. The multi-

categories of products of P&G cover many aspects of needs that people would meet in daily life. Therefore, when the consumers have problems, and they would like to choose a certain product of P&G at random without consciousness.

The second key point for the success of P&G is its multi-brand products of one category. This is helpful when the consumers encounter the second characteristics of the fast moving consumer goods characteristics, the searching for the answers. This is because that when the consumers, under the influence of the advertisements and other factors, have a general idea about the problems, they would initially go to the general product's levels for the fuzzy brands of solutions. The sub-categorization of the products with different brands of one category offers clearer solutions to the problems that consumers have.

Taking shampoo, for example, when a female has a perm, and she figures out that her hair condition is getting worse, she would like to seek for one product that would offer nutrition specialized for the hair after perm. P&G has different shampoo brands for different needs, such as Pantene for offering general hair care, Head & Shoulders for dandruff and so on.

Therefore, the choice of products with different brand names assures the consumers that the products with different brands have different functions and would solve the problems. P&G has six brands for shampoos and the numbers of the products of each brand shampoo are in Table 2. Table 2: P&G's Shampoo Product Numbers in China (1987-2005) | | | |

Brands| Number of products|

Rejoice| 28|

Head & Shoulders| 25|

Pantene| 44|

Vs| 32|

Clairol| 32|

Wella| 8|

Besides, the multi-branding strategy is useful in nurturing the loyal consumers to the sub-categorized products brands instead of the general parent brand (Capon and Hulbert 2007, 306). This means that consumers may choose the brands that belong to P&G without even knowing that, and the preference of one brand is lending a hand on fostering good portfolio of the parent brand and the parent Corporation. It is also one of the good measures to encounter the hot competitions from other corporations. The multi-brand with different emphasized functions sub-categorizes the marketing and the potential needs of the consumers.

This helps the corporations to fulfil the moles of the market and leave little chance for the competitions to snatch the market. This confirms the P&G's brand strategies that if there is a chance for the existence of another brand in one filed, that brand should belong to P&G. This strategy assures that P&G has more market allocation (Decker 1998). The third factor that is helpful for P&G's success is its influential advertisements. This caters for the third and the fifth characteristics of the fast moving consumer goods characteristics, the evaluation of products before and after the purchase. When the



consumers come to the evaluation stage of the products before them purchasing the products, the advertisements and the advices from other people, such as friends, shopping assistants and so on are rather valuable and influential in consumers to choose the brands.

Acquiring the information from the external part is hard to be clear. The more hopes on the products, the more chance to be disappointed. This means that the contents of the advertisements should exaggerate appropriately. Too much blowing up on the functions of the products leads to the high expectations of the consumers and enlarges the gaps between the evaluation of products before buying the products and after usages. The contents of P&G products are not too exaggerated. For example, the contents of Head & Shoulders advertisements in China are usually emphasized the function of dandruff are usually with the film stars apprising the clear scalp after the usage of the shampoo or the comparisons of effects on the scalp condition between the period before the usage and after the usage.

Seeing the specialization functions, it would be of great possibility that consumers would choose this brand if he has the problem of dandruff. The evaluation of the products after usage is under great influence of psychological factors, which include factors such as learning, values, beliefs, and attitudes (Lamb et al. 2012). The contents of advertisements have positive influence on the consumers' psychological impressions before the usage. The believing and trust on the stars and scholars initially leave the good and scientific impression towards the products.

And this further enhances the impression after usages only if there are any improvements. If the improvements are hard to measure, the pre-impression will imply the good effective at the products towards the brands. Innovation is also important for the success. It is a tradition that P&G has spent a great amount of money on the research of the improvements of the products as well as the new advanced products. In China, there are two research centres located in Guangzhou and Beijing respectively.

What's more, P&G has established cooperative relationship with Chinese universities for the backing up of the researches of the new products. Every year, P&G employs many graduates from distinguished universities and offers good salaries, benefits, career path and so on to grab good students to join the corporation. The good human resource management and enjoyable working conditions assure that the research and development department to be the booster of the swift development of P&G in China.

### 3. 0 P&G's Competitive Position in Markets

#### 3. 1 Using Porter's five forces model

Porter's five forces model is proposed in 1979 in the Harvard Business Review and it is put forwarded from the perspective of the existing organization for its strategic business. The strategy makes researches from the following five forces: “ (1) the threat of new entrants; (2) bargaining power of buyers; (3) bargaining power of suppliers; (4) threat of substitute products or services; and (5) intensity of rivalry among firms in an industry” (Henry 2008, 70). For the first force, the threat of new entrants, in China, the

two heads of the fast moving consumer goods suppliers, P&G and Unilever have already taken the great proportion of Chinese marketing. Due to the multi-category strategy proposed and implemented by the P&G, P&G has offered various products closely related to daily lives.

With the good portfolio of the company and the positive influences in China, P&G has already earned the Chinese consumers' trusts. This trust is helpful in cultivating the loyal consumers to the products of P&G. Therefore, it is hard for the new entrants to grab the market because that the building of the brands and portfolio is time-consuming and costs lots. Also, it is hard to pinpoint the appropriate chances when P&G is in scandal without appropriate and on time crisis management. For the second point, the bargaining of the consumers include the consumers power for lowering prices, requiring more and better services and so on(Henry 2008).

As Chinese market is not fully transparent and it is hard for consumers to get the total information on the products, consumers are in the backward position in purchasing products and it is hard for them to bargain the prices with the suppliers. Also, as a great amount of market is under the control of P&G, it is also hard for consumers to find out substitute to replace the habitually used products offered by P&G. It is risk for consumers to seek similar products' effects by pursuing the other product. Therefore, the bargain power of consumers is rather low.

The third force, the bargaining power of the supplier is rather low as P&G has its own research and development centres to support the innovation of the

existing products. Also, as one of the international corporation, it is easy for P&G to use the raw material with lower price from the less developed and poor countries whose economy relies heavily on the export of simple raw material. Therefore, the bargaining power for knocking off the prices of the suppliers is not so strong when facing such big international corporation, especially the one who has the organized purchasing and researching teams.

On the substitutes of the products aspect, due to the multi-brand strategies proposed by P&G, even the choosing of the products of another brands, it is of great possibility that the products is produced by P&G. The multi-brand strategy is useful when preventing the consumers to choose the products of other companies as the long time usage of the products has left positive impression on the company.

When one product does not work well, the consumers would like to choose another brand which is more specialized for the problems. Even facing the similar products of Unilever, the consumers would not like to try because the long confidence on the similar products of P&G. The loyalty to the brand and further to the suppliers would block consumers to choose substitutes of other corporations.

For the threat of the rivalry, P&G has practiced the strategy of multi-brand and multi-category which has set up barriers for the new corporations to enter into the markets as it is of great possibility that the products of P&G cover most fields of daily lives. The strong price advantages and the brand promotion prevent consumers to buy the products of the rivalry company.

### 3. 2 SWOT analysis

SOWT analysis is useful for the analysis of the strength, the weakness, the opportunities, and the threats of the corporation. As the model has overlapping parts with Porter's five forces model, the overlapping parts are not discussed in this part. P&G has its strength in its great financial and human resources for the innovation of new technologies and business strategies as the benefits and the salaries are attractive for the recruitment of elites to join the company. With the rising of living conditions, more and more people pay attention to the quality of the daily products and this means that the demanding for the products is increasing.

Therefore, it is a good chance for P&G to enlarge the sales volume. However, P&G also has its own disadvantages. One weakness is that by offering such broad categories, when one brand are in trouble, consumers' confidence and trust on the whole P&G's products would be decreased. Also, the political protection of the local corporation is one threat for the competition against the rivalry companies. Many local corporations offer products with lower price. As a result, people with limited budgets would choose local products instead of P&G's products.

### 3. 3 Strategic group Analysis

Strategic group analysis is useful for the management levels of the corporations to “ identify and chart the business models and business-level strategies their industry rivals are pursuing” (Hill and Jones 2010, 137). The understanding of the strategic group of P&G, it is rational for P&G to “ better

find close and distance competitors and analyze likely competitive implications of strategy changes”(Royer 2005, 91). Right now, the obvious biggest competitor for P&G is Unilever. There are also other competitors without too much attention. Therefore, the strategic analysis helps P&G to have clear points on the differences between Unilever.

Also, for the local corporations, some of which are with the government support, are easily to be figured out by the analysis. For example, the Chinese brand of Bee & Flower is one famous Chinese shampoo and hair-conditioner. With its low price and good reputation among Chinese people, especially the aged ones, Bee & Flower has become one of the potential competitors for P&G. Therefore, the strategic analysis of P&G is rather useful in finding out the weakness of Bee & Flower to beat over the competitors.

#### 4. 0 Cross-Cultural Management

##### 4. 1 Hofstede framework

Hofstede framework emphasizes the cultural factors of the corporations. As one of the international corporation, it is common for P&G to face the problems of cross-cultural issues, such as the international working environment, the integrity and diversity of corporation cultures and so on. There are several dimensions in Hofstede framework: “ individualism versus collectivism; power distance; uncertainty avoidance; masculinity versus femininity; and long-term organization”(Robbins 2009, 105). Individualism and collectivism are rather important for the unity and the harmony of the employees of the international corporations. Based on Hofstede (2001),

international corporations are consisted of employees from different countries and regions and with different believing in individualism and collectivism.

Chinese people have been required to be respect for the collectivism since the childhood. There are always sayings like more people mean more strength; two heads are better than one and so on. Therefore, it is rather natural for the Chinese employees to work as part of the teams focusing on his specialization. While the western employees, epically the American employees, are favour of individualism. This is shown in Western movies, such as the sayings of “ With great power comes great responsibility” in Spider-man. As a result, there would be conflicts between people who respect individualism and those who favour collectivism.

It is natural for the employees who are following collectivism believing to think the employees with highly individual characteristics to be central-minded and the employees with individual believing to think employees with collectivism beliefs to be out of inspiration. This problem may be more obvious when there are different beliefs between manger levels and the employee levels. Therefore, it is necessary for P&G's manager levels to handle carefully the differences believing between employees and their bosses.

The second factor of the Hofstede framework is power distance. It is one question relates to the problem of inequality. Many Asian countries are favour of levels and they emphasize the power and the authorization of the

upper levels; while many western countries are favour of equality and respect the domestic ideas. This also coincides with the first factor of individualism and collectivism. For the employees who have strong sense of hierarchy idea, they would like to be more collective and to depend on others; while the employees who have strong sense of domestic idea, they would be more individualism and highlight personal functions.

The continuous success in the marketing with different power distance shows that P&G has accumulated much experience in the handling of international people. For the uncertainty avoidance aspect, it is one issue relates to innovation. Singh (2009)points out that the people who have positive attitudes towards uncertainty would also hold positive attitudes towards diversity and be more tolerance; while the society that tries best to avoid uncertainty has strong sense in the only truth and the people would be more negative in facing the destiny. They always have a strong sense of anxiety.

China is one country with strong sense of anxiety and they are afraid of changing and uncertainty. Therefore, for the manger levels in China, they would try to eliminate the worries of employees so that they would be more tolerant to the different opinions and be more considerate to other people. China is one country has strong sense of masculinity and the femininity, which would be different from other countries. The female employees always do not get enough attention and the chances of promotion from top levels which crack the working passions for the corporations. Sometimes they have to go back to family lives due to limited chances to get promotion.



The female employees are also be given unequal status when getting recruited. However, the success of promotion of the female products shown that P&G has given enough attention to the female employees and this would help to establish the harmonious working atmosphere between male and female employees. For the last factor, the long-term organization, P&G is rather good at this point in offering employees chances to get training and to access the advanced information.

This means that in the arrangement of the career paths, P&G has made strategies that follow closely to Chinese philosophy. The Chinese employees prefer the stable and they do not like to change jobs frequently if they understand clearly about their career path. The western employees are more likely to prefer the short-term profits and they stress the experience in many fields. Therefore, when coming to the conflicts between Chinese and western employees, P&G has to adopt the balanced methods to shorten the differences between employees with different cultural backgrounds.

#### 4. 2 Trompenaars' cultural dimensions

Fons Trompenaars and Hampden-Turner propose the Trompenaars' cultural dimensions are during the analysis of cross-cultural problems in *Riding the Waves of Culture* in 1997. Generally, there are four dimensions in the cross-cultural issues. It is studied that Hofstede framework is mainly from the psycho-emotional perspective; while Trompenaars is on the internal logic in influencing the value choices perspectives. The seven dimensions in the model are: (1) Universalism versus particularism; (2) Communitarianism

versus individualism; (3)Neutral versus emotional; (4)Defuse versus specific cultures; (5)Achievement versus ascription; (6) Human-Time relationship and (7)Human-Nature relationship (Trompenaars and Hampden-Turner 1997).

P&G has reached great achievements on several factors confirmed by the acceptance of diversity of products in various countries.

The first dimension highlights the conflicts between rules and relationships. The nation, who respecting universal cultures is a group of people in favour of rules and equality of members of the same hierarchy; a nation under the influence of particularism prefers relationships and this group of people has higher tendency in ignoring the rules (Smolarek 2005). Chinese people have strong sense of relationship and most people have paid attention to the relationship among friends, relatives and so on; while many western people do not have such strong sense of relationship as that of Chinese. Thus, conflicts between two sides do exist. P&G have employees from many parts of the world and the cultural conflicts cannot avoid.

As a result, P&G management level should pay attention to the conflicts and promote the harmony development of the corporation. Communitarianism is one believing held by many Chinese people and shared with many Asian countries. Employees with this background are easily incentive by the individual incentive such as raising the personal salary. While employees with individualism such as employees of American, the methods of raising personal salary, are not as effective as that in Chinese employees.

What's more, the setting of team goals would be more feasible for the employees of communitarianism background than that of employees of individualism. Therefore, P&G would set different incentive methods and goal setting methods to invoke the employee's working passion. Emotional is more influential in countries like China and especially for the women employees. When the employees feel that the manger levels or some behaviours of have ignored them, or the management level unconsciously hurts the benefits of the employees, they would lose hopes and confidences on the company and it is of great possibility that they would switch jobs.

While for the people to be neutral, they are not much influenced by the attitudes of the mangers and they focus on their own work and they have a pity attitudes towards those employees under the control of emotional factors. Therefore, the P&G manager level should take care of their behaviours and the actions towards those emotional employees and showing their cares towards employees. By this way, P&G would gain the loyalty of these employees. Also, the manger levels themselves should be neutral in order to keep fair among different employees.

#### 4. 3 Edward Hall' cultural dimensions

The cultural dimensions proposed by Hall are based on the way that people communicate. The dimensions show that “ members of a culture do not only share information, but also the way they codify information, store and reused knowledge”(Haghirian 2011, 27). The dimensions include the speed of messages, structure of space, structure of time and context orientation(Hall

and Hall 1990). P&G has made advantages of the different cultural dimensions in the process of expanding business. All these factors are related to the belongings of high-context cultures and low-context cultures. P&G, the international corporation, contains employees from both high-context culture and low-context cultures.

Chinese employees with high-context culture prefer the euphemistic words instead of direct expressions. This is also shown in Japanese employees. While for the employees from American, for example, they would prefer the direct expressions so that they would save time in guessing the meaning of the information. The different brand names of the same product in different countries illustrate this point.

Rejoice, the brand name of the shampoo in the English speaking countries is Rejoice directly pointing out the feelings after the usage of the shampoo; while in China, it is translated as flatter and soft which implies the effects of the shampoo. The appropriate way of communication which is useful in forging employee's loyalty of the corporation and displaying the humanitarian management of the corporation assures the success of P&G in its talents recruiting and flourishing in the market.

## 5. 0 Corporate Social Responsibility of P&G

### 5. 1 Triple bottom line of P&G's CSR

The theory of triple bottom line is coined in 1994 and includes the balances of the relationship among economic, ecological and social dimensions. The model does not highlight the maximum pursuing of the profits, rather, the

harmonious development of the three factors. P&G has spent great efforts in balancing the relationship. On the ecological aspect, P&G has been active in the environment protection projects such as the P&G Children's Safe Drinking Water which covers over more than 65 countries.

Also, P&G advocates that “ powering our plants with 100% renewable energy and using 100% renewable or recycled materials for all products and packaging” (P&G 2012) Compared with the ecological activity of P&G, the social activities are richer. With the implement of slogan of “ live, learn and thrive”, not only in the world has that P&G involved in many charity activities, such as the projects of has benefited the children of more than 65 countries, but also in China, P&G has been devoted to the project of construction of Hope Schools with the purposing of helping poor children to finish their education.

Children are the hope of the further. Also, they are the main consumer force in the further. The helping of children is the helping of the development of P&G in the further. The investment on the social responsibility activities, such as environmental protection and the helping of children forge the health and caring portfolio of the company which will also gain the trust and believing from the consumers.

## 5. 2 Carolls pyramid of P&G's CSR

Caroll's pyramid contains the “ entire range of the expectations placed on companies: including economic, legal, ethical and philanthropic responsibilities” (Griseri and Seppala 2010, 10). It is reasonable that Carroll's

pyramid primarily emphasizes the responsibility of pursuing of economic of the corporation. Though it seems that this goes opposite ways to the triple bottom line, but it is rather important for the maintaining of financial advantages of the corporation so that the financial support for the social responsibility would be assured.

It is also the guarantee for the providing of qualified products which would benefit the whole society so that the sustainable and healthy development of P&G would be assured. The ethical factor is the one that not be clearly discussed in the triple bottom line model.

The ethical factor involves the respect for the minority and the women. P&G has involved in the activities of protecting the women benefits in many countries, such as The Protecting Further projects which have focuses on the girls in many countries to ensure their rights in schools and their sanitary health. By these projects, P&G not only leaves good impressions in the further consumers but also establish the relationship with the government that would offer further benefits for P&G's business.

### 5. 3 Michael Porter Model of Value Chain Analysis

The value chain analysis is the “ business processes or sequential functions of the company's value added transformation are rowed like pearls of a necklace” (Smolarek 2005, 15) and the model is shown in Table

### 3. Table 3 Porter's Value Chain (Porter 1985, 37)

With the analysis, P&G has made great influence on the human resource management with the effective cross-cultural management strategies as well as marketing and sales. From the logistics perspective, P&G has promised that they would try their best to reduce the CO2 pollutions during the transfer. Also, for the packaging, P&G has given its words on the usage of renewable material.

Every year, P&G has introduced many advanced products with the support of competitive research and development teams. The innovation is one way to demonstrate the responsibilities that lay upon the shoulders of P&G. With the advancement of the products, other competitors have to make researches so that they would maintain their marketing status. Otherwise, they would be knocked off by the competitors. This also improves the quality of life of the society and earns the profits for P&G.

## 6. 0 Conclusion

P&G, as one of the international leading fast moving consumer goods suppliers in the world and also one of the fortune 500 companies, has made great achievements in the development of the business. China is one of the developed countries with great potential business chances in the consuming of these daily goods. P&G's success in China depends on its clear business strategies of multi-categories and multi-brands which reduce the chance for the entering of new competitors. Also, the recruitment of graduates from famous Chinese universities assures the innovation and research ability of P&G so that the products would be in the advanced place.

P&G understands that the success of the business cannot be separated from the support of the consumers and therefore, P&G has made great efforts in taking the corporate social responsibility, such as the construction of the Hope schools in China and offers the help for the children in other parts of the world. Also, it has made its words on the environment protection projects with the adoption of the renewable material and the use of environment-friendly vehicles in the logistics. This goes with the needs of the consumers and the time. Therefore, it is not surprising that P&G would make such great success not only in China but also in the world.

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