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Pampers and UNICEF Part 1: The Marketing Campaign

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Pampers and UNICEF Teaching note

Part 1: The Marketing Campaign

Purpose and Overview

The purposes of this case are several. First is to demonstrate the viability of a “doing well by doing good” approach for a major private sector brand. Second is to illustrate to business students that such initiatives do not necessarily have to be decreed in a top-down fashion, but can, and, in our experience, often do, bubble up from the middle of an organization. Lastly, we want to begin the process of educating students as to the inherent risks of working with NGOs, nonprofits, governments, and marginalized populations, with the hope that they will not enter into such partnerships naively.

Part 1 of this case addresses primarily the marketing side of the campaign and, though some of the future challenges for the Pampers/UNICEF team are seeded here, the outlook at this point is pretty rosy. Part 2 will focus more intentionally on the executional challenges that arise from the fundamental differences between the organizations involved, as well as from the unpleasant facts on the ground in the world’s poorest nations.

What Happened

Most students want to know what happened right away. In this case, the agreement was signed and the campaign was rolled out globally. The global rollout produced many executional challenges, but by the end of its first year had raised 15 million US dollars toward MNT elimination, enough to purchase 200 million vaccines. Pampers’ brand image measures increased in ways that were clearly attributable to the campaign. Research done by UNICEF during 2008 continued to show a good match between the two partners on key items such as “acts in favor of children.”¹

In 2008, the advertising was refreshed with a touching execution that built on what many on both sides of the team felt was the key emotional underpinning: the felt connection between mothers everywhere.

The impact of the promise continued to grow in those European countries where the promotion had already run during 2005-2007. For instance, in the United Kingdom, the campaign had raised \$287,000 for UNICEF in its first year and had nearly doubled that vaccine donation in 2007. In 2008, the UK donation to UNICEF was \$1.25 million. In the next year, 2009, the donation doubled again. For Pampers, the campaign also continued to show remarkable staying power. Rather than losing impetus after public exposure, the effort seemed to grow in impact, even after several years. For instance, 2008 volume share of Pampers in a sample of key countries involved in the Western Europe rollout indexed at 103 over 2007 and then grew again in 2009, indexing 109 over the same baseline.

¹ Source: GfK Group survey: 1,523 online interviews (Spain: 510 respondents, United Kingdom: 503 respondents, United States: 510 respondents) conducted among a nationally representative sample between February 11-19, 2008.

After four years, both image perception and purchase intent for Pampers in Western Europe continued to be much higher among UNICEF campaign-aware consumers.

Figure 1: UNICEF Campaign: Aware Versus Unaware (Index)

	UK	Germany	France
Overall Image Perception	133	114	111
Purchase Intent	112	129	117

Source: TNS 2009

In France, where consumers reported to IPSOS researchers that social issues influence their purchases at somewhat higher levels than elsewhere in Western Europe, the overall image perception of Pampers has shown striking and sustained improvement.

Figure 2: Overall Image Perception Evolution (Index versus pre-UNICEF)

	2006	2007	2008	2009	2010
France	100	114	131	141	134

Source: TNS 2009

Throughout Western Europe, the value perception for Pampers—a consumer estimate of the balance between benefits and costs—has steadily improved. This is a particularly important achievement in a category where so much purchasing is based on price.

Media coverage has been rather spectacular, especially in the US. The campaign was covered by Oprah Winfrey’s television show, possibly the biggest publicity plum there is in America. The Pampers/UNICEF team was honored by the Clinton Global Initiative, an important recognition in a world where corporate involvement in development work is sometimes viewed with suspicion. During the first year of the global campaign, Pampers/UNICEF won a “Corporate Halo” from the TrendSight Group, which monitors campaigns thought to resonate with American women. In an online survey TrendSight conducted, consumers wrote that the campaign “recognizes our bond with babies as universal and can cut across cultures and consumerism” and “appeals to our need to band together as women for the greater good of our families and the world.”² However, the promotion did not do as well in North America as it did in the rest of the world, and was not continued after 2008.

In Russia and some other places, there were fears about consumer resistance to UNICEF, where the organization is not seen as positively as in the West. Consumers in Russia, as well as Eastern Europe, often resist charitable efforts aimed at other countries, believing that work at home is needed first. But, as it turned out, the campaign played well in these markets, too.

In several places, the campaign did, of course, have to be adapted culturally, such as being fitted to Ramadan instead of the Christmas season. In a few cases, the donation did not focus on MNT, but instead on Vitamin A. All this special tailoring of the campaign, while it challenged

² Source: ‘2008: Year of the Woman; Marketing-to-Women Experts Names Best Campaigns of 2008’, *Business Wire*, December 2, 2008.

the team and created mountains of work, was met and accommodated by passionately committed employee teams.

Indeed, on the employee side, the results were perhaps just as important. The Pampers/UNICEF campaign has made Pampers one of the favorite assignments within P&G. That business unit now posts among the firm's highest rates of employee satisfaction. Across P&G around the world, other employees have tried to add to the impact of the campaign, either through their own or their brand's activities. Indeed, employee enthusiasm is one of the reasons why the campaign has multibrand support.

An employee engagement program has also been designed to benefit UNICEF. P&G employees from several country offices can apply for a stint training UNICEF in marketing communications or other expertise. UNICEF itself reviews and selects the applicants, based on their own perceived needs.

Brand Building Issues

Students with little marketing background may be confused or concerned by the way the key players emphasize an intangible brand essence—"healthy, happy babies" over "dry bottoms." Traditionally, brands have focused on product attributes and any shift to intangible benefits or emotional outcomes—certainly if not related to actually using the product—was thought irrelevant and soft-headed. But in the past 15-20 years, it has become common wisdom among branding experts, as well as common practice among large marketing companies, to define brands in a much broader way. In this newer approach, higher-level brand content, in the form of values or intangibles, are an increasingly important part of brand management and there is relatively less focus on product attribute messages. To some degree, this has occurred because of the accelerated pace of technological change, which makes product attributes more dynamic, while also making it easier for competitors to copy innovations. Thus, the point of differentiation is increasingly likely to be the meaning of the brand, rather than a specific formula or feature. This change in the way of looking at brands is also the outcome of another, related trend, which is to extend brands repeatedly, sometimes into very different categories. Brand extensions, especially very discontinuous ones, necessarily cause the brand itself to be redefined in terms that are not product-bound.

Students should be reassured, therefore, that the way the Pampers team is defining the brand is consistent with contemporary best practices, as well as in keeping with the preferred approach today at Procter & Gamble. Indeed, it is our opinion that the campaign strategy and execution were technically exemplary. It may be instructive to walk the students through the progression from (1) Andy Daly's decision to try Saatchi's spot to (2) a limited test market to (3) a national test market to (4) consumer testing in select markets to (5) a regional rollout. This is a "textbook" example of how to test your way into a successful campaign, regardless of content. In general, however, we feel students should be steered away from picking over the execution of the campaign and focus instead on the challenges presented by the global rollout.

Doing Well by Doing Good

The steps taken by diverse members of Procter & Gamble's middle management to commit to a human welfare goal such as raising awareness of MNT may also cause concern. Some

students may feel that the team has “hijacked” the company, which they will presume to be exclusively (and more correctly) focused on profit. Indeed, we would expect this argument to command most of the attention in class discussion.

However, it may be helpful to point out that the corporate mission of Procter & Gamble is defined in human welfare terms (“Live, Learn, and Thrive”) and that employees are encouraged to think of their jobs as contributing to better quality of life, even for the very poor. Other programs within P&G, such as the PuR water program, are also focused on human health and wellbeing—the Pampers campaign is not alone in this regard. The fact that the internal buzz about the campaign is so positive is also testimony to the supportive environment of the P&G corporate culture. It may be important also to point out that all the key players in the original campaign are still with the company and, in fact, have advanced in their careers.

This Pampers campaign is, though, distinctive in that it has been able to very closely align its social goals with the brand identity, including even the selection of the vaccine itself, and to harness these twin concepts in a way that builds the business better than was previously possible. So, no business sacrifice was required.

Evaluating the Donation

While most students will likely focus on the business sense of the case, others may take a different view and look skeptically at the contribution being made by Pampers, as have the critics of other, similar campaigns, such as the Product (Red) promotion. Some students may feel that 7 US cents is a very small amount to be contributing to the vaccination cause. Others, repeating a refrain one can see often on the web, will feel that “people should just send in a donation” directly to UNICEF, rather than purchase diapers. We think that discussion about the nature and reasons for the contribution would be in order, especially since some of these questions will surface more clearly in Part 2.

Some points that may be helpful to introduce into discussion include:

The donations made through the Pampers campaign are a new source of funding. Individual donations to charitable causes have been flat overall for years, except in the case of relief for natural disasters. The fact that Pampers can stimulate new donations, whether through purchase or direct mail, is an important innovation here. One cannot assume that the donations would have gone to UNICEF without the campaign.

The hurdles for campaign performance have to be met for P&G to maintain its responsibility to shareholders.³ The incremental purchases accruing from the promotion cover the additional cost of the donation. So, it is really Pampers consumers who are giving the money, even though there is not a surcharge attached to the package. This is the reason that the promise to donate one vaccine for every pack purchased must be so carefully followed. It is also why teachers should emphasize the difference between this campaign and a corporate social responsibility program.

³ It may also be helpful to point out the Procter & Gamble’s shares are widely held, that ordinary people looking to send their children to college or protect themselves for retirement would be at risk if P&G did not take this responsibility seriously.

Though the money going to UNICEF is actually donated by consumers, the conduit for the donation has been made possible by Pampers. This is, in itself, a significant contribution. Were it not for the trust built up for the Pampers franchise and the enormous logistical machine that supports the diapers—which has now been put to work servicing this donation—the contributions would not occur at all. P&G (and UNICEF) employees, it should be noted, have to do extra work to make the partnership happen. There is an implicit cost there, as well.

The donation given to UNICEF at the end of each campaign is 7 US cents as levied on every marked package sold during the three months during which the campaign runs. So, while P&G gets the benefit of the incremental sales due to the promotion, UNICEF gets the benefit of every sale, including those that would have been made anyway. In other words, UNICEF is able to benefit from the brand's base, not just from the new donors brought in for the season. Pampers' base of consumers and its extensive network of retailers have been built over a fifty-year period at some considerable expense. This, too, constitutes a contribution on Procter & Gamble's part.

Finally, cause-related marketing is often criticized for the connection between a donation and a commercial effort, which many feel is an inappropriate mix. Yet other aid money often comes with religious strings attached or with conditions set by a more powerful nation. In this case, the funds are drawn from all around the world, not just from one country and not just from one religion, and through a secular source that transcends national boundaries. This, too, is part of the innovation being evaluated.

The Challenges of Eliminating MNT

As Part 2 will show, however, the road ahead is not smooth. Students should be encouraged, through the suggested questions, to think about what things may go wrong in the future. UNICEF's fluid funding base, entirely dependent upon donations and the vagaries of international policy, and the requirement that they do their vaccination work through governments that may not be dedicated to the cause (or even particularly well-equipped to execute such programs), can already be seen emerging as potential risks at this point. Students should ask themselves how accountable P&G will be for reaching the announced goal of eliminating MNT, as compared to the accountability of UNICEF (or the governments they work through) for the same goal.

It is particularly important to focus student attention on the list of countries where MNT is still a problem. Though several of these nations, such as China and India, have been on a steep upward climb to economic health, the bulk of the names on the list belong to countries at the very bottom of the global economy. Many have been the sites of severe conflict in recent years and several have oppressive or irresponsible leadership. Students should be encouraged to think about the infrastructure lacking in such places and how insufficient roads or health personnel might affect delivery of the vaccine. They should also be asked to reflect on the challenge inherent in UNICEF's role: to work for the good of children in some of the most unstable and brutal places on earth. We have seen that many corporate executives expect international aid organizations to function, report, and deliver in as smooth and timely a fashion as their suppliers and distributors do—and, indeed, to set aside their humanitarian mandates in favor of complying with corporate directives. Students should be pushed to consider whether

this is a reasonable expectation—and to think about whether it is even appropriate for business plans to sidetrack ongoing aid efforts.

In particular, students should be stimulated to look hard at the costs involved in actually delivering the vaccine and speculate on who will pay and how vulnerable those sources may be. They should also examine closely the numbers associated with the disease (cases per year, vaccines needed). Thoughtful discussion of these issues will set the stage for the second half of the case.