P&G Believes Our Relationship With Hygiene and Cleanliness Has Changed for Good

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Key insights:

- P&G doesn’t expect demand for cleaning products to drop anytime soon.
- Consumers intend to focus more on cleanliness even after the coronavirus pandemic passes.

The coronavirus outbreak won’t be around for the long term, but executives at Procter & Gamble think new attitudes about keeping households and the items within them clean will.

Today, the Cincinnati-based CPG manufacturer reported its highest U.S. sales growth in decades, seeing a 10% boost in the past quarter as shoppers stockpiled on consumer staples, such as toilet paper, laundry detergent and hand soap.

During a call with analysts, Jon Moeller, P&G’s COO and CFO, said that while the current crisis has increased demand for the company’s products, he didn’t anticipate it to wane anytime soon.

“We will serve what will likely become a forever-altered health, hygiene and cleaning focus for consumers who use our products daily or multiple times each day,” he said, according to a transcript provided by S&P Global Market Intelligence. “There may be an increased focus on home, more time at home, more meals at home.”

Based on panel data and information from smart devices, Moeller also stated that U.S. consumers are doing more loads of laundry per week, and washing more garments after a single use.

Similar trends are occurring with dishwashers, generating more sales of dish soap.

“Dish care consumption has increased as families eat more meals at home and are more concerned about the hygiene of their dishes, glasses and silverware,” he said.

Moeller added that more home-cooked meals meant surfaces required more wiping, leading to increased sales of Bounty, Swiffer and Mr. Clean.

“We believe the situation with COVID-19 will create a secular shift in demand for health and hygiene products, at least for a number of years,” said Kaumil Gajrawala, an analyst at Credit Suisse. “Consumers are likely to be more focused on hygiene in all aspects of their life, and many products from companies like P&G, Clorox and Colgate should grow at a faster rate than prior to the [pandemic].”

A focus on cleanliness in its advertising is nothing new across P&G’s portfolio. During the Super Bowl, P&G ran a multi-brand interactive ad in which house party guests cleaned up a big mess caused by a bowl of chili hitting the ceiling fan. The brands featured included Charmin, Bounty and Febreze.

According to recent research from consulting firm Capgemini, 77% of consumers around the globe say they will be more cautious about issues of cleanliness, health and safety once the coronavirus pandemic passes.

As one of the world’s top advertisers, P&G also reported increased marketing spend across multiple segments, including Feminine Care, Personal Health Care and Skin and Personal

Care.

The company has still been advertising throughout the pandemic. Recently, P&G teamed up with 15-year-old TikTok star Charli D’Amelio to promote social distancing in a campaign called #DistanceDance that has inspired thousands of recreation videos.

P&G reported that global net sales rose to $17.2 billion for the quarter, a 5% increase compared to the same time last year.

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