P&G cuts costs, expands overseas

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CINCINNATI, Ohio & BOCA RATON, Fla., USA: Owing to slowing revenue growth, consumables manufacturer Procter & Gamble has to cut US$10 billion in costs by the end of the fiscal year 2016. The restructuring plans made public at the Consumer Analyst Group of New York conference in February involve shedding thousands of jobs in the nonmanufacturing workforce, as well as lower spending in areas like marketing or materials.

Despite the plans, hiring new staff in emerging markets like China will continue, the company behind the Crest toothpaste brand said.

P&G intends to expand its global toothpaste business significantly in the future by targeting emerging markets, particularly in Latin America. CEO Robert McDonald said that he expects Crest sales in markets like Brazil to grow to double digits this year.

The Cincinnati company recently introduced its new Crest Pro-Health Clinical oral health product line to selected markets, which it claims helps to reduce plaque significantly. New additions to the Crest 3D White collection of award-winning products, Crest3D White Glamorous White Toothpaste and Crest 3D White Intensive Professional Effects Whitestrips, were also launched during New York Fashion Week last month.

P&G has been manufacturing Crest-branded toothpaste since 1955. While it is available in many countries worldwide, most recently in Belgium and the Netherlands, it still lags behind other market players like Colgate and Unilever in terms of market penetration.

The company gained more than US$11.5 billion from its healthcare businesses last year, which included oral health products and feminine wipes under the Always brand.

In total, P&G reported US$82 billion in net sales last year, a 4.1 per cent increase from 2010. Gross margins in the same period decreased by almost 2 per cent, which the company said was due to lower customer spending and increasing costs for commodities.

UK media company buys China dental show

LONDON, UK/SHANGHAI, China: One of China’s premier dental shows has been acquired by B2B communications provider UBM in London. Along with DenTech in Shanghai, the UK-based company also announced to have purchased equity stakes worth US$50 million in three other premium trade shows in Asia and Europe focusing on furniture, renewable energies and airport development.

UBM’s Asia division in Hong Kong currently organises more than 150 events throughout the continent with focus on China and India. Once the acquisition of DenTech has been finalised next month, it will own 70 per cent of the newly formed joint venture company called Shanghai UBM ShowStar Exhibition. The remaining 30 per cent will be held by ShowStar, the company that owned DenTech previously.

Inaugurated in 1994, the show has become one of the largest exhibitions for dental materials and equipment in China. It rivals with Sino-Dental in Beijing and other exhibitions in Guangzhou, Xi’an and Nanjing in the booming Chinese dental market.

In 2011, ShowStar reported revenues of US$5.6 million and the attendance of 14,000 visitors. Both parties said that the joint venture is intended to strengthen DenTech’s position as an international trade show globally.

According to ShowStar figures, 10 per cent of the participants in last year’s show came from abroad.