

# Old Spice®



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**THE MYTH**  
*Old Spice*

## ***Product Recall Case***

***The ANT Consulting Group (ACG)***

# Executive Summary

## Situation

Addressing the potential presence of benzene in Old Spice products

## Problem

Reputation Among Consumers

Reputation Among Retailers

Financial Cost

## Three Phase Recommendations

### Decision Phase

Developing initiatives to ensure prevention and prepared for a recall

### Execution Phase

Demonstrating “commitment to safety” through communication & action (organizational change)

### Post-Crisis

Diversifying product outline and refreshing brand image

## Outcome

Minimizing crisis impact while leveraging growth opportunities for Old Spice

# Analysis



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# Key Problems

|   |                                   |   |
|---|-----------------------------------|---|
| 1 | <b>Reputation Among Consumers</b> | <ul style="list-style-type: none"><li>- Negligence in manufacturing process</li><li>- Non-superior experience</li><li>- Worsen brand image</li></ul>                |
| 2 | <b>Reputation Among Retailers</b> | <ul style="list-style-type: none"><li>- Affect shopping experience</li><li>- Harm supply chain partnership</li><li>- Allocate shelf spaces to competitors</li></ul> |
| 3 | <b>Financial Cost</b>             | <ul style="list-style-type: none"><li>- Supporting service cost, compensation for retailers, logistics cost</li></ul>   |

# Situation Analysis



## Good Brand Image

- Strong brand portfolio
- Diverse product range

## Market Trends

- Growing market demand & supply in deodorant market

## Customers Awareness

- Health & hygiene conscious, value natural ingredients



## Implication

**A good time to change the strategy and adapt to new market trends, so as to show care to customers & enlarge target customer group**

# Recommendations

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# Our Recommendations

*Three phases of managing a recall*



## Decision Phase

Developing initiatives to ensure prevention and prepared of a recall



## Execution Phase

Demonstrating “commitment to safety” through communication & action (organizational change)



## Post Crisis

Diversifying product outline and refreshing brand image

# Recommendation

*First phase of managing a recall*



## Decision Phase

Developing initiatives to ensure prevention and prepared of a recall



## Execution Phase

Demonstrating “commitment to safety” through communication & action (organizational change)



## Post Crisis

Diversifying product outline and refreshing brand image



# | Decision Phase

*Embedding strategic initiatives before any recall trigger*

## Cross-Functional Crisis Team

Forming a crisis team minimizes the size of impact, financial loss, and reputation damage, **increasing consumer confidence**

## Recall Cost & Impact Modelling

Quantifying the costs and benefits of a recall helps prioritize actions to **derive the greatest economic result**

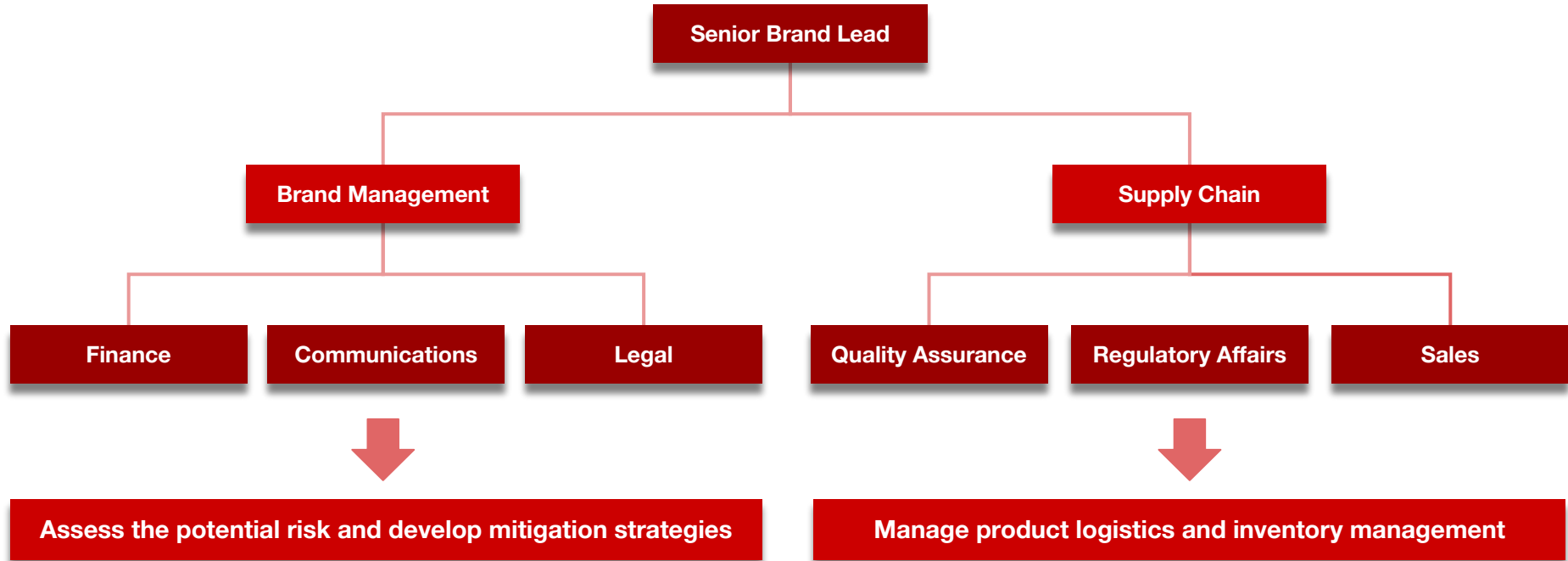
## Active Retailer Engagement

Gathering qualitative data provides enriched insights to understand those impacted to **make informed decisions**

**Key Takeaway: Establishing practices to identify potential problems early and respond effectively**

# Crisis Management Team

*Proposed team structure to implement efficient recall mitigation*

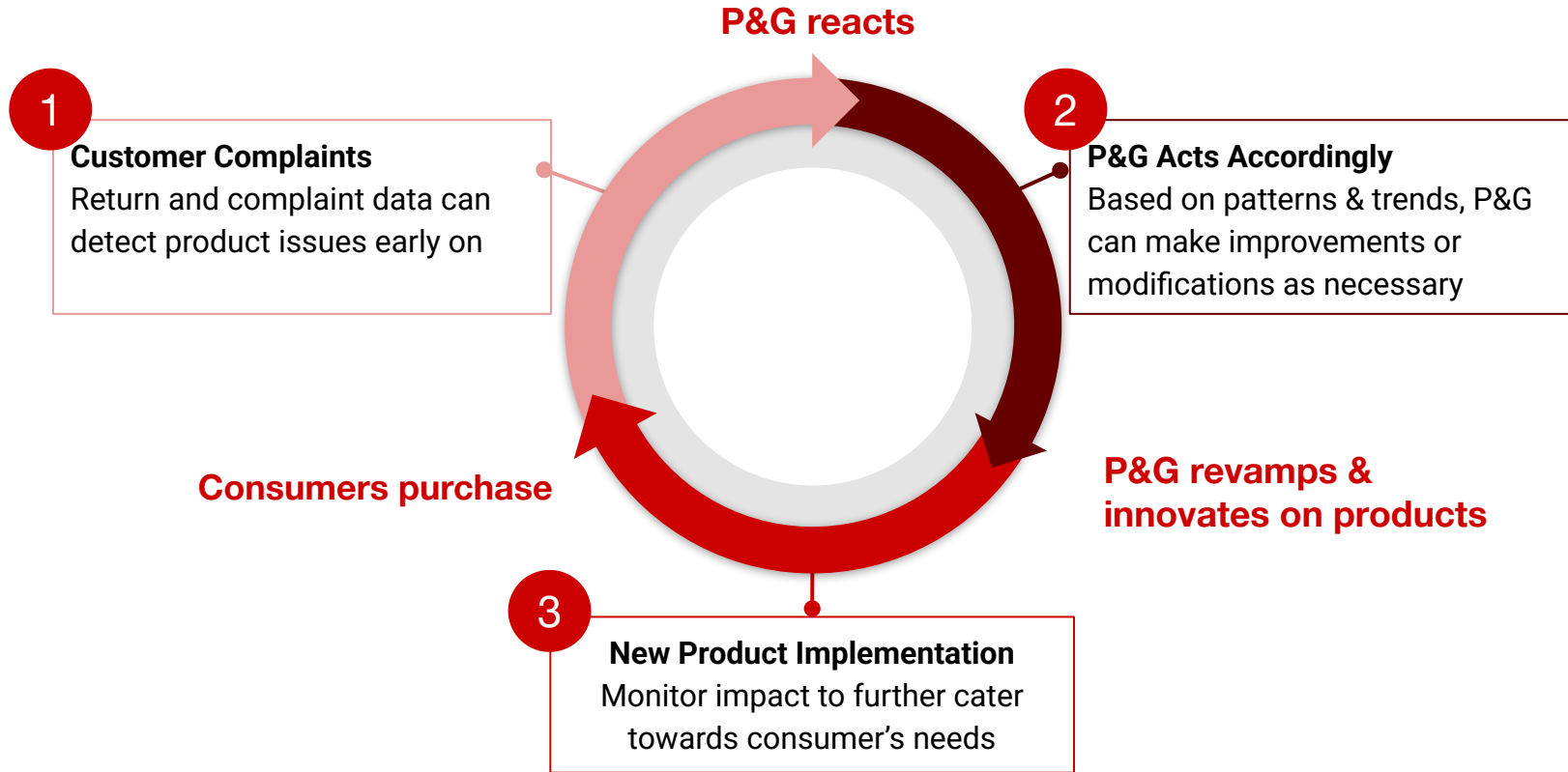


# Financial Model

*Proposed model to identify potential financial impact in advance to make informed decisions*

| Recall Financial Cost Simulator |                |       |        |             |             |
|---------------------------------|----------------|-------|--------|-------------|-------------|
| Changes                         | Economic Value | Input | Amount | Unit        | Calculation |
| Stop Production                 | Labour         |       |        | \$/Hour     |             |
| Compensate Retailers            | Payables       |       |        | \$/Account  |             |
| Trace Contaminated Products     | Labour         |       |        | \$/Hour     |             |
| Destruction of Products         | Lost Material  |       |        | \$/Material |             |
| Refund/Exchange Consumers       | Payables       |       |        | \$/Consumer |             |
| Corrective Activities           | Labour         |       |        | \$/Hour     |             |
| Recall Evaluation               | Labour         |       |        | \$/Hour     |             |
| Market Withdrawal               | Stock & Sales  |       |        | \$/Share    |             |

# Retailer Feedback Loop



# Recommendation

*Second phase of managing a recall*



## Decision Phase

Developing initiatives to ensure prevention and prepared of a recall



## Execution Phase

Demonstrating  
“commitment to safety”  
through communication  
& action (organizational  
change)



## Post Crisis

Diversifying product  
outline and refreshing  
brand image

# Execution Phase: Overview

*Our 3-step approach to regain and generate trust across all stakeholders*

**Objective: From “Damage Control” to “Proactive Commitment to Customer Safety”**

**Action**

**Operational Audits &  
Safety Protocol Overhaul**



**Execution**

**[Optional]  
Recall Execution**

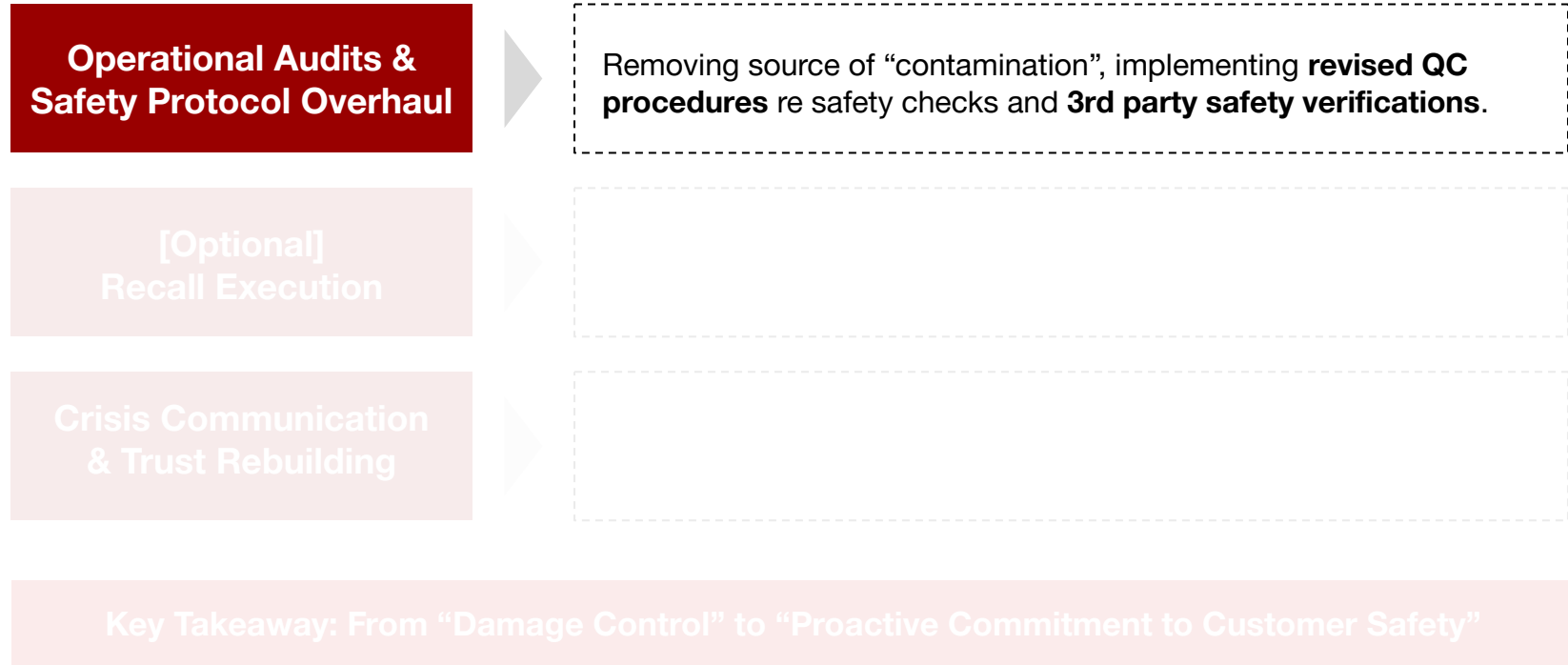


**Communication**

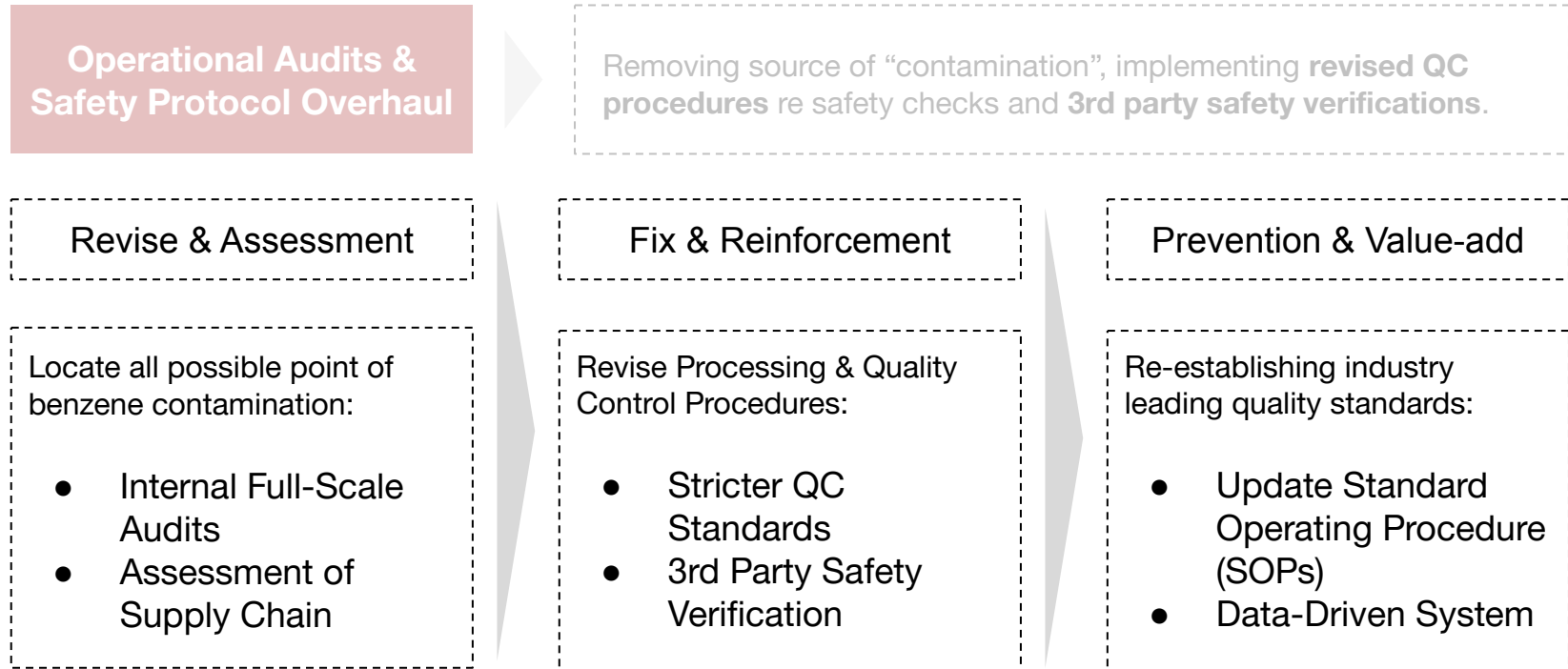
**Crisis Communication  
& Trust Rebuilding**



# | Execution Phase: Operational Change



# Execution Phase: Operational Change

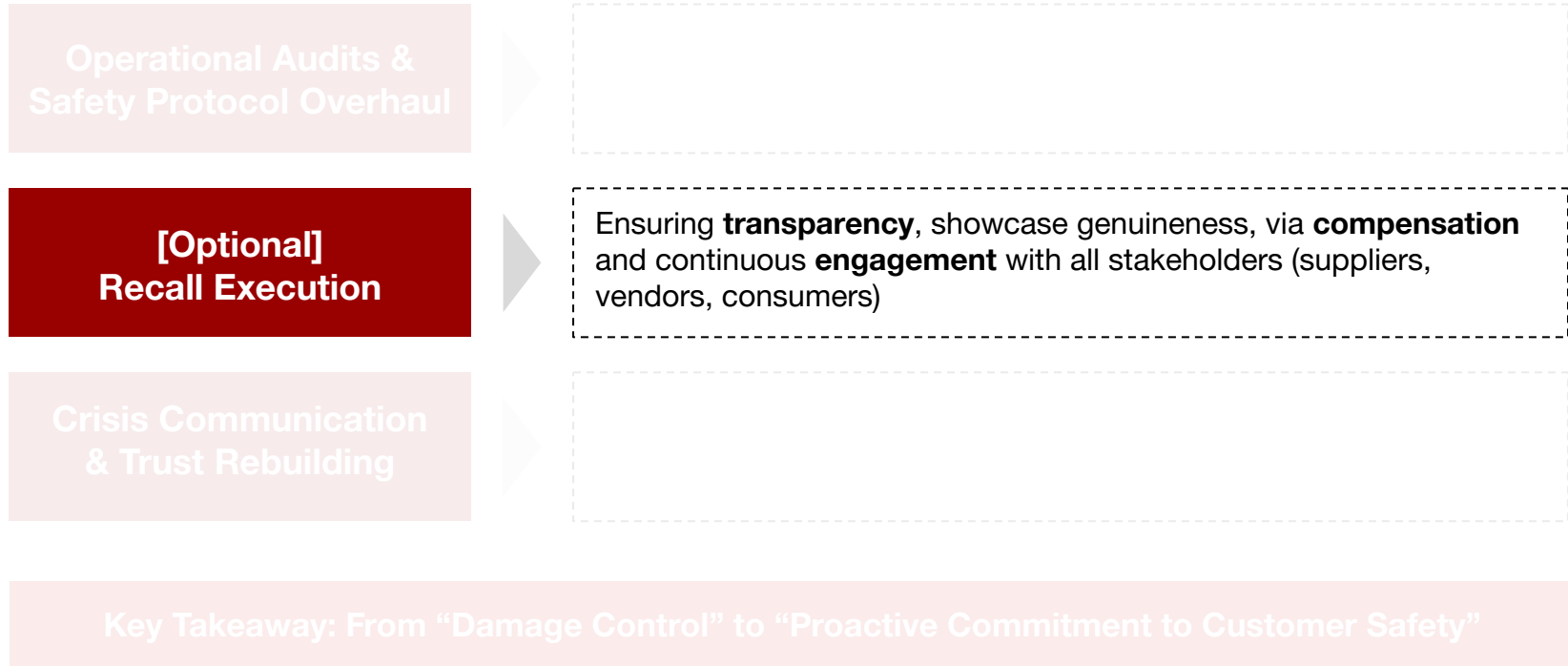




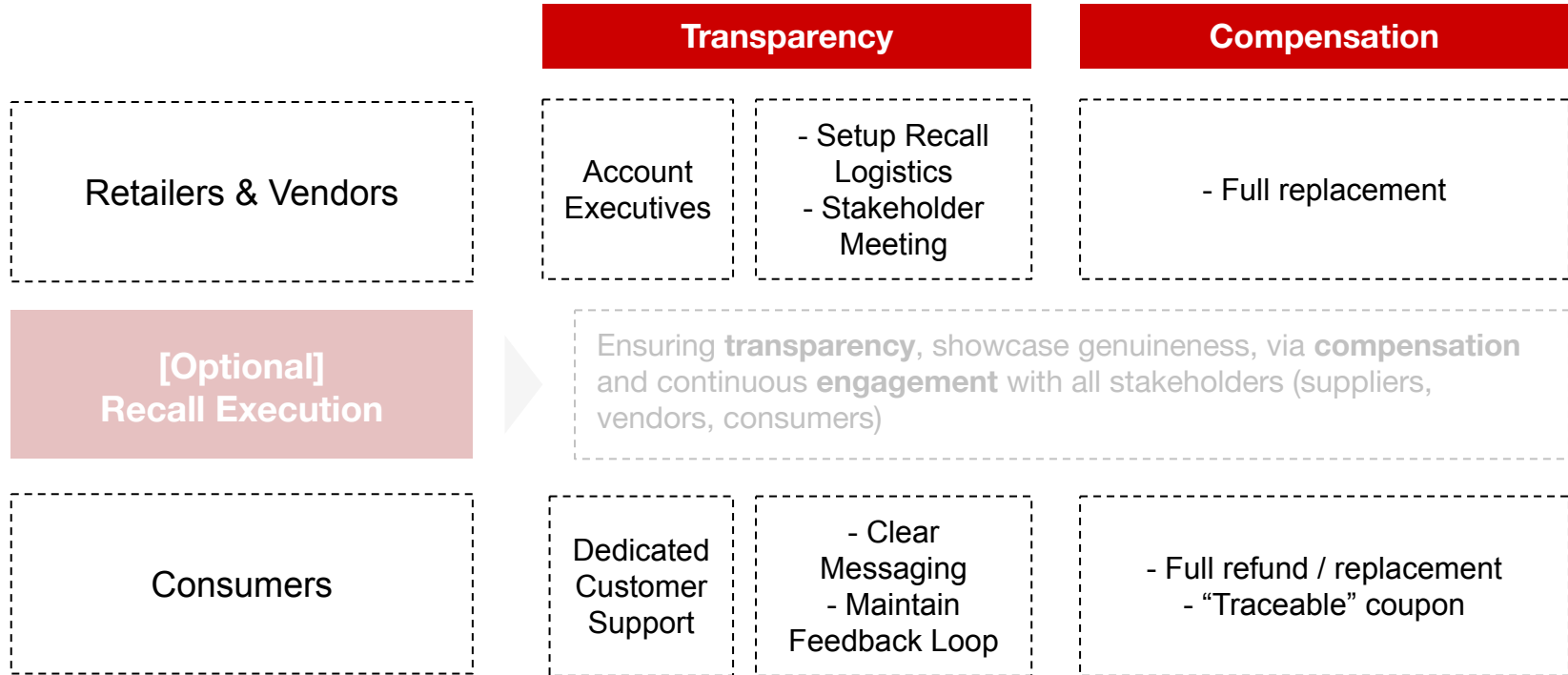
# | Execution Phase: Summary



# | Execution Phase: Recall



# Execution Phase: Recall



# Execution Phase: Summary

Actions

Expected Outcomes

Recall Execution

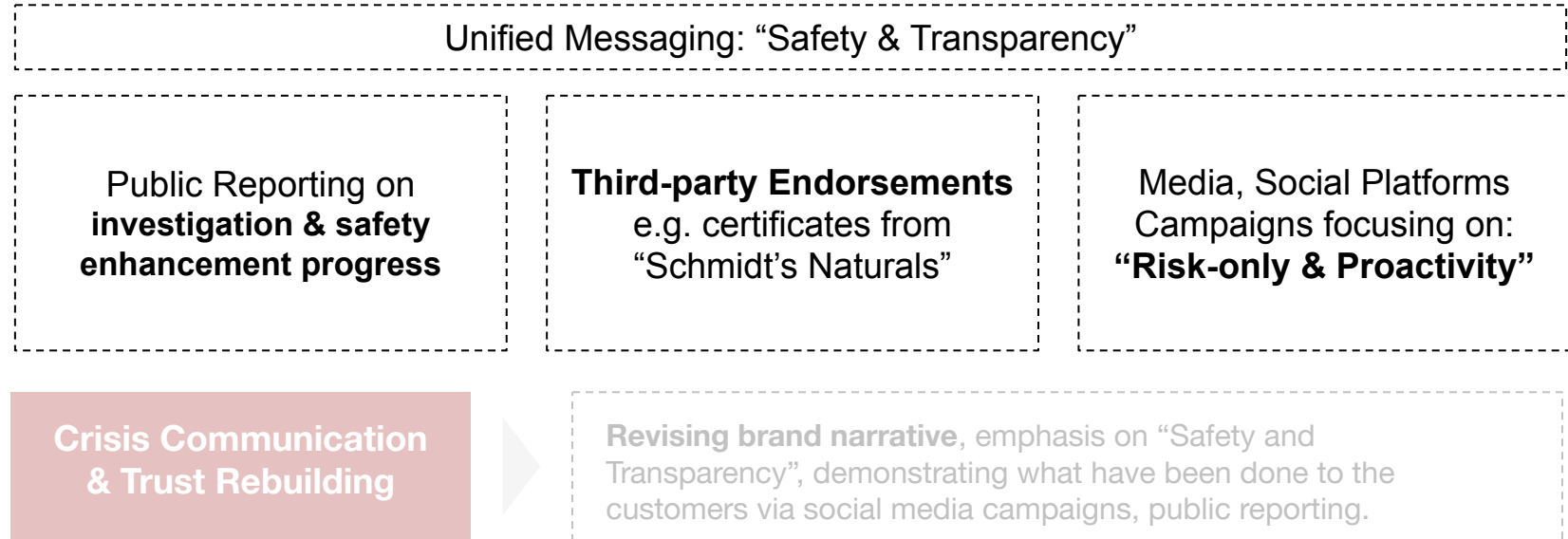
**Restoration** of consumer & stakeholder confidence through **visible & proactive actions**

# | Execution Phase: Communication



Key Takeaway: From “Damage Control” to “Proactive Commitment to Customer Safety”

# Execution Phase: Communication



# Execution Phase: Summary

Actions

Expected Outcomes

**Crisis Communication  
& Trust Rebuilding**

Leveraging “actions” above to **reinforce brand credibility** on “safety and transparency”

# Execution Phase: Summary

| Actions  | Expected Outcomes  |
|--|--|
| <b>Operational Audits &amp; Safety Protocol Overhaul</b> | Re-establishment of <b>industry-leading quality standards</b>  |
| <b>Recall Execution</b>                                  | <b>Restoration</b> of consumer & stakeholder confidence through <b>visible &amp; proactive actions</b> |
| <b>Crisis Communication &amp; Trust Rebuilding</b>       | Leveraging “actions” above to <b>reinforce brand credibility</b> on “safety and transparency”          |



# Execution Phase: Summary

| Actions                                       | Expected Outcomes  |
|---|--|
| Operational Audits & Safety Protocol Overhaul | Re-establishment of <b>industry-leading quality standards</b>  |
| Recall Execution                              | <b>Restoration</b> of consumer & stakeholder confidence through <b>visible &amp; proactive actions</b> |
| Crisis Communication & Trust Rebuilding       | Leveraging “actions” above to <b>reinforce brand credibility</b> on “safety and transparency”          |

**Key Message: “We are no here to mitigate reputational risk, but to exceed industry standards”**

# Recommendation

*Third phase of managing a recall*



## Decision Phase

Developing initiatives to ensure prevention and prepared of a recall



## Execution Phase

Demonstrating “commitment to safety” through communication & action (organizational change)

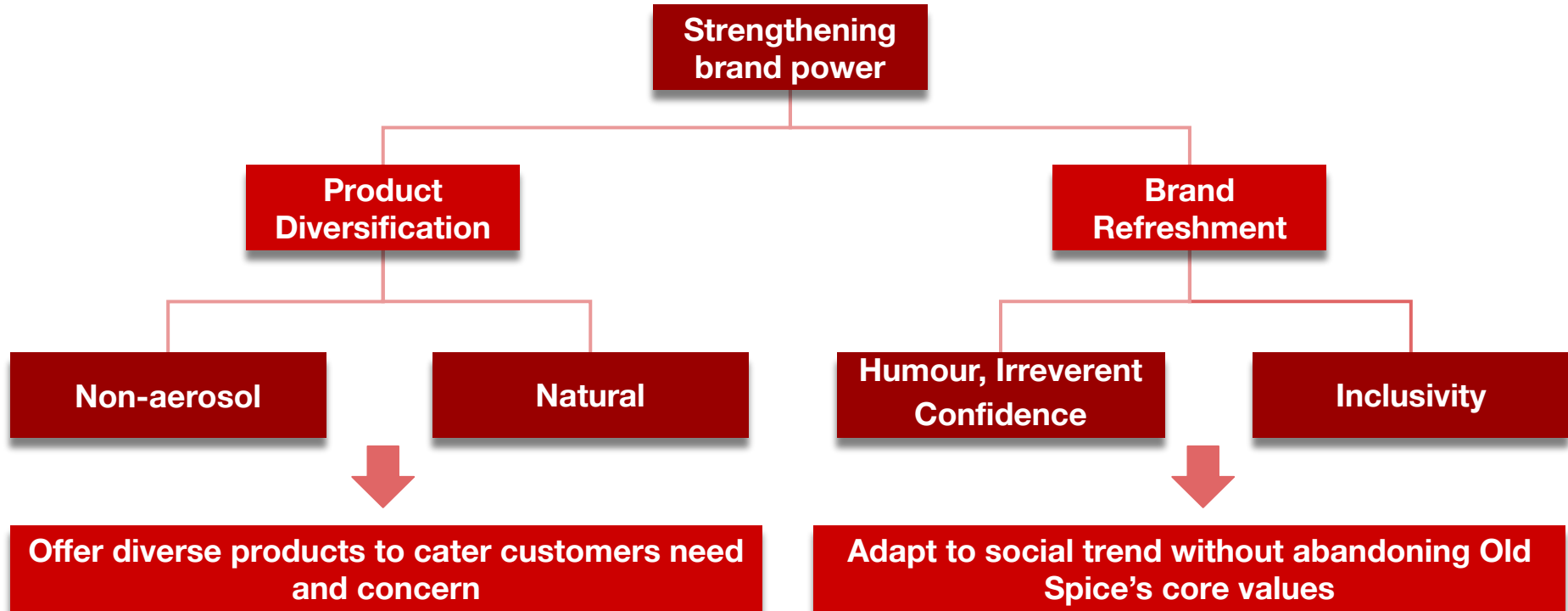


## Post Crisis

Diversifying product outline and refreshing brand image

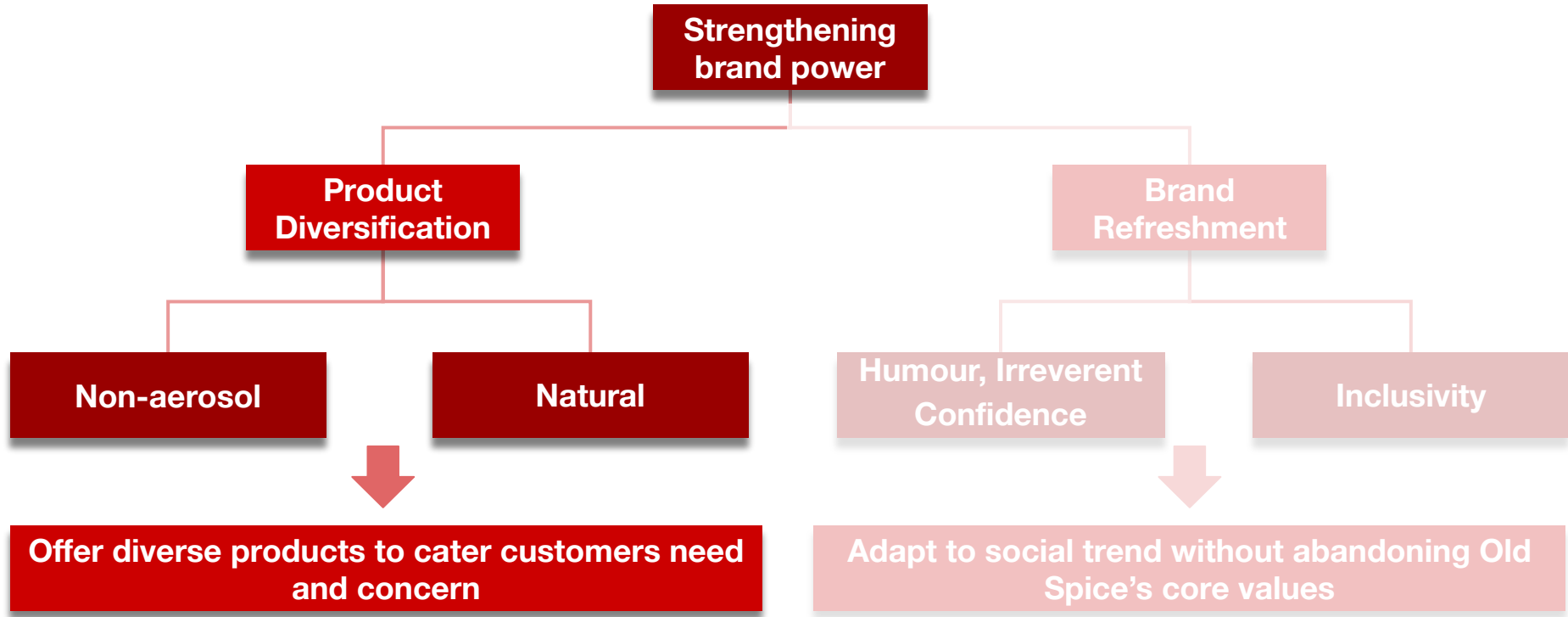
# Post Crisis

Diversifying product outline and refreshing brand image



# Post Crisis

Diversifying product outline and refreshing brand image



# Post Crisis - Product Diversification 1/2

*Offer diverse products to cater customers concern*

**Non-aerosol  
product**

- Increase the proportion of **gel and stick** products against spray



Old Spice Deodorant  
63g



Clear Gel  
70 ml

**Rationale**

~40% of products in Old Spice's lineup are sprays

**Benzene** will be found in aerosol when manufacturing process is improperly handled

**Impact**

Provide more **trustworthy** options for customers

# Post Crisis - Product Diversification 2/2

*Offer diverse products to cater customers concern*

**Natural  
product**

- Aluminium-free, only contains **GRAS** and essential ingredients e.g. starch, coconut oil



**Rationale**

Concerns that aluminium-containing products may lead to **breast cancer**

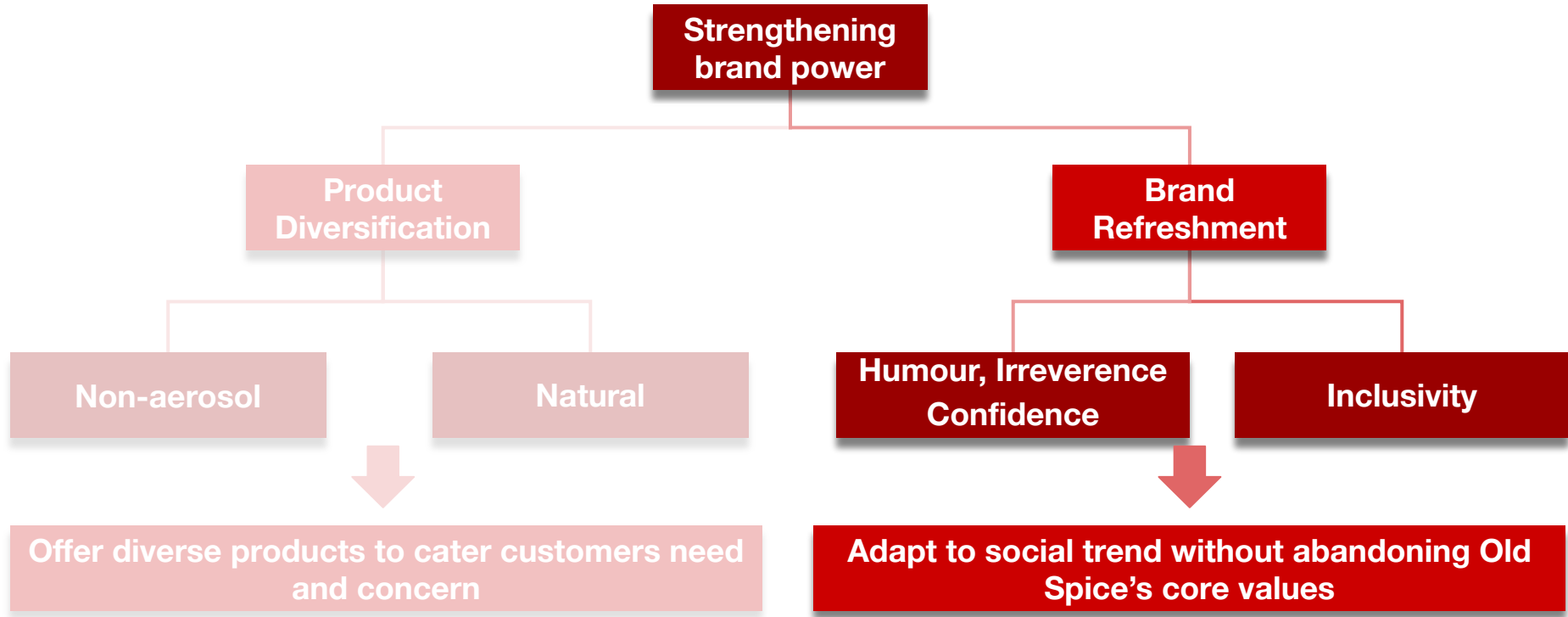
Major competitors such as Native and Dove **grew market share** in natural deodorants

**Impact**

Introduce natural products to cater the **social and market trend**

# Post Crisis

Diversifying product outline and refreshing brand image



# Post Crisis - Brand Refreshment 1/2

*Strengthening Old Spice's core values*

**Humour**  
**Irreverence**  
**Confidence**

- Strengthen its **core values** that the public are familiar with



**Rationale**

~72% of men aged 18-34 are more likely to buy from brands that make them laugh

Core values can be easily embedded in **digital & social media** promotion

**Impact**

**Shift customers' focus** away from the recall and back to the core values



# Post Crisis - Brand Refreshment 2/2

*Strengthening Old Spice's core values*

## Inclusivity

- Avoid heteronormative stereotypes, making the brand more inclusive



## Rationale

~70% of U.S. customers tend to buy brands that **reflect their personal values**

Inclusivity has become a critical issue in the U.S., influencing **consumer behaviour**

## Impact

Resonates and attracts **new customers**

# Implementation

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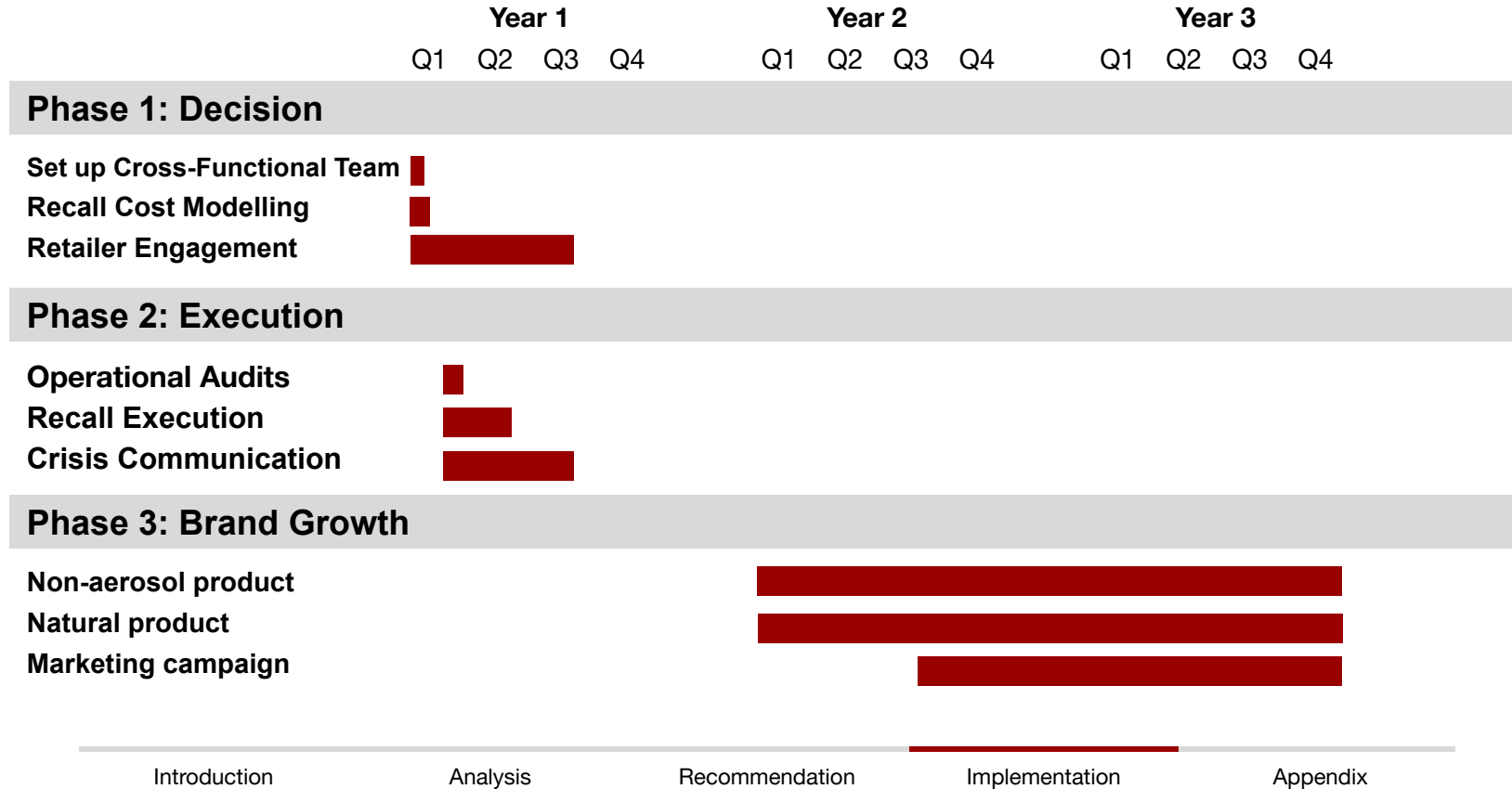
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# Timeline for Implementation



# Key Performance Indicators

## Decision Phase



**Estimated  
Cost**

**Response  
Time**

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# Key Performance Indicators

## Decision Phase

**Estimated  
Cost**

**Response  
Time**

## Execution Phase

**Machine  
Downtime  
Rate**

**Customer  
Satisfaction  
Score**

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# Key Performance Indicators

## Decision Phase

**Estimated  
Cost**

**Response  
Time**

## Execution Phase

**Machine  
Downtime  
Rate**

**Customer  
Satisfaction  
Score**

## Post-Crisis

**Market  
Share**

**Retention  
Rate**

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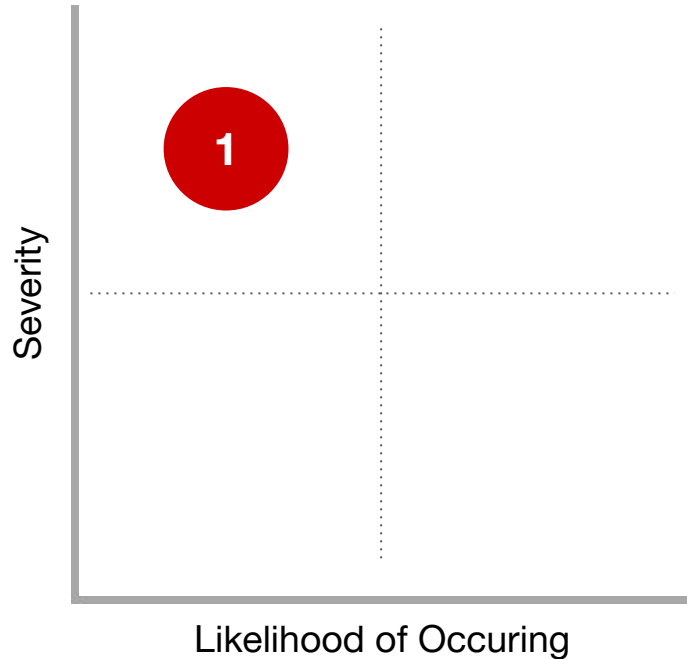
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# Risk and Mitigation

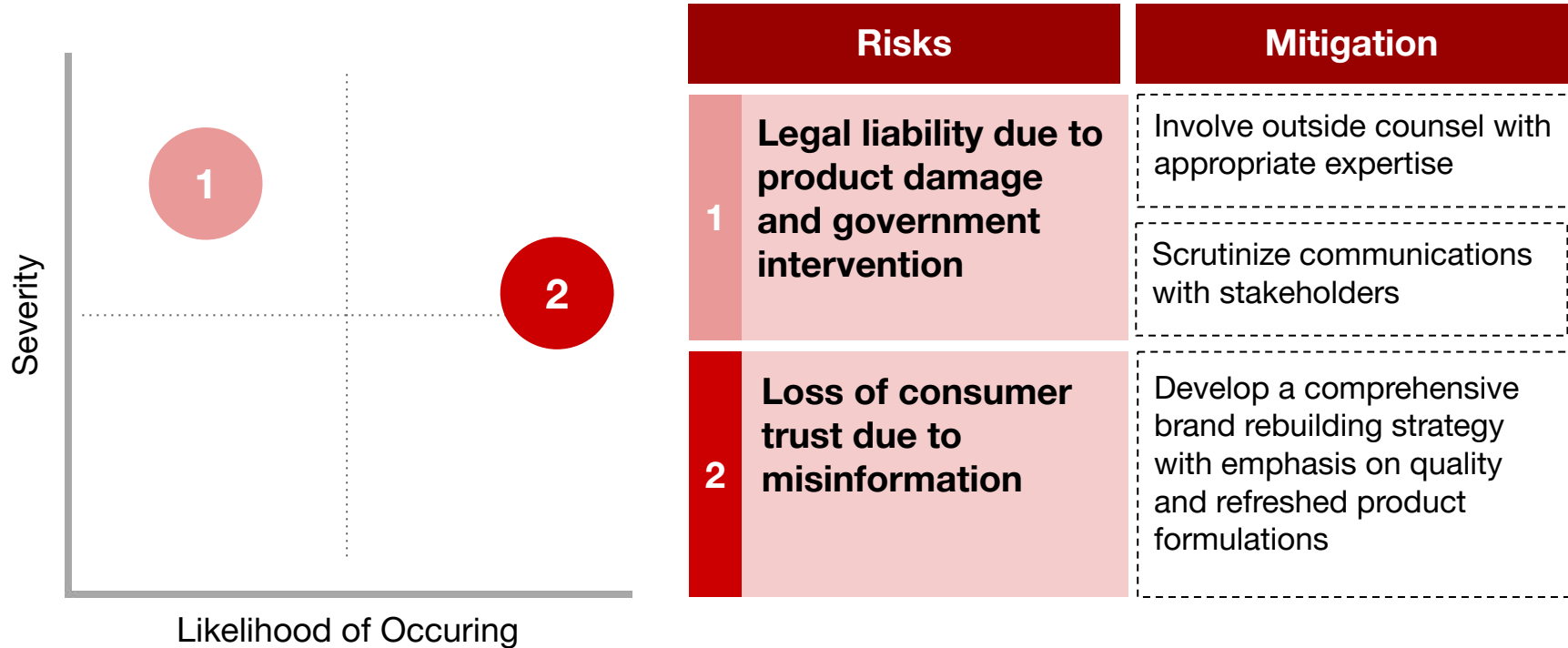
*What are the potential risks we are accounting for*



| Risks |   | Mitigation   |
|-------|---|--|
| 1     | Legal liability due to product damage and government intervention | Involve outside counsel with appropriate expertise |
|       |   | Scrutinize communications with stakeholders        |

# Risk and Mitigation

*What are the potential risks we are accounting for*





# Conclusion

## Recommendations: The Three Phase Strategy

### Decision Phase

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