**INTEROFFICE MEMORANDUM**

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| **To:** | Ms. Beth Springer, VP  John Repogle, CEO |
| **Subject:** | Burt’s Bees |
| **Date:** | 8/19/2019 |

After reviewing this case, I have concluded that Clorox will not become eco-friendly by only purchasing Burt's Bees. However, with Clorox's purchase of Burt's Bees and the Clorox's new initiative to "think about the Greater Good," this acquisition can provide the Clorox with insight on how a successful eco-friendly business operates. Implementing these practices will give Clorox an advantage over their competitors who are trying to enter the eco-friendly market as well. The Burt's Bees brand will see some negative impact because many of their fans are environmentally conscious, and Clorox's reputation when it comes to being environmentally friendly is not well perceived. With this acquisition, Clorox will see more of a benefit than Burt's Bees.

With Clorox’s purchase of Burt's Bees, they now have an insight into the eco-friendly consumer market that not many of their competitors do not have. According to research done by Clorox, "53% of consumers" plan on purchasing more eco-friendly products within the next year. These consumers are also willing to pay more for those eco-friendly products. The information provided tells us there is now a need for more eco-friendly products in the consumer market. Clorox will be able to charge more for these "luxury" products, which can be up to 57% more than standard (not eco-friendly) products. Clorox will now be in the position to set the standard of what natural cleaning products should be and will be making a profit from their efforts. Another benefit for Clorox in this acquisition is Burt's Bees research lab; this lab is full of competitor's products that Burt's Bees have been testing. These products are being tested to see if they can be considered a natural product. This testing will give insight into what companies have tried and failed when qualifying for the Natural Products Association label. It will lead Clorox's brand of natural products to become the standard for what natural cleaning products should be. Clorox needs to implement its initiative for "thinking about the Greater Good" and inform the market that they are serious about producing more natural and eco-friendly products. Burt's Bees will not see such a positive impact from this acquisition. Although their product does not bare the Clorox name, they are now associated with the company, and many consumers think of bleach when seeing or hearing Clorox. Burt's Bees will need to focus on informing their consumers they still maintain their values of being eco-friendly. There is a need for eco-friendly products in the consumer market, and they will continue to make a profit if they retain those eco-friendly values.

Clorox will achieve profitability more so than Burt's Bees in this acquisition. When Clorox implements Burt's Bees business practices to their company and especially to their line of eco-friendly products, it will have a positive impact. There is a need for more eco-friendly products in the consumer market, and consumers are willing to pay for those products. Implementing the eco-friendly products will ultimately lead to a profit even though the cost for producing these products will be more. Clorox should then advertise the fact that they are the standard when it comes to reliable, eco-friendly products. Although Burt's Bees will not be as profitable as Clorox, there is still a need for their eco-friendly products in the consumer market.