

COLGATE-PALMOLIVE CANADA: FIGHTING FOR A SHARE OF THE TOOTHPASTE MARKET

R. Chandrasekhar wrote this case under the supervision of Professor Michael Taylor solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In January 2013, Richard Werner,¹ vice-president of Customer Development, Colgate-Palmolive Canada Inc. (Colgate Canada), was sitting at a circular table at the conference room in the company's Toronto headquarters. He was discussing the 2013 marketing budget for Colgate toothpaste with Mary Simons, retail environment manager; Philip Marcos, team leader; and Rita Christopher, category manager (oral care). Market share was a key metric at Colgate Canada. After several years of near steady state, the share gap between Colgate Canada and its primary competitors had started to widen favourably in the toothpaste category (see Exhibit 1). The company wanted to extend this growth path, which had led to the current discussion about the 2013 marketing budget.

During the discussion, it was suggested that Colgate Canada could increase its marketing budget for the new financial year by \$3 million. Werner highlighted three points:

1. The marketing mix in the current budget had delivered strong profits, and he was hesitant to make major changes.
2. The incremental expenditure on marketing would need to be focused in order for it to be effective. A diluted effort of spreading any incremental funding across many marketing activities would be fruitless. He wondered if it was best to focus on either increased advertising, increased trade promotions or increased consumer promotions.
3. Any increase in funding for marketing would need to have a solid strategy and reasoning that would result in an overall increase in operating profit for 2013.

COLGATE-PALMOLIVE: COMPANY BACKGROUND

Colgate-Palmolive (Colgate) was a global consumer products enterprise, marketing its products in over 200 countries. Founded in 1806 by William Colgate in New York City as a starch, soap and candle

¹ The names of all persons mentioned in the case study are disguised.

business, it introduced Colgate toothpaste in 1896 and Palmolive soap in 1898 and established its first international subsidiary in Canada in 1914. The company was listed on the New York Stock Exchange in 1930.

By December 2012, Colgate had about 37,700 employees with worldwide sales of US\$17.085 billion for the year ending December 2012 and net income of US\$2.631 billion (see Exhibit 2). It was driven by the vision of “delivering strong, consistent business results and superior shareholder returns by providing consumers globally with products that make their lives healthier and more enjoyable.”²

Colgate had four broad business units: oral care, personal care, home care and pet care. Oral care generated 44 per cent of the company’s revenue, and Colgate was the leader in the oral care market worldwide. The company’s oral care product offerings included toothpastes, manual toothbrushes and mouth rinses.

CANADIAN TOOTHPASTE MARKET

The Canadian oral hygiene market included toothpastes, toothbrushes, mouth wash and smaller categories such as dental floss and denture products. This was a stable, mature, hyper-competitive category valued at \$810.4³ million in 2012. With a high degree of household penetration, the oral hygiene market grew slowly, yet steadily, with a compound annual growth rate (CAGR) from 2008 to 2012 of 4.2 per cent.⁴ The overwhelming majority of toothpaste products were purchased by consumers in grocery stores, drug stores, mass merchandisers and club stores.

In 2012, the toothpaste category was the largest part of the oral care market with sales of \$390.6 million at retail price⁵ and an estimated market size of \$254 million at factory price (see Exhibit 3).

CONSUMERS

Consumers were increasingly aware of the correlation between oral health and overall health.⁶ They expected much more than their traditional desire to prevent cavities. Their expectations included improved tooth and gum health, whiter teeth, fresh breath, reduced sensitivity to heat and cold, reduced plaque buildup and a product that tasted good — at a competitive price.

Consumers indicated price, brand familiarity and recommendation by dentists as the top three purchase influences (80 per cent, 71 per cent and 71 per cent of respondents respectively).⁷ The most prevalent oral health concerns for consumers were plaque and tartar build-up (83 per cent and 81 per cent respectively).⁸

² Colgate, 2007 Annual Report, p. 21.

³ All values are in Canadian dollars, except where otherwise noted.

⁴ “Oral Hygiene Canada: A Snapshot 2013,” Mintel Global Market Navigator, <http://gmnl.mintel.com.proxy1.lib.uwo.ca/snapshots/CAN/292/performance/single>, accessed October 31, 2013.

⁵ Ibid.

⁶ “Oral Care — US — May 2013 — Interest in Product Attributes,” Mintel, last modified May 2013, <http://academic.mintel.com/display/665403/>, accessed October 31, 2013. U.S. market trends were considered to be similar and applicable to the Canadian market where less data was available.

⁷ “Oral Care — US — May 2013 — Purchase Factors,” Mintel, last modified May 2013, <http://academic.mintel.com/display/665402/>, accessed October 31, 2014.

⁸ “Oral Care — US — May 2013 — Oral Health Concerns,” Mintel, last modified May 2013, <http://academic.mintel.com/display/665400/>, accessed October 31, 2013.

The demand for whiter teeth was the fastest growing slice in the toothpaste industry,⁹ with 52 per cent of the population looking for toothpaste that delivered “shinier teeth.” Sixty-two per cent of women aged 18 to 34 were interested in teeth whitening features.¹⁰ Approximately 12 per cent of consumers suffered from tooth hypersensitivity and 20 to 45 per cent of consumers had mild sensitivity; however, of this population, only 8 to 10 per cent used sensitivity toothpaste.¹¹

Forty-seven per cent of consumers indicated that they always purchased the same brand of toothpaste.¹² Although families tended to be loyal to specific children’s brands, it was thought that the loyalty was likely to the cartoon character (e.g., Dora the Explorer) featured on the product, rather than to the product itself. As much as 64 per cent of some consumer segments did not have an oral care product in mind before shopping.¹³

Consumers who were not brand loyal often made their final selection of the toothpaste brand in the store aisle: 60 per cent of consumer toothpaste brand decisions were made in-store while 40 per cent had made their toothpaste brand decisions beforehand. The latter were brand loyalists.¹⁴ Their consideration set was determined by their need preference, for example, simply clean teeth or reducing tooth sensitivity. The final product selection was influenced by brand preference, perceived efficacy, retail environment influences and price.

The market was segmented on the basis of demographics (such as age and gender), needs and psychographic profile (see Exhibits 4 and 5).

COMPETITORS

The top four competitors in the overall oral care market in Canada collectively held over 80 per cent market share (see Exhibit 6). The top three competitors in the Canadian toothpaste category held over 75 per cent market share. Smaller competitors, specialty competitors and house brands split the remainder of the market.

Beyond traditional basic toothpaste, the category was composed of five major toothpaste subcategories: oral health, sensitivity, whitening, children’s and fresh breath. Furthermore, there were premium and super premium levels in the subcategories. All the major competitors had products in most or all of the subcategories (see Exhibit 7).

Competition was largely between products within a subcategory as consumers selected from brands that suited their need (e.g., tooth sensitivity). Each competitor invested significantly in brand positioning through consumer advertising, retail merchandising and consumer promotions.

⁹ “Oral Care — US — May 2013 — Brand Share — Toothpaste,” *Mintel*, last modified May 2013, <http://academic.mintel.com/display/665390/>, accessed October 31, 2013.

¹⁰ “Oral Care — US — May 2013,” *Mintel Oxygen Reports database* 2013, <http://academic.mintel.com/display/637652/?highlight=true>, accessed November 27, 2013.

¹¹ Herizo Evo, “1 in 8 Have Sensitive Teeth,” *Articles of Health Care*, September 6, 2013, www.articlesofhealthcare.com/, accessed November 2013; NovaMin Research Report, “General Population Tooth Sensitivity Prevalence and Attitudes Towards Sensitivity Toothpaste, 2004,” *Oral Science*, www.oralscience.ca/en/documentation/articles/tooth_paste/GeneralPopulation-Tooth-Sensitivity-Prevalence-and-Attitudes-Towards-Sensitivity-Toothpaste.pdf, accessed November 27, 2013.

¹² “Oral Care — US — May 2013 — Purchase Factors,” *op.cit.*

¹³ “Oral Care — US — May 2013,” *op.cit.*

¹⁴ AC Neilson, www.nielsen.com/ca/en/nielsen-solutions.html, accessed December 24, 2013.

Toothpaste was largely a category with few observable features that distinguished one competitive product from another. The room for differentiation either in terms of product composition or technology was limited. Typically, new product introductions were the result of technology advancements in one of the subcategories, for example, improved gum health or faster whitening effect. The new product was usually introduced as a superior product at the super premium level, which gave the competitor an advantage in that subcategory until another competitor introduced a similar product. Technology advances were not secret for very long or unduly difficult to copy. Superior brand perception was a very important competitive tool.

RETAIL ENVIRONMENT

Toothpaste was a staple category for most food and health related retailers. Toothpaste typically generated a 35 per cent¹⁵ margin for retailers. The concentration of the toothpaste category allowed the top manufacturers with strong branded products to develop strong market positions. Brand equity was one of the major levers in the arsenal of manufacturers when negotiating with retailers. Notwithstanding the consumer demand resulting from strong brand advertising, a considerable investment in trade and consumer promotions was required to ensure prominent retail shelf placement and secure inclusion in regular retailer promotions.

The retail market was fairly concentrated in Canada. A few retailers held a major part of market share in several retail segments. For example, the top four retailers of groceries accounted for 70 per cent of sales (see Exhibit 8). The bargaining power that Canadian retailers had over manufacturers was evident in several ways: increased retailer advertising had created consumer loyalty to retailers, which had previously been the sole domain of brand products; an increased number of store brands were building retailer exclusivity; and retailers were using creative pricing strategies and sophisticated in-store merchandising (see Exhibit 9).

COLGATE TOOTHPASTE

Colgate Canada had a complete portfolio with toothpaste products in every subcategory (see Exhibit 10). The company invested \$14.7 million in advertising across all toothpaste brands in 2012 and delivered \$18.4 million in operating profits (see Exhibits 11 and 12).

Exhibit 13 summarizes the average retail unit prices of both the category and the individual brands at different levels in the industry and the share of business for each.

Colgate products had secured very high channel penetration with mass merchandisers, grocery stores, health and beauty retailers and drug stores. The company's products were also available in certain convenience stores, house goods retailers and general merchandise stores. The company's six largest customers in Canada, in alphabetical order, were Costco, Loblaws, Shoppers Drug Mart, Sobeys, Target and Wal-Mart.

¹⁵ Case writer's estimate.

THE 2013 MARKETING BUDGET¹⁶

Market share topped the list of metrics that Colgate Canada used to assess its performance. The sales growth in 2012 was encouraging. No product launches were planned for 2013, but there were always internal and external pressures to grow market share. Although the revenue growth targets for 2013 for Colgate Canada had not been finalized, Werner's team expected that revenue targets set by the company's management for the toothpaste category in Canada were likely to increase by about 4.5 per cent.

The market positioning of the current product portfolio was competitively strong, and the current marketing mix was delivering favourable results. Consequently, the team was hesitant to make major changes. After reviewing the market data and financial results, they reviewed the 2012 marketing budget and wondered if any fine-tuning adjustments should be made in the 2013 budget. Colgate Canada's marketing mix was typical in the category. The norm in the toothpaste business was to invest heavily in advertising, often representing three-quarters of the budget, with the remainder invested in trade and consumer promotions. The industry's gross contribution margin was approximately 57 per cent.

As the management team discussed the 2013 business plan and marketing budget for the toothpaste category, it was suggested that the time was right to leverage their current market strength to drive some growth. The team wondered if an additional \$3 million could be approved for the marketing budget. If approved, the team agreed it could have a major impact. The team also agreed that spreading the incremental funds across the existing activities would have little impact. Any incremental marketing funds would only have a significant impact if they were focused in one or two areas.

Simons: The support of our retailers is essential to drive growth. We need to increase the number of placements in retailer flyers and the number of shelf facings in retail stores as much as possible. We should add as many alternate point-of-purchase displays as we can. Therefore, in my view, the additional funding should be focused on trade promotions. Last year we spent \$3.9 million on trade promotions. Investing a sizable portion of any budget increase in trade promotions will get the retailers to heavily push *our* products over the competition.

Marcos: I agree with you; however, we need to keep in mind where the growth will come from. We have built a significant brand loyalty over many years, but new growth will not come from existing customers. It will only come from consumers who are loyal to competitor brands and from those who are loyal to no particular brand. Therefore, in my view, we need to spend the additional funding on consumer promotions. An incremental \$1 million will double our 2012 spending and allow us to create promotions that will spark trial by new consumers and get them to switch to our brands.

Christopher: We have won our market share through constant reminders provided by our advertisements. We normally invest 75 per cent of our marketing budget in advertising, which has driven our current success. Our current campaign is very effective. We just need to have more consumers see our ads more frequently. We could boost our gross rating point (GRP)¹⁷ level significantly with the new funding. A boost in sales comes from a boost in advertising. That is the best marketing investment.

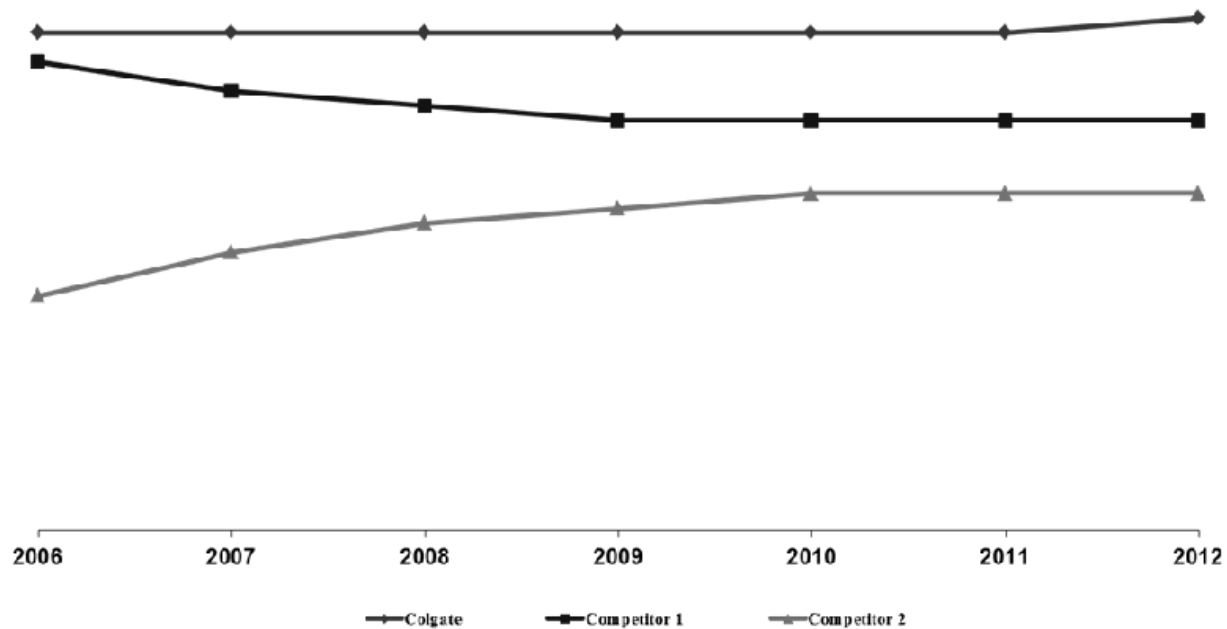
¹⁶ Values in this section are case writer's estimates. They do not represent the actual amounts. This disclaimer is provided in order to protect company confidentiality.

¹⁷ One GRP per week represents exposure of 1 per cent of the target market to an advertisement during a seven-day period.

Werner trusted the advice of his team, and he weighed the alternatives carefully. He agreed that an increased marketing budget would only have a significant impact if the incremental investment was focused. He considered five alternatives:

1. Deploy the same budget mix as 2012 and not request an increase.
2. Increase the advertising budget by \$3 million, which would allow an increased online presence or an increased television ad frequency.
3. Increase the trade promotion budget by \$3 million to focus on building volume with all the major retailers. It would include initiatives such as more secondary locations within stores and increased frequency of distribution of weekly flyers.
4. Increase the consumer promotion budget by \$3 million to focus on consumer promotions such as sampling and coupons to encourage product trial.
5. Make a major market push with an even larger increase in the marketing budget to fund multiple options.

Whatever he decided, Werner knew that he would have to present his explanation to Colgate Canada's executive management to justify his budget recommendation.

EXHIBIT 1: CANADIAN TOOTHPASTE MARKET — VALUE SHARES 2006 TO 2012

Source: Company files.

EXHIBIT 2: COLGATE-PALMOLIVE COMPANY — CONSOLIDATED INCOME STATEMENT

Year ending December (in US\$) (in millions)	2012	2011	2010	2009	2008
Net sales	17,085	16,734	15,564	15,327	15,330
Cost of Sales	7,153	7,144	6,360	6,319	6,704
Gross Profit	9,932	9,590	9,204	9,008	8,626
Less: Selling and Distribution Costs	5,930	5,758	5,414	5,282	5,422
Less: Other Expense (Income)	113	(9)	301	111	103
Less: Interest Costs	15	52	59	77	96
Less: Provision for Income Taxes	1,243	1,235	1,117	1,141	968
Net Profit	2,631	2,554	2,313	2,397	2,037
Number of Employees	37,700	38,600	39,200	38,100	36,600

Sources: Colgate 10-K Report 2012, pp. 44, 89; Colgate 10-K Report 2009, p. 44. The data for 2008 and 2009 is taken from the 2009 10-K Report, and the data for 2010, 2011 and 2012 is taken from the 2012 10-K Report as per page numbers cited.

EXHIBIT 3: CANADIAN TOOTHPASTE MARKET — COMPARATIVE SIZE 2009 TO 2012

(in million \$)	2012	2011	2010	2009
At retail price	391.0	383.0	362.0	346.0
At ex-factory price	254.0	249.0	235.0	224.0

Note: Some information is augmented with case writer's estimates.

Source: "Oral Hygiene Canada: A Snapshot 2013," Mintel Global Market Navigator <http://gmnl.mintel.com.proxy1.lib.uwo.ca/snapshots/CAN/292/performance/single>, accessed October 31, 2013.

EXHIBIT 4: MARKET SEGMENTATION**Needs Based Segmentation**

Clean Teeth and Cavity Prevention	Reduced Tooth Sensitivity	A Whiter Smile	Improved Overall Health
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Psychographic Segmentation

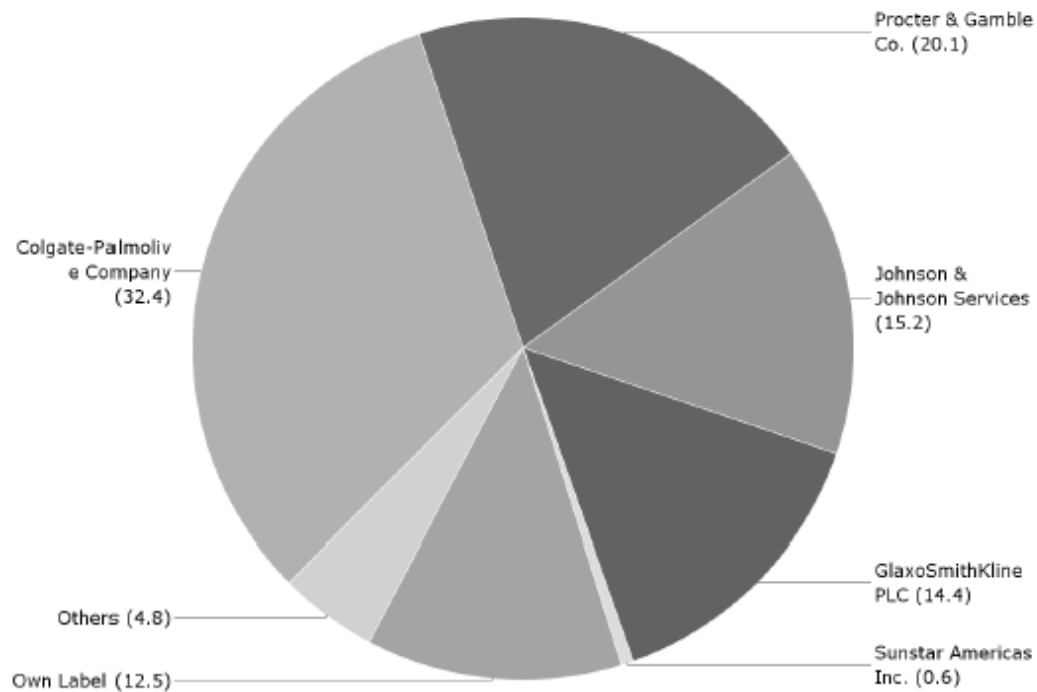
Worriers	Sociables	Sensories	Generalists
Consumers concerned about the health benefits	Consumers concerned with fresh breath and whiter teeth	Consumers selecting a toothpaste based on flavour and package presentation	Uninvolved consumers buying toothpaste for the basic need of clean teeth

Source: Created by case authors.

EXHIBIT 5: PSYCHOGRAPHIC SEGMENTATION

	Worriers	Sociables	Sensories	Generalists
Prevailing Age Segment	Full Adult Range	18–34	Children	All Ages
Estimated Market Share (%)	30	35	15	20
Psychographic Profile	Worriers are concerned about the health benefits of toothpaste. They purchase multipurpose brands of toothpaste that have health benefits, as well as brands that emphasize specific health benefits.	Sociables are concerned with fresh breath and whitening rather than health concerns. Marketing to this segment usually consists of advertising “pretty smiles.”	Sensories choose toothpastes based on flavour and the presentation of the actual toothpaste and packaging. This segment is mainly composed of children and thus mainly involves creating packaging with character merchandising (using cartoon/movie characters) and creating appealing flavours.	Generalists do not care about toothpaste brands and their additional benefits. They purchase toothpaste on a “needs” basis and will usually purchase brands that are the cheapest or on sale.
Primary Product Benefits Desired	<ul style="list-style-type: none"> – Cavity prevention – Fight plaque – Help thinning enamel – Reduce tooth sensitivity 	<ul style="list-style-type: none"> – Whiter teeth – Fresh breath 	<ul style="list-style-type: none"> – Appealing flavour – Fun product image 	<ul style="list-style-type: none"> – Cavity prevention – Low price

Sources: “Product — Markets and Market Segments — The Toothpaste Market,” *Marketing Management*, last modified January 23, 2001, http://courses.unt.edu/kt3650_2/sld008.htm#1, accessed October 31, 2013; and “Oral Care – US — May 2013 — Cluster Analysis,” *Mintel*, last modified May 2013, <http://academic.mintel.com/display/665406/>, accessed October 31, 2013.

EXHIBIT 6: CANADIAN ORAL HYGIENE MARKET SHARES BY VALUE (%), 2012

Source: "Oral Hygiene — Canada — A Snapshot," *Mintel Global Market Navigator 2013*, http://gmnmintel.com.proxy1.lib.uwo.ca/search/?max_results=100&q=Toothpaste+Canada&x=-1299&y=-14, accessed October 31, 2013.

EXHIBIT 7: SAMPLE LIST OF COMPETITOR BRANDS

<u>Company</u>	<u>Brand and Product</u>	<u>Company</u>	<u>Brand and Product</u>
Colgate Palmolive		Proctor and Gamble	
	Colgate Cavity Prevention		Crest 3D White Advanced Vivid
	Colgate Total Plus Whitening		Crest Cavity Protection Toothpaste
	Colgate Total Clean Mint		Crest Extra White Plus Scope Outlast
	Colgate Total Advanced Health Professional Clean		Kid's Crest Spider-Man Liquid Gel
	Colgate Total Advanced Health Gum Defence		Crest Tartar Protection Toothpaste
	Colgate Total Advanced Health Whitening		Crest Pro-Health Sensitive Shield Original
	Colgate Total Advanced Health Enamel Strength		Crest Sensitivity Whitening Plus Scope
	Colgate Total Advanced Health Intense Fresh		Crest Pro-Health Enamel Shield
	Colgate Total Advanced Health Sensitive		Crest Pro-Health Whitening Gel
	Colgate Optic White		Crest 3D White Vivid Toothpaste
	Colgate 2in1 Whitening		Crest Complete Whitening + Scope
	Colgate MaxFresh		Kid's Crest Cavity Protection Gel Toothpaste-Sparkle Fun
	Colgate MaxWhite		Crest Pro-Health Clinical Gum Protection
	Colgate MaxClean		
	Colgate Bubble Fruit	GlaxoSmithKline	
	Colgate Sensitive		Sensodyne Repair & Protect
	Colgate Sensitive Whitening		Sensodyne Rapid Relief
	Colgate Sensitive Enamel Protect		Sensodyne 24/7 Sensitivity Protection
	Colgate Sensitive Pro-Relief		ProNamel
	Colgate Sensitive Pro-Relief Whitening		ProNamel Gently Whitening
	Colgate Sensitive Pro-Relief Multi-Protection		ProNamel for Children
	Colgate Sensitive Pro-Relief Enamel Repair		AquaFresh Advanced
			AquaFresh Ultimate White
Church and Dwight			AquaFresh White & Shine
	Arm & Hammer Sensitive		AquaFresh Extreme Clean
	Arm & Hammer Enamel Care		AquaFresh Extreme Clean Power White
	Arm & Hammer Extra Whitening		AquaFresh Cavity Protection
	Arm & Hammer Complete Care		AquaFresh Sensitive
	Arm & Hammer Advanced Clean		AquaFresh Kid's Mint
	Arm & Hammer Supreme Fresh		
	Pearl Drops Triple Power Whitening		
	Pearl Drops Whitening		
	Closeup		
	Aim Cavity Protection		

Note: All brand names are company trademarks.

Sources: www.colgate.ca/app/CP/CA/EN/OC/Products/Toothpastes.cvsp, accessed December 17, 2013; www.crest.com/en-CA/crest-products/crest-toothpastes.aspx, accessed December 18, 2013; www.gsk.ca/english/html/our-products/index.html, accessed December 18, 2013; and www.churchdwight.ca/, accessed December 18, 2013.

EXHIBIT 8: CANADIAN RETAIL — GROCERY SALES 2011

#	Retailer	Revenue (million\$)	Market share (%)
1	Loblaw Cos Ltd	27,808	32
2	Sobeys Inc	15,642	18
3	Metro Inc	10,428	12
4	Costco Canada Inc	6,952	8
5	Canada Safeway	5,214	6
6	Wal-Mart Canada Corp	5,214	6
7	Jim Pattison Foods	2,607	3
8	Others	13,035	15
	Total	86,900	100

Source: CIBC World Markets, accessed October 31, 2013.

EXHIBIT 9: SOME COMMON RETAILER STRATEGIES

Retailer as a Brand: Retailers, particularly large retailers of staple goods, heavily advertised their store banners to build brand loyalty. When shopping for routine items, consumers often chose the retailer first and made their purchase selection from the brands on offer. As a result, retailer brand preference sometimes trumped product brand preference, which gave the retailer negotiating leverage over the manufacturers of branded products.


Store Brands: The retailers developed merchandise that carried the store's own brand name that competed head-on with manufacturers' brands. For example, Loblaw's private label "President's Choice" covered a wide gamut of consumer requirements and competed with national brands. Store brands held about 12.5 per cent of market share in oral hygiene category in Canada in 2012.

Pricing: Retailers would ask for a variety of special concessions from manufacturers. Some examples: "Mark downs" (lowering the price in order to not only draw customers into the store but clear out stocks and make room for the next shipment); "Vendor allowance" (adjusting the price for damaged merchandise or for the return of unsatisfactory merchandise); "Loss leader" (selling merchandise below the listed price to attract new customers); "Shielding" (reducing the prices of both the national brand and the corresponding private label and advertising the price reduction of only the national brand in order to lure customers who would then proceed to buy the private label).

Merchandising: This provided many more opportunities for leverage for retailers. Some examples: "Listing fees" (seeking a flat amount from the manufacturer for getting its products on the shelf); "Delisting" (taking an item off the shelf as a pressure tactic); "Bracketing placements" (displaying a private labels on either side of a national brand to downplay the latter); "Facings" (increasing the number of product fronts that shoppers could see on the shelves); "Gondola" (designating a set of attention grabbing island shelves, generally mid-floor, to display goods for a special fee; "Slotting fee" (charging a special fee for launching a new product to secure guaranteed space in the retailer's warehouses); "Sliding scale volume allowance" (as a bonus paid by the manufacture on high volume items on which the costs had been reduced after established volume milestones had been crossed).

Source: Adapted from <http://retail.about.com/od/glossary/> accessed January 28, 2014

Exhibit 10: COLGATE PALMOLIVE TOOTHPASTE PRODUCTS



Colgate Oral and Dental Health Resource Center

Oral Care Information | **Oral Care Products** | Special Offers

Oral Care Products > Toothpastes

Toothpaste

Search Resource Center | All Categories | [Search]

Toothpastes ▶

Toothbrushes ▶

Kid's Products ▶


Mouthwash ▶

Products From the Dentist ▶

Other Oral Care ▶

Search by Benefit ▶

▶ **Colgate Total* Advanced Health***




Combines the proven 12 hour antibacterial protection with an advanced cleaning silica system, to help maintain a dentist-clean feeling.

Learn More

Products

- ▶ [Colgate Total* Advanced Health* Professional Clean](#)
- ▶ [Colgate Total* Advanced Health* Whitening](#)
- ▶ [Colgate Total* Advanced Health* Gum Defense](#)
- ▶ [Colgate Total* Advanced Health* Enamel Strength*](#)
- ▶ [Colgate Total* Advanced Health* Intense Fresh](#)
- ▶ [Colgate Total* Advanced Health* Sensitive](#)

▶ **Colgate Total***




Delivers 12 hour antibacterial protection to help prevent many common oral health conditions.

Learn More

Products

- ▶ [Colgate Total* Plus Whitening](#)
- ▶ [Colgate Total* Clean Mint](#)
- ▶ [Colgate Total* Fresh Stripe](#)

▶ **Colgate* Optic White™**




Specially formulated to provide high-impact whitening. Enamel safe every time you brush for whiter teeth in 1 week.

Learn More

Products

- ▶ [Colgate* Optic White™ Sparkling Mint](#)
- ▶ [Colgate* Optic White™ Cool Mint](#)

▶ **Colgate* Sensitive Pro-Relief™**







Colgate* Sensitive Pro-Relief™ toothpaste plugs and seals dentin tubules, which helps block pain triggers to deliver instant and lasting relief.

Learn More

Products

- ▶ [Colgate* Sensitive Pro-Relief™](#)
- ▶ [Colgate* Sensitive Pro-Relief™ Whitening](#)
- ▶ [Colgate* Sensitive Pro-Relief™ Multi-Protection](#)
- ▶ [Colgate* Sensitive Pro-Relief™ Enamel Repair](#)

EXHIBIT 10 (CONTINUED)

<p>► Colgate® 2 in 1</p> <p>Toothpaste clean, mouthwash fresh, in 1 step.</p> <p>Learn More</p> <p>Products</p> <ul style="list-style-type: none"> ► Colgate® 2 in 1 Whitening 	<p>► Colgate® Cavity Protection</p>  <p>Clinically proven to help strengthen teeth by repairing weak spots before cavities start.</p> <p>Learn More</p> <p>Products</p> <ul style="list-style-type: none"> ► Colgate® Cavity Protection Regular ► Colgate® Cavity Protection Winterfresh
<p>► Colgate® MaxFresh®</p>  <p>Invigorates your brushing experience and leaves your breath feeling fresh for hours.</p> <p>Learn More</p> <p>Products</p> <ul style="list-style-type: none"> ► Colgate® MaxFresh® ► Colgate® MaxWhite™ ► Colgate® MaxClean™ 	<p>► Colgate Sensitive®</p>  <p>Colgate Sensitive® toothpaste tastes great and gives your mouth a fresh, clean feeling. Use every day to ensure long-lasting protection against sensitivity and cavities.</p> <p>Learn More</p> <p>Products</p> <ul style="list-style-type: none"> ► Colgate Sensitive® Original ► Colgate Sensitive® Whitening ► Colgate Sensitive® Enamel Protect
<p>► Kids</p>  <p>Makes fighting cavities fun so children establish and maintain good oral hygiene habits from the start.</p> <p>Learn More</p> <p>Products</p> <ul style="list-style-type: none"> ► Colgate® Bubble Fruit Toothpaste ► Colgate® Kids 2 in 1 ► My First® Colgate® Infant & Toddler Toothpaste 	

Source: Colgate-Palmolive Canada, www.colgate.ca/app/CP/CA/EN/OC/Products/Toothpastes.cvsp, accessed December 17, 2013.

EXHIBIT 11: COMPARATIVE NET SALES (TOOTHPASTE CATEGORY IN CANADA)

(in `000 \$)	2009		2010		2011		2012	
Net sales	Total	% YTD change	Total	% YTD change	Total	% YTD change	Total	% YTD change
Colgate	59,434	(3.3)	71,769	20.8	73,733	2.7	77,527	5.1
Competitor 1	50,947	(5.8)	55,673	9.3	59,013	6.0	58,000	(1.7)
Competitor 2	53,623	12.6	57,910	8.0	60,806	5.0	56,840	(6.0)

Note: The company practice is to not identify competitors by name. The case writer assumes one competitor is Proctor and Gamble and the other is GlaxoSmithKline, the major toothpaste market share holders in addition to Colgate Canada. The values are not provided by the company. They are estimates by the case writer.

Source: Company files.

EXHIBIT 12: COMPARATIVE ADVERTISING SPEND (TOOTHPASTE CATEGORY IN CANADA)

(in `000 \$)	2009		2010		2011		2012	
Advertising Spend	Total	% of sales	Total	% of sales	Total	% of sales	Total	% of sales
Colgate	11,499	19.3	18,965	26.4	15,166	20.6	14,719	19.0
Competitor 1	6,832	13.4	11,327	20.3	10,254	17.4	10,350	17.8
Competitor 2	10,416	19.4	10,687	18.5	12,372	20.3	12,954	22.8

The company practice is to not identify competitors by name. The case writer assumes one competitor is Proctor and Gamble and the other is GlaxoSmithKline, the major toothpaste market share holders in addition to Colgate Canada. The values are not provided by the company. They are estimates by the case writer.

Source: Company files.

EXHIBIT 13: COLGATE CANADA AVERAGE CATEGORY PRICES

	Share of Business		Average Retail Unit Price	
	Category (%)	Colgate (%)	Category (\$)	Colgate (\$)
TL Base	10	16	1.37	1.27
TL Premium	33	44	2.21	1.95
TL Super Premium	23	26	2.87	2.76
TL Mega Premium	31	12	4.56	4.23
TL Toothpaste	100	100	2.66	2.11

Source: Company files.