

## I. A Cultural Evolution

The year is 1946, Susie Homemaker dons her freshly starched apron, excited to try out Procter & Gamble Co.'s new laundry care wonder product, Tide® on this week's wash. The aroma of Folger's® brewing in the kitchen wafts up the stairs, signaling the start of another busy day for her husband, Mr. Homemaker. Little Timmy's sniffles seem to be healing, thanks to a healthy dose of Vick's Vaporub®, and baby Molly is cooing in her fresh Pampers® diapers. All is well in this picture perfect American home, thanks to Procter & Gamble.

Fast forward to the year 2000, a pile of tousled shirts, sport coats, dress slacks, ties and freshly polished shoes lying on the bedroom floor. The remnants of a night of passion lay strewn haphazardly over the foot of the bed, and in the background is a blurred image of two men in an intimate embrace. Thanks to Procter & Gamble's new Downy Wrinkle Releaser, ironing is the last thing on this couple's agenda.

Over the years, the company that has its foundation in quality products for the house and home has made several efforts to keep up with the ever-progressing American culture while maintaining its traditional family appeal. Four years after its publication, this latest advertisement is stirring up some controversy. It is part of the latest addition to a series of attacks on P&G's reputation. In this case study we pose the question: "In this climate of continuous cultural progression, how can a single company cater to all demographics tactfully, especially when controversies arise?"

## II. Procter & Gamble Co: strength and susceptibility

Founded in 1837, Procter & Gamble has built its business on its brands and family oriented reputation, ([www.pg.com](http://www.pg.com)). The distribution giant surged to the forefront of consumer product divisions with its cutting edge technology, research, and marketing techniques. Basing its business on the strength of its brands including billion dollar items Tide®, Pampers® and Pantene Pro Vitamin® shampoo, P&G leads the industry in building strong brands and maintaining the reputations of its products and company, ([www.pg.com](http://www.pg.com)).

P&G's name and reputation add to the strength of the company's marketing efforts. However, in some instances that strong reputation serves as a double-edged sword, leaving P&G vulnerable to highly publicized attacks from critics. In the early 1980's, rumors circulated about P&G's logo secretly concealing the demonic notation, 666, "the mark of the beast", in its depiction of thirteen stars, (See Appendix, Figure 1). This claim was then altered, warning consumers to look out for the 666 mark appearing in the logo's depiction of what looks like a ram's horn:

"If you are not sure about the product, look for a Procter & Gamble written on the products, or the symbol of a ram's horn, which will appear on each product beginning on April. The ram's horn will form the 666, which is known as Satan's number." (Emery, 1998)

This allegation was followed by tales of a P&G official appearing on the *Phil Donahue* television talk show and pledging loyalty and financial support to the Church of Satan, (Emery, 1998). An email said to have been circulated around the globe outlined this claim stating:

"The President of Procter & Gamble appeared on the Phil Donahue Show on March 1, 1994. He announced that due to the openness of our society, he was coming out of the closet about his association with the church of Satan. He stated that a large portion of his profits from Procter & Gamble Products goes to support this satanic church. When asked by Donahue if stating this on TV would hurt his business, he replied, 'THERE ARE NOT ENOUGH CHRISTIANS IN THE UNITED STATES TO MAKE A DIFFERENCE.'"

(Emery, 1998).

This statement was quickly refuted by Phil Donahue in a letter to P&G. Donahue stated, "The president of P&G has never appeared on my show, nor has any other P&G executive." (Emery, 1998)

These "urban legends," while ludicrous, still brought replies and inquiries from several P&G consumers. E-mails bearing this information continue to circulate evoking over 200,000 customer replies, (Emery, 1998). P&G responded with lawsuits against Amway Corporation and 11 other competitors whom the company accused of spreading these false claims. In defense of the company's actions, a P&G spokesperson spoke out in an online urban legends publication saying, "[The lawsuit] involves our company's reputation and loss of business. We know consumers around the world have been diverted from buying our products." (Emery, 1997)

Procter & Gamble has expanded into a global community of nearly 98,000 employees working in almost 80 countries worldwide, ([www.pg.com](http://www.pg.com)). With this kind of exposure, the company has made a commitment to diversity and inclusion, attracting an employee base that more accurately reflects its target market demographics. Listing its core values as leadership, integrity, trust, ownership and passion for winning, the company strives to recruit bright, creative young minds to tap into new trends and

movements in product development and advertising, ([www.pg.com](http://www.pg.com)). P&G outlines its commitment to diversity by stating on its website, “We Show Respect for All Individuals. We believe that all individuals can and want to contribute to their fullest potential. We value differences. We inspire and enable people to achieve high expectations, standards, and challenging goals. We are honest with people about their performance.”

([www.pg.com](http://www.pg.com))

These efforts by P&G to appeal to a variety of demographics as well as be on the edge of creative advertising have landed the company in its latest reputation scandal. Procter & Gamble targets the “high potential shopper,” or the middle to upper class consumer who would rather spend a little extra cash for the highest quality products that will save them time and preserve their belongings. Consequently, 80 percent of the company’s business comes from only 20 percent of the consumer population at large, (Procter & Gamble Company Profile, 2004). While P&G has traditionally catered to conservative middle-upper class stay-at-home mothers, the emerging gay market plays directly into P&G’s target audience as well. According to the Scarborough consumer research website, gay and lesbian consumers account for \$450 billion in buying power and this market is still relatively untapped, (<http://www.scarborough.com/opus.htm>).

### III. The American Family Association: holding on to tradition

The American Family Association (AFA) is a non-profit Mississippi-based organization concerned with preserving traditional American family values. Founded in 1977 by ordained Methodist minister Don Wildmon, the AFA is not specifically a Christian organization, although a significant portion of its members are Christians, and the language and practices used by the AFA show heavy Christian influence, ([www.afa.net](http://www.afa.net)). The organization blames the decline of American values on the media, particularly the entertainment industry. Its website states:

“AFA believes that the entertainment industry, through its various products, has played a major role in the decline of those values on which our country was founded and which keep a society and its families strong and healthy. For example, over the last 25 years we have seen the entertainment industry ‘normalize’ and glorify premarital sex. During that time we have suffered a dramatic increase in teen pregnancies, sexually transmitted diseases such as AIDS, and abortion as a means of birth control,” ([www.afa.net](http://www.afa.net)).

Consisting of over 2 million members, the organization keeps a close watch on media outlets and frequently updates members on hot button issues through e-mails and letters, which urge members to take action, ([www.afa.net](http://www.afa.net)). As a media watchdog, the AFA claims its efforts have led to changes in the American entertainment industry. A few changes the AFA claims to have affected include advertiser pull-outs of TV shows like *Ellen*, a sitcom with homosexual characters, and radio shows like the *Howard Stern* radio show, a racy radio talk show with adult themes, ([www.afa.net](http://www.afa.net)). ABC did eventually drop *Ellen*, citing low ratings as the reason for the show's departure. However, there is no direct evidence linking any of these events to the AFA's efforts. The AFA's most recent

campaign is a highly publicized boycott on three Proctor & Gamble products: Pampers®, Tide® and Crest®. The headline, “P&G Comes Out of Closet During Prime Time” occupies the very top of the organization’s homepage. The website also provides links to related stories, including details of P&G's support for the “homosexual agenda,” ([www.pgboycott.com/promotion.asp](http://www.pgboycott.com/promotion.asp)). The AFA created a separate website devoted to this campaign at [PGBoycott.com](http://PGBoycott.com). The site urges members to print P&G petition forms and distribute these forms to their friends, church, and Sunday school members.

#### IV. Back to the Beginning: events leading up to the boycott

In 2000, as part of continuous attempts to gain a foothold in the gay market, P&G released an ad for Downy® Wrinkle Releaser in *Xtra*, a Toronto gay newspaper, (See Appendix, Figure 2). The double spread ad stated “You were more concerned with taking them off than folding them up,” (Commercial Closet, 2004). The background of the ad pictured a blurred image of two men in bed in what appeared to be an intimate embrace. The foreground featured a pile of men’s clothes and shoes scattered over the bedroom floor. The second page of the ad laid out the story plot: “It’s 10:00 a.m. Saturday morning. You’re meeting friends for brunch in an hour. And your khakis—which spent the night crumpled on the floor—are looking a little too ‘casual’ ...Now for the good news,” (Commercial Closet, 2004). The tagline read: “So if you want to reduce wrinkles—the fast and easy way—try Downy® Wrinkle Releaser. You’ll never be scared to face the “morning after” again,” (Commercial Closet, 2004).

This ad ran exclusively in Toronto and was not considered controversial by Canadian viewers at the time of its release. However, four years later the ad started gaining attention in the United States after being brought into the spotlight by the AFA. Former Downy® brand manager Jeff Straker described the process the ad went through in order to be published in gay publications in Canada. “We launched [Downy® Wrinkle Releaser] targeted partially to gay men and their finicky clothing habits. The ads were focus group tested with gays, lesbians, and bisexuals and were thought to be rather breakthrough...It’s interesting that this ad I did a few years ago, which raised no neck hairs then, is apparently controversial now,” (Commercial Closet, 2004). The AFA

targeted this ad in September 2004, when the organization decided to boycott Procter & Gamble products, (Crary, 2004).

## V. The Boycott

In September 2004, in the midst of an election season that included a highly controversial debate over gay marriage, P&G was criticized by the AFA for attempting to advocate its own political agenda. This criticism centered around P&G's position on an article that was up for repeal in Cincinnati, the home-base for P&G operations. Article 12, which was passed in 1993, was placed on the November 2004 ballot for Cincinnati voters to decide whether it should be repealed or remain as a charter amendment, (Crary, 2004). Article 12 stated that people with gay, lesbian or bisexual orientation should be excluded from seeking protection from discrimination based on sexual orientation, and that the city of Cincinnati may not endorse or implement laws also based on sexual orientation, (Nolan, 2004).

On August 23, 2004, P&G executives sent a statement to Cincinnati employees discussing Article 12 and affirming P&G support for the repeal of Article 12, (Antoine and Otto, 2004). The letter stated P&G's position, which was that all people deserve protection from discrimination, that Article 12 was outdated, that the article negatively affected the city and the region's image, and that the article was the only law in the U.S. that allowed discrimination against certain groups of people, (Antoine and Otto, 2004). P&G explicitly maintained that in supporting the repeal, it was not promoting any specific lifestyle, but instead was "supporting values of respect and tolerance," (Antoine and Otto, 2004). P&G also donated nearly \$40,000 to the repeal effort, which was also

backed by Cincinnati mayor, Charlie Luken, (Nolan, 2004). The AFA disagreed with P&G's ongoing support of what it called "homosexual agenda," and believed a boycott would send P&G a message that America's families did not support homosexual activist groups who promote homosexual marriage, (Wildmon, 2004). The boycott included all P&G products, but especially Tide® detergent, Crest® toothpaste, and Pampers® diapers. The AFA encouraged members of like-minded communities, including the Christian ministry Focus on the Family, to spread the word about the boycott and asked people to sign petitions stating: "Yes, I support the boycott of Crest®, Tide® and Pampers® because of P&G's support of the homosexual agenda, including homosexual marriage," ([www.afa.net](http://www.afa.net)).

The top story on the AFA website for the past few months has been updates on the latest information concerning P&G and its stance on various issues, ([www.afa.net](http://www.afa.net)). The AFA's list of grievances against Procter & Gamble include: P&G's support of the repeal of Article 12, the company's required employee diversity training that "promotes the acceptance of homosexuality", the ad in *Xtra*, the company's sponsorship of television programs such as *Will & Grace* and *Queer Eye for the Straight Guy*, the naming of the company by PlanetOut.com as one of the top 20 places to work because of its support and benefits for gay employees, the company's pull-out of all advertising for television talk-show host Dr. Laura Schlessinger for her anti-gay remarks, P&G's policy of domestic partnership benefits, and the list goes on, ([www.pgboycott.com/promotion.asp](http://www.pgboycott.com/promotion.asp)). Though many corporations joined the coalition to defeat Article 12 and providing domestic partnership benefits is a rather common

corporate policy, P&G was singled out for the boycott because of its high national profile, (Crary, 2004).

In an article in the *Associated Press*, Doug Shelton, a spokesperson for P&G, stated that the boycott would not affect the company's position on the repeal of Article 12, (Crary, 2004). He said, "We believe Article 12 is bad economic policy for Cincinnati," (Crary, 2004). As for the AFA's charge that P&G supports gay marriage as part of the "homosexual agenda," however, Shelton said that the company has made no such endorsement nor has it taken any position on the issue, (Crary, 2004). Shelton did say, though, that the controversial ad in *Xtra* should not have been published saying, "We freely admit it was a mistake. Even if the ad had featured heterosexuals, it never should have run - it was in violation of our advertising guidelines," (Crary, 2004).

## VI. What this means for Procter & Gamble Co.

The AFA claimed that, to date, around 300,000 people have signed on to its boycott, (Holmes, 2004). However, the impact on P&G sales has been minimal. Profits have been more or less stable over the past 10 months, and the company has seen an 18.5% revenue growth over the past year, (Procter & Gamble Company Profile, 2004). This lack of financial damage to P&G has not slowed the campaign by AFA and its supporters. Focus on the Family's vice president for public policy, Tom Minnery, said that his organization along with the AFA would not end the boycott anytime soon. He said, "We don't measure the success by decline in sales – we measure it by the rise in controversy," (Crary, 2004). If wanting significant financial impact, the AFA/Focus on the Family boycott may have serious implications for P&G's reputation management. The AFA has had considerable success in effecting change through increased publicity for its causes in the past, and the P&G boycott is no different. The story was picked up by the *New York Times* and the *Associated Press* on September 17, 2004, a few weeks after the boycott began, (Kirkpatrick, 2004). The *Associated Press* story was then covered by several newspapers around the nation, along with two or three follow-up stories in the following months (Crary, 2004). AFA spokespersons have appeared on several television talk shows, and the organization has been actively recruiting conservative religious organizations around the nation since September, ([www.afa.net](http://www.afa.net)).

This substantial media attention forces P&G to respond not only back to the AFA and national news media, but also to other important stakeholders on whom the situation may have bearing. These stakeholders include P&G's consumers, who support a wide spectrum of beliefs and values, employees, who because of P&G's efforts are equally

diverse, advocacy groups on both sides of the issue, and finally, P&G stockholders, who must be considered when any company issue arises. To date, the P&G has chosen to field consumer concerns and inquiries through personal communication. Company spokesperson, Doug Shelton, asked P&G's consumers to call the company to clear up any questions or misconceptions, (Crary, 2004). A few consumer groups have begun debating the issue amongst themselves, however, as evident in recent posts to the Tide® Fabric Care Network message board. The online message board, usually used to post questions or comments about P&G's top selling product, Tide® laundry detergent, has recently been used to share opinions about the AFA's allegations against the company, ([www.tide.com/messageboard](http://www.tide.com/messageboard)). These messages represented supporters of both sides of the issue with one consumer saying, "Because of the strong support of the homosexual agenda, I am boycotting ALL Procter & Gamble products, which is unfortunate, because there are so many great products that I have used for years," ([www.tide.com/messageboard](http://www.tide.com/messageboard)). Another consumer responded, "I not only will purposely buy Procter & Gamble products, I will also tell everyone I know to buy the products. It's nice to have an American company that is so enlightened," ([www.tide.com/messageboard](http://www.tide.com/messageboard)). Like these consumers, advocacy groups on both sides of the issue worked to make their voices heard. As mentioned before, several organizations, including many religious groups, have joined the AFA in condemnation of P&G's actions, ([www.afa.net](http://www.afa.net)). On the other hand, several gay advocacy organizations have encouraged members to support P&G for its progressive policies. GayToday, a website providing daily news updates for the gay community, posted a bulletin asking all its members to "contact Procter & Gamble one more time and thank them profusely for

standing up for equal rights for all Americans,” ([www.gaytoday.badpuppy.com](http://www.gaytoday.badpuppy.com)). The bulletin provided contact information for P&G as well. Employees and stockholders are two more groups that include members who support either side of the issue, or who do not understand the matter at all.

Cultural evolution is an unavoidable phenomenon that corporations have faced since the beginning of Industrialization. Leading global companies, like P&G, have the added stress of catering to a wide spectrum of publics. In many cases, these publics fall on opposite ends of a polarizing debate. Such is the case for P&G. Traditionally a family-oriented company, P&G is now in a cultural climate where the definition of the word, “family”, is constantly changing. The question then arises, how can a company balance the fine line between progression and tradition? How does a corporation accommodate one economically viable market without offending an opposite, yet equally valuable one?

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VIII. Appendix

**Figure 1:** The old P&G logo involved in the demonic notation claims



<http://en.wikipedia.org/wiki/Image:P%26glogo.jpg>

**Figure 2: P&G ad for Downy Wrinkle Releaser in *Xtra*, a Toronto gay newspaper.**

You were more concerned with  
taking them off than folding them up.



Your shirt after 5 hours  
of dancing and 4 martinis.

It's 10:00 a.m. Saturday morning. You're meeting friends for brunch in an hour. And your khakis – which spent the night crumpled on the floor – are looking a little too "casual".  
Now for the good news.

*Introducing*  
**Downy Wrinkle Releaser.**

With new Downy Wrinkle Releaser you can give your khakis – and your other shirts and pants for that matter – that perfect "casually pressed" look. Of course some clothes – such as dress pants and shirts – will always need to be ironed. But when it comes to your casual wardrobe, Downy Wrinkle Releaser is the ideal solution. Now for the even better news.

Reduce wrinkles without heating, steaming or sweating. With this new spray you can reduce wrinkles without having



1. PULL



2. TUG



3. SMOOTH

to pull out the iron. Simply put the article on a hanger or lay it out flat. Spray enough Downy Wrinkle Releaser to make it damp (not wet). Tug the sides and then smooth the material. It's that easy.

The spray that's on call 24/7.

When is the best time to use Downy Wrinkle Releaser? That's up to you but here are some ideas that we came up with: after you take your clothes out of the closet, right when they come out of the dryer, and even while travelling. In fact, Downy Wrinkle releaser is so versatile, you can even use it on tablecloths and curtains.



So if you want to reduce wrinkles – the fast and easy way – try Downy Wrinkle Releaser. You'll never be scared to face the "morning after" again.

**NEW**

**Downy Wrinkle Releaser.**  
The casual press for casual dress.

Your shirt after you used  
Downy Wrinkle Releaser.

<http://www.commercialcloset.org/cgi-bin/iowa/portrayals.html?record=732>