

## Lever Brothers' Introduction of Snuggle Fabric Softener

**I**t was early May 1990 and Lever Brothers Eastern Regional Sales Manager, Mr. David Lewis, was pondering his assignment. Mr. Lewis needed to devise a strategy to introduce Snuggle, Lever Brothers' newest entry into the fast-growing liquid fabric softener market into his region.

The product had already been successfully introduced into the Milwaukee test market, the Midwest, West, Central, Southeast, and Southwest regions. Only the Eastern region remained. The company believed it had the right combination of ingredients for unprecedented success—a quality product, a lower price, and a magical “spokesbear.” Snuggle had broken all records since its introduction, and it was Mr. Lewis's job to continue its success.

### HISTORY

Lever Brothers Company is one of the United States' best-known manufacturers and marketers of soaps, detergents, toiletries, and food products. It is a member of the worldwide Unilever corporation, which includes more than 500 companies and offers one of the widest varieties of products and services in the world.

The name Unilever was coined in 1929, when the Margarine Union merged with Lever Brothers and changed its name to Unilever Limited. At the same time, the Margarine Union in the Netherlands became Unilever N.V. Unilever Limited has its head offices in London; the offices of Unilever N.V. are in Rotterdam.

Each Unilever director is on the board of both parent companies and, as much as possible, both companies work as one company—Unilever.

Today's Unilever traces its roots to nineteenth-century Europe. The company is a direct result of the ingenuity and hard work of three European families, the Lever and Jurgens families of England and the Van den Burgh family of the Netherlands.

In 1885, William and James Lever founded their soap company. Through innovative marketing and packaging, their soap, known as Sunlight, became the world's biggest selling soap by 1887.

Years earlier, Anton Jurgens and his three sons became engaged in the butter trade. Unfortunately, as time went on, they found it increasingly difficult to obtain their raw materials. Luckily, in 1869 they found a way to overcome their supply problem. They simply bought the rights to a French chemist's latest product, margarine.

Finally, Simon Van den Burgh and his sons, rival exporters of cheap butter from the Netherlands, also heard about the new invention, and they also began to make margarine.

All three firms grew at great rates. Each firm expanded its product line. Jurgens and Van den Burgh even entered the business of manufacturing soap.

All three firms shared a great deal in common. All relied on the same basic raw materials of oils and fats and the same refining processes. Their production was on a large scale and their distribution channels were alike. Their products also tended to be ordinary necessities intended to be consumed or used in millions of homes.

With such similarities, it was logical that these companies would someday come together. Through a series of mergers and acquisitions, the three grew into today's Unilever.

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This case was prepared as a basis for classroom discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

In 1989, Unilever operated over 500 companies in more than 70 countries, employed over 330,000 people, and had sales of over \$24 billion. One of its most important companies is the Lever Brothers Company in the United States.

Lever Brothers started in 1895, with a small sales office in New York. Slowly, the company grew with such products as Lifebuoy, Sunlight, and Welcome. For its first 25 years, the company concentrated on the New England market. Then in 1919, with the introduction of Rinso, the first granulated packaged soap, the company went national. In 1924, Lux, the first white milled perfumed soap to be made in America and sold at a popular price, was introduced. By 1929, Lever Brothers became the third largest producer of soap and glycerine in the United States.

Through the 1930s and '40s, Lever Brothers grew. It expanded its manufacturing capacity time and again. It built or acquired plants in Hammond, Indiana; Edgewater, New Jersey; Baltimore, Maryland; Chicago, Illinois; and St. Louis, Missouri. The company diversified into shortening, margarine, and toothpaste (Pepsodent).

In the 1950s, Lever Brothers introduced a procession of new products. Such products as Lux liquid detergent, the first liquid detergent to be packaged in cans; Wisk, the first liquid heavy-duty laundry detergent; Imperial, the first premium margarine; Dove, the new type of toilet bar containing one-quarter cleansing cream; and Mrs. Butterworth's syrup, the first syrup blended with butter, were all introduced.

Through the 1960s and '70s, Lever Brothers introduced more notable new products such as a Pepsodent denture brush, Soft Imperial margarine, Drive detergent, Close-up and Aim toothpastes, Caress body bar, Promise margarine, and Signal mouthwash.

Finally, the 1980s brought us Shield deodorant soap, Aim Mint toothpaste, Sunlight dishwashing liquid, Impulse body spray, Sunlight automatic dishwashing detergent, Snuggle fabric softener sheets, Surf high suds detergent, and now Snuggle Liquid Fabric Softener.

From its modest start in 1895, Lever Brothers has grown to be one of the largest soap, detergent, and toiletry producers in the country.

#### **LEVER BROTHERS ORGANIZATION: HOUSEHOLD PRODUCTS**

Lever Brothers was a decentralized company that had three operating divisions. These were Household Products (HHP), Personal Products (PPD), and Foods. Each division had its own president and officers, and each was responsible, as far as is practical, for all resources and services necessary for its operation. This organizational structure was completed in 1981.

The sales force sold Lever's household products throughout the United States. To facilitate this selling activity, the sales force was divided into six regions. Each region was divided into districts, and each district was divided into areas/units. Finally, each area/unit was divided into sales territories. These were, in turn, headed by regional sales managers, district sales managers, area assistants, and district field sales managers, who were assigned to assist district sales managers in managing some districts.

This organization allowed maximum flexibility when making decisions to best serve the requirements of different market zones throughout the country. For example, local promotions were determined by buying preferences and competitive approaches in a particular market, and these could be different from those in another district.

The six regions and 22 districts are listed in **Exhibit 1**.

#### **HOUSEHOLD PRODUCTS DIVISION: CHANNELS OF DISTRIBUTION**

Lever Brothers used two different channels of distribution. They were as follows:

1. Manufacturer (Lever Brothers) who sold to **wholesalers** and **chain headquarters** who supplied to **retailers** or **chain stores** who sold directly to **consumers**.

**EXHIBIT 1****Lever Brothers Household Products Division Field Sales Organization**

| <i>Eastern Region</i>      | <i>Central Region</i>    | <i>Southeastern Region</i> |
|----------------------------|--------------------------|----------------------------|
| Boston                     | Detroit                  | Charlotte                  |
| New York                   | Syracuse                 | Atlanta                    |
| Philadelphia               | Cincinnati               | Orlando                    |
|                            | Cleveland/Pittsburgh     | Baltimore                  |
| <i>Southwestern Region</i> | <i>Midwestern Region</i> | <i>Western Region</i>      |
| New Orleans                | Chicago                  | Los Angeles                |
| Dallas                     | Kansas City              | San Francisco              |
| Houston                    | Minneapolis              | Portland                   |
| Denver                     | St. Louis                |                            |

2. Manufacturer (Lever Brothers) who sold directly to **retailers** who sold to **consumers**.

#### **HOUSEHOLD PRODUCTS DIVISION: CATEGORIES OF MERCHANDISE**

The Household Products division sold four types of products: laundry detergents, dishwashing detergents, fabric softeners, and toilet bars. In the fabric softener field, Lever offered three products: Final Touch and two types of Snuggle, which came in liquids or sheets.

Final Touch was introduced in 1964 and was marketed as a premium fabric softener, while Snuggle Liquid and Sheets were both priced approximately 10 percent below the premium market.

#### **PRODUCT/MARKET INFORMATION**

##### *Product*

Snuggle was a premium quality liquid fabric softener that softened the whole wash, controlled static cling, and gave clothes a fresh smell at a price that was really less expensive than other premium fabric softeners. It would be available in the normal variety of sizes—17 oz., 33 oz., 64 oz., 96 oz., and 128 oz.

##### *Market*

The liquid fabric softener category was large and growing. In 1989, sales were \$398 million, an in-

crease of 22 percent since 1985. The liquid softener market could be expanded because 30 percent of all households still did not use a fabric softener. The liquid fabric softener category was dominated by premium-priced products. Each of the nationally supported brands (i.e., Downy, manufactured by Procter & Gamble, and Final Touch, manufactured by Lever Brothers) had one thing in common—a premium price. An opportunity existed to expand the choice consumers had by offering a quality liquid fabric softener at a price that was really less expensive.

**Category Structure.** Fabric softeners are primarily used by consumers to soften clothes, control static cling, and provide a fresh scent. The fabric softener market can be segmented by form into two groups—liquid softeners and dryer sheets.

- Liquid softeners are usually added to the washer during the rinse cycle. They tend to provide superior softening.
- Dryer sheets are pre-cut or come in tear-off fabric sheets that are tossed into the dryer along with the wash. Dryer sheets provide superior static cling control and convenience.

#### **1989 Fabric Softener Category Share by Segment**

|              | <i>Unit Share</i> | <i>Dollar Share</i> |
|--------------|-------------------|---------------------|
| Liquids      | 56%               | 59%                 |
| Dryer Sheets | 44%               | 41%                 |

**Competitive Environment.**

*Liquids.* The liquid fabric softener category was divided into three distinct segments: dilutes, concentrates, and super concentrates. (See **Exhibit 2.**) Concentrates, which were the preferred form, currently represented 77 percent of the total liquid market. The three liquid forms were differentiated by recommended usage amounts and cost per ounce and generally competed only within their segment.

Nationally, regular Downy was the leading brand with a 43.6 percent share of the liquid category, followed by Final Touch with 14.1 percent, and Snuggle with 11.3 percent of the market. In the Midwest, Snuggle currently had a 31.2 percent share, and in the West, the product had a 23.7 percent share.

**Liquid Shares—1989**

| <i>Brand</i> | <i>National</i> | <i>Midwest</i> | <i>West</i> |
|--------------|-----------------|----------------|-------------|
| Downy Total  | 54.5            | 48.2           | 57.7        |
| Regular      | 43.6            | 36.9           | 47.3        |
| Super Conc.  | 10.9            | 11.3           | 10.4        |
| Snuggle      | 11.3            | 31.2           | 23.7        |
| Final Touch  | 14.1            | 9.8            | 4.6         |
| Sta-Puf      | 4.8             | 2.5            | 3.1         |
| All Others   | 15.3            | 8.3            | 10.9        |

Only Final Touch and Downy received national advertising support. Both were premium-priced products, but were differentiated by the whitening ability of Final Touch.

| <i>Product</i> | <i>Advertising Claim</i>                         |
|----------------|--|
| Final Touch    | Softness, Fragrance, Static Cling, and Whiteness |
| Downy          | Softness, Fragrance, Static Cling                |

The following is market share data from three major cities in the Eastern Region:

**SAMI Rankings—Liquid Fabric Softeners\*  
12 Week-Physical Case Share, Period Ending 4/26/90**

| <i>Boston/Providence</i> |             |              |
|--------------------------|-------------|--------------|
| <i>Brand</i>             |             | <i>Share</i> |
| Downy                    |             | 36.7         |
| Final Touch              |             | 17.9         |
| Downy T. C.              |             | 10.4         |
| Lavender Sachet          |             | 5.2          |
| Sta-Puf                  |             | 1.1          |
| <i>Brand</i>             | <i>Size</i> | <i>Share</i> |
| Downy                    | 64 oz.      | 14.3         |
| Downy                    | 96 oz.      | 12.2         |
| Final Touch              | 64 oz.      | 8.0          |
| Downy                    | 33 oz.      | 7.4          |
| Downy T. C.              | 21.5 oz.    | 6.7          |
| Final Touch              | 33 oz.      | 6.2          |
| Lavender Sachet          | 46 oz.      | 4.3          |
| Downy T. C.              | 32 oz.      | 3.8          |
| Final Touch              | 96 oz.      | 3.7          |
| Downy                    | 17 oz.      | 2.8          |

\*Private labels and generics not included.

**EXHIBIT 2**  
**Liquid Softener Segmentation**

| <i>Segment</i>     | <i>Recommended Usage Amount</i> | <i>Price Per Ounce</i> | <i>Cost Per Use</i> |
|--------------------|---------------------------------|------------------------|---------------------|
| Dilutes            | 6–8 ounces                      | 1.4 cents              | 9.7 cents           |
| Concentrates       | 3 ounces                        | 3.5 cents              | 10.5 cents          |
| Super Concentrates | 1 ounce                         | 10.2 cents             | 10.2 cents          |

**New York**

| <i>Brand</i>        |             | <i>Share</i> |
|---------------------|-------------|--------------|
| Downy               |             | 35.0         |
| Final Touch         |             | 19.3         |
| Downy T. C.         |             | 9.1          |
| Lavender Sachet     |             | 6.8          |
| Sta-Puf Concentrate |             | 5.1          |
| <i>Brand</i>        | <i>Size</i> | <i>Share</i> |
| Downy               | 96 oz.      | 15.4         |
| Downy               | 64 oz.      | 10.7         |
| Final Touch         | 64 oz.      | 8.5          |
| Downy               | 33 oz.      | 7.4          |
| Final Touch         | 33 oz.      | 6.4          |
| Downy T. C.         | 32 oz.      | 4.7          |
| Lavender Sachet     | 46 oz.      | 4.6          |
| Final Touch         | 96 oz.      | 4.5          |
| Downy T. C.         | 21.5 oz.    | 3.9          |
| Sta-Puf Concentrate | 64 oz.      | 2.6          |

**Philadelphia**

| <i>Brand</i>        |             | <i>Share</i> |
|---------------------|-------------|--------------|
| Downy               |             | 30.6         |
| Final Touch         |             | 20.4         |
| Downy T. C.         |             | 9.8          |
| Sta-Puf Concentrate |             | 7.8          |
| Lavender Sachet     |             | 6.1          |
| <i>Brand</i>        | <i>Size</i> | <i>Share</i> |
| Downy               | 64 oz.      | 13.2         |
| Final Touch         | 64 oz.      | 8.9          |
| Downy               | 96 oz.      | 8.8          |
| Final Touch         | 33 oz.      | 7.6          |
| Downy               | 33 oz.      | 5.9          |
| Downy T. C.         | 32 oz.      | 5.5          |
| Sta-Puf Concentrate | 64 oz.      | 4.8          |
| Downy T. C.         | 21.5 oz.    | 4.3          |
| Lavender Sachet     | 46 oz.      | 4.3          |
| Final Touch         | 96 oz.      | 3.9          |

*Dryer.* In the dryer segment, Bounce was the dominant brand with 50.3 percent share.

**Dryer Shares\* 1989**

| <i>Brand</i> | <i>Share of Dryer Segment</i> |
|--------------|-------------------------------|
| Bounce Total | 50.3                          |
| Regular      | 43.1                          |
| Unscented    | 7.2                           |
| Cling Free   | 12.1                          |
| All Others   | 37.7                          |

\*Excludes Snuggle Sheet Test Market

**Category Pricing.** Final Touch and Downy were both premium-priced and at parity to each other. Sta-Puf, which did not receive national advertising support and had a national share of only 4.8 percent, was priced at an average 10.8 percent discount to the premium brands. In general, dryer products were priced 50 percent below comparable liquid products on a per-use basis. (See **Exhibit 3.**)

**Category Spending.** More than half of the total marketing support in the fabric softener category was placed behind promotion, while the balance was spent on advertising.

| <i>Category Spending* 1989</i> | <i>Percent</i> |      |
|--------------------------------|----------------|------|
| Promotion                      | \$ 62,500M     | 57%  |
| Advertising                    | 46,900M        | 43   |
|                                | \$109,400M     | 100% |

**Fabric Softener Category 1989 Advertising Spending\***

| <i>Brand</i>   | <i>\$MM</i> | <i>Share of Spending</i> |
|----------------|-------------|--------------------------|
| <i>Liquids</i> |             |                          |
| Downy**        | \$20.4      | 69%                      |
| Final Touch    | 9.0         | 31                       |
| Total Liquids  | \$29.4MM    | 100%                     |
| <i>Dryer</i>   |             |                          |
| Bounce         | \$ 9.7      | 55%                      |
| Cling Free     | 6.8         | 39                       |
| Toss N Soft    | 1.0         | 6                        |
| Total Dryer    | \$17.5MM    | 100%                     |

\*Excludes Snuggle

\*\*Includes Triple Concentrated

**EXHIBIT 3**  
*Category Pricing*

|             | <i>Pack</i> | <i>Pkg. Wt.</i> | <i>\$/Case</i> | <i>\$/Unit</i> | <i>\$Cost/Use*</i> |
|-------------|-------------|-----------------|----------------|----------------|--------------------|
| Final Touch | 12's        | 33 oz.          | 14.04          | 1.17           | .106               |
|             | 6's         | 64 oz.          | 13.30          | 2.22           | .104               |
|             | 4's         | 96 oz.          | 13.09          | 3.27           | .012               |
| Downy       | 12's        | 33 oz.          | 14.04          | 1.17           | .106               |
|             | 6's         | 64 oz.          | 17.73          | 2.22           | .104               |
|             | 4's         | 96 oz.          | 19.64          | 3.27           | .012               |
| Bounce      | 12's        | 20 use          | 12.34          | 1.03           | .051               |
|             | 12's        | 40 use          | 24.03          | 2.00           | .050               |
|             | 8's         | 60 use          | 22.41          | 2.80           | .047               |
| Cling Free  | 10's        | 24 use          | 12.24          | 1.22           | .051               |
|             | 6's         | 36 use          | 10.77          | 1.80           | .050               |
|             | 4's         | 54 use          | 10.04          | 2.51           | .047               |

\*Liquids: 3 oz./use; Dryer: 1 sheet/use

All the major fabric softener brands placed the majority of their advertising weight in network television. (See Exhibit 4.)

**1989 Promotional Summaries.** Final Touch offered the highest off-label values in the category. Sta-Puf was currently on a pre-price strategy.

|             | <i>Off Label</i>   |              | <i>Pre-Price<br/>Sta-Puf</i> |
|-------------|--------------------|--------------|------------------------------|
|             | <i>Final Touch</i> | <i>Downy</i> |                              |
| <i>Size</i> |                    |              |                              |
| 32 oz.      | 25 cents           | 20 cents     | \$0.99                       |
| 64 oz.      | 50 cents           | 40/45 cents  | 1.89                         |
| 96 oz.      | 75 cents           | 60 cents     | 2.79                         |
| Couponing   | 20 cents           | 20 cents     | -                            |

**EXHIBIT 4**  
*% Dollars Spending by Daypart-1989*

|               | <i>Network TV</i> |              |            |               | <i>Spot TV</i> | <i>Print</i> | <i>Radio</i> |
|---------------|-------------------|--------------|------------|---------------|----------------|--------------|--------------|
|               | <i>Total</i>      | <i>Prime</i> | <i>Day</i> | <i>Fringe</i> |                |              |              |
| <i>Liquid</i> |                   |              |            |               |                |              |              |
| Downy         | 82%               | 37%          | 45%        | -             | 18%            | -            | -            |
| Final Touch   | 59%               | 32%          | 27%        | -             | 41%            | -            | -            |
| Sta-Puf       | -                 | -            | -          | -             | -              | -            | 100%         |
| <i>Dryer</i>  |                   |              |            |               |                |              |              |
| Bounce        | 71%               | 26%          | 45%        | -             | 29%            | -            | -            |
| Cling Free    | 84%               | 46%          | 36%        | 2%            | 16%            | -            | -            |

**Seasonality.** Overall, category sales were relatively constant throughout the year with a slight increase in total fabric softener sales in the winter months caused by increased dryer product sales. The Eastern region did not deviate from this pattern.

#### *Miscellaneous Data.*

##### *Liquid Fabric Softeners Five-Year Volume Trends*

|                       | 1985  | 1986  | 1987  | 1988  | 1989  |
|-----------------------|-------|-------|-------|-------|-------|
| Case volume (MM)      | 25.7  | 24.9  | 24.9  | 26.0  | 28.8  |
| % Change vs. Year Ago | -1    | -3    | -     | +4    | +11   |
| Dollar Volume (\$MM)  | \$325 | \$336 | \$359 | \$373 | \$398 |
| % Change vs. Year Ago | +7    | +3    | +7    | +4    | +7    |

##### *Liquid Fabric Softeners Five-Year Share Trends-By Size*

|         | 1985 | 1986 | 1987 | 1988 | 1989 |
|---------|------|------|------|------|------|
| 17 oz.  | 8%   | 7%   | 7%   | 6%   | 4%   |
| 33 oz.  | 26%  | 26%  | 25%  | 24%  | 21%  |
| 64 oz.  | 39%  | 40%  | 41%  | 42%  | 45%  |
| 96 oz.  | 26%  | 26%  | 27%  | 28%  | 30%  |
| 128 oz. | 1%   | 1%   | -    | -    | -    |

##### *Eastern Region Liquid Fabric Softeners 1989 Share By Brand*

|                    | Boston | New York | Philadelphia |
|--------------------|--------|----------|--------------|
| Downy Regular      | 48.6   | 43.5     | 38.2         |
| Downy Triple Conc. | 5.9    | 5.3      | 5.1          |
| Final Touch        | 17.2   | 21.0     | 23.1         |
| Sta-Puf            | 3.9    | 5.4      | 6.7          |
| All Other          | 24.4   | 24.8     | 26.9         |

#### **SNUGGLE ADVERTISING**

To date, Snuggle's advertising strategy had been to convince consumers that new Snuggle was a quality liquid fabric softener that softened the whole

wash, controlled static cling, gave clothes a fresh smell, and was really less expensive than premium liquid fabric softeners.

Snuggle was positioned among the other premium liquid softeners—Downy and Final Touch. However, Snuggle was priced less than these brands. Consumers would be able to get all the quality softener benefits they desired, but at a lower price.

Snuggle was supported with unique and memorable advertising. The brand's advertising featured Snuggle the teddy bear—a character who represented the essence of softness.

Snuggle spent all of its advertising budget on television, the most effective medium for reaching large numbers of the target audience, women 25–54 years of age. Snuggle advertising reached over 90 percent of the target audience and had twice as many prime-time announcements as Downy. In 1989, Lever Brothers spent \$17 million on advertising Snuggle while Downy spent \$15 million.

#### **SNUGGLE PROMOTION**

Snuggle's introductory program was the strongest in the history of the fabric softener category. On a national basis, Lever spent \$60 million on trade and consumer promotions to support the brand during its introductory year. The promotional program was designed to:

1. Secure three size distributions.
2. Maximize trade feature and display support.
3. Generate consumer trial and repeat purchase.
4. Accelerate product movement.
5. Obtain a significant on-shelf price advantage vs. Downy.

The following methods could be employed in attaining the above goals:

1. Discounts off invoice price—budgeted up to \$1.50.
2. Special promotional allowances—budgeted up to \$1.50.
3. Extended dating—variable.
4. Carload pricing—40,000 lbs./carload—variable.
5. Mailing of free samples—70 percent of homes would receive a free 6 oz. sample via direct mail. This

would be the first sampling effort in the liquid fabric softener category in over 20 years. Research showed that 75 percent of consumers who tried a free Snuggle sample would buy it.

6. Couponing—Industry norm is 20 cents per coupon. Budgeted to spend up to 50 cents per coupon.

### SNUGGLE PRICING

Snuggle fabric softener would be priced between 11 to 14 percent less than the premium brands in the liquid fabric softener category—Final Touch and Downy.

Snuggle was not a price brand. It was positioned in the premium segment of the liquid fabric softener market. Price brands did not provide the same quality softener benefits that Snuggle delivered.

The trade price of Snuggle should be close to the same margin as Downy so that Snuggle would offer a meaningful price differential to consumers at the retail level.

A primary part of Snuggle's positioning was a price benefit that provided consumers a better value for their dollar.

Upon introduction, if Downy reduced its price in a defensive move, Snuggle would reduce its price accordingly to maintain the correct price differential. (See **Exhibit 5**.)

The following is a listing of all material available to each sales representative for the Snuggle introduction:

|                              |                          |
|------------------------------|--------------------------|
| Flip Flop Presentation       | Shelf Strip              |
| Stencil                      | 4-page Brochure          |
| Ad Slicks                    | 2-page Sell Sheet        |
| Combination Card             | MPO Cassette             |
| Display Banner (18" x 49")   | Planograms               |
| Plastic Shelf Talker         | Spanish Combination Card |
| Spanish Plastic Shelf Talker |                          |

### SNUGGLE'S POTENTIAL SOURCES OF BUSINESS

Category growth was one potential source of new business for Snuggle. In the Milwaukee test market, liquid softener sales increased over 20 percent since the introduction of Snuggle.

In every area where Snuggle had been introduced, the smaller brands such as Sta-Puf and Rain Barrel experienced the largest percentage share decline. Downy and Final Touch lost a proportionately smaller percentage of their business.

Snuggle would have some impact on Final Touch, but primarily the business would come from the "all other" brands. Final Touch's whiteness benefit would still provide it with a unique positioning in the category.

Additionally, Final Touch instituted consumer and trade defense plans. Snuggle was not meant to replace Final Touch. Lever Brothers wanted to use Snuggle and Final Touch to enhance its market position so it could overtake P&G as the number one liquid fabric softener manufacturer.

**EXHIBIT 5**  
**Retail Price and Profit Margin Guide—Snuggle vs. Downy**

| <i>Profit Margin</i> | <i>33 oz.</i>  |              | <i>64 oz.</i>  |              | <i>96 oz.</i>  |              |
|----------------------|----------------|--------------|----------------|--------------|----------------|--------------|
|                      | <i>Snuggle</i> | <i>Downy</i> | <i>Snuggle</i> | <i>Downy</i> | <i>Snuggle</i> | <i>Downy</i> |
| 1%                   | \$1.03         | \$1.18       | \$1.95         | \$2.23       | \$2.89         | \$3.31       |
| 2%                   | \$1.04         | \$1.19       | \$1.97         | \$2.26       | \$2.92         | \$3.34       |
| 3%                   | \$1.05         | \$1.21       | \$1.99         | \$2.29       | \$2.95         | \$3.37       |
| 4%                   | \$1.06         | \$1.22       | \$2.01         | \$2.30       | \$3.98         | \$3.40       |
| 5%                   | \$1.08         | \$1.23       | \$2.04         | \$2.33       | \$3.01         | \$3.44       |
| 6%                   | \$1.09         | \$1.24       | \$2.06         | \$2.36       | \$3.03         | \$3.48       |
| 7%                   | \$1.10         | \$1.26       | \$2.08         | \$2.38       | \$3.07         | \$3.51       |
| 8%                   | \$1.11         | \$1.27       | \$2.10         | \$2.41       | \$3.11         | \$3.56       |
| 9%                   | \$1.12         | \$1.29       | \$2.13         | \$2.44       | \$3.14         | \$3.60       |
| 10%                  | \$1.14         | \$1.30       | \$2.15         | \$2.46       | \$3.18         | \$3.64       |
| 11%                  | \$1.15         | \$1.31       | \$2.17         | \$2.49       | \$3.21         | \$3.68       |
| 12%                  | \$1.16         | \$1.33       | \$2.20         | \$2.52       | \$3.24         | \$3.72       |
| 13%                  | \$1.17         | \$1.34       | \$2.22         | \$2.55       | \$3.28         | \$3.76       |
| 14%                  | \$1.19         | \$1.36       | \$2.25         | \$2.58       | \$3.32         | \$3.81       |
| 15%                  | \$1.20         | \$1.38       | \$2.28         | \$2.61       | \$3.36         | \$3.85       |
| 16%                  | \$1.22         | \$1.39       | \$2.30         | \$2.64       | \$3.40         | \$3.90       |
| 17%                  | \$1.23         | \$1.41       | \$2.33         | \$2.67       | \$3.44         | \$3.94       |
| 18%                  | \$1.25         | \$1.43       | \$2.36         | \$2.70       | \$3.48         | \$3.99       |
| 19%                  | \$1.26         | \$1.44       | \$2.39         | \$2.74       | \$3.53         | \$4.04       |
| 20%                  | \$1.28         | \$1.46       | \$2.42         | \$2.77       | \$3.57         | \$4.09       |
| 21%                  | \$1.29         | \$1.48       | \$2.45         | \$2.80       | \$3.62         | \$4.14       |
| 22%                  | \$1.31         | \$1.50       | \$2.48         | \$2.84       | \$3.67         | \$4.20       |
| 23%                  | \$1.33         | \$1.52       | \$2.51         | \$2.87       | \$3.71         | \$4.25       |
| 24%                  | \$1.34         | \$1.54       | \$2.55         | \$2.92       | \$3.76         | \$4.31       |
| 25%                  | \$1.36         | \$1.56       | \$2.58         | \$2.96       | \$3.81         | \$4.36       |