

Classic clashes - washing powder wars

 By [Michael Wood](#)

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Think of those classic sporting clashes between old rivals Springboks and All Blacks, Chiefs vs Pirates, or Nadal vs Djokovic. A battle between two old rivals almost as equal as each other, bitterly fought, won with sweat, blood and tears.

Now translate that into the FMCG industry: over the next weeks and months South Africa is about to witness such a classic clash in the washing powder category.

Procter & Gamble announced just a short while ago, that they are finally (finally because they have been rumoured to be doing it for 10 years) launching their washing powder "Ariel" in South Africa, in a hand-wash and machine-wash format.

South Africa has been for the last 100 years a Unilever stronghold, with few challenges albeit for the brand Mac who has done well but never really threatened the South African giant of washing powder.

Now with P&G launching Ariel, Unilever has for the first time a real challenge and this will be a hard-fought battle to win the hearts and minds of consumers, shoppers and customers.

A formidable competitor

P&G's Ariel will face up directly to Omo, a formidable competitor, an icon amongst South African brands, one of those brands that Saatchi terms love marks, those brands that enjoy undying brand loyalty and are very difficult to take on.

No-one better to do so than P&G, based on their success and failure of taking on Unilever in other Omo strong holds. We believe they will come with a fantastic high performing product, that does deliver results for consumers, keen pricing, heavy promotional support and extensive above the line communication focused on TV. It will be interesting to see how Omo responds to this challenge, with such a large profitable business you can be sure they will not take it lying down.

Undoubtedly consumers will be the real winners with better and better products and most probably at lower prices as the two giants fight for their share of the shopper's purse.

Will the category grow?

We also see retailers and wholesalers winning, as spends are dramatically increased in the battle for the shelf. However, will the category grow? In our opinion we might see a short-term drop in revenue as the temptation to discount will be high by each manufacturer to buy share, but in the mid to long-term we predict growth as increased consumer interest and spend is generated by such a sharp increase in activity in this category.

So from us it's a big welcome to P&G's Ariel brand in South Africa... We have all been waiting for you, some of us with open arms. It's good news all round for consumers, shoppers and retailers, a little bit tougher for Unilever but then again they have enjoyed 100 years without being seriously challenged.

ABOUT MICHAEL WOOD

Michael Wood is co-founder and Director of Aperio, a business consulting company focused on accelerating growth of FMCG brands in South Africa and sub-Saharan Africa. Michael has many years international experience where he held the positions of Marketing Director, Sales Director and Managing Director with the Gillette company and Procter & Gamble.

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