

AdAge

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HOW P&G RESHAPED THE INDUSTRY FROM BRAND MANAGEMENT TO DIGITAL AND BEYOND

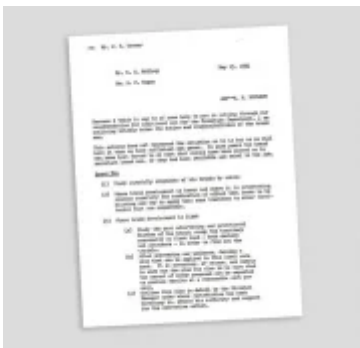
WORLD'S LARGEST ADVERTISER LED THE WAY WITH FIRSTS IN RADIO, TV AND TECH

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As the perennial largest advertiser in the U.S. and the world, P&G tends to be the first stop for just about any new marketing or media proposition.

P&G has sent thousands of trained marketers into the broader world, and the system and culture those marketers take with them have largely shaped the marketing landscape.

And while that influence may not have been felt so strongly during most of P&G's first century, it's been profound since the early 1930s, an awful decade for the economy but a seminal period for P&G and marketing.



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On May 13, 1931, soon after an assignment in England where he got to scout the growing threat from rival Lever Bros. at close range, P&G executive Neil McElroy crafted his famous memo outlining the brand-management system.

It was really an argument for a bigger budget and staffing for the "Promotion Department" staffed by "brand men" and requiring a legion of "assistant brand men" to meticulously rate strong and weak local markets, then develop plans to address the "sore spots" and assure "the amount of money proposed can be expected to produce results at a reasonable cost per case."

That memo would help spawn an army of analytical brand managers what would become a model and a talent source for much of marketing for decades to come.

In 1932, P&G would launch the first radio soap opera (the "Puddle Family" on WLW in Cincinnati to qualify the idea before the national rollout of "Ma Perkins" in 1933). By 1939, P&G would run its first TV ad during a broadcast of a baseball game announced by Red Barber.

That eagerness to be first with media and marketing propositions continued through the decades. P&G was among the earliest advertisers on TV when it shifted its radio soap operas in 1950. It was among the first big players on cable in the late 1970s and early 1980s, and was among the first to launch corporate and brand websites in the mid-1990s.

That tradition of leading the way prompted former Chairman-CEO Ed Artzt to make his speech in 1994 to the American Association of Advertising Agencies warning of the disruptive potential of "interactive" advertising. P&G's early interactive efforts prove the company was geared toward ensuring the web would develop as an advertising-friendly medium.

Realistically, P&G gets to reshape marketing today in part out of sheer status. As the perennial largest advertiser in the U.S. and the world, it tends to be the first stop for just about any new marketing or media proposition. The ability to say "P&G is doing it" aids sales pitches both because of its history and scale and because of the legion of P&Gers scattered across the marketing universe.

"We end up influencing the industry broadly because we are so focused on making sure we stay ahead of consumers and stay with consumers," said P&G Global Brand-

Building Officer Marc Pritchard.

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