

Assessment of American Red Cross Label on Clorox Bleach Package

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KEY FINDINGS REPORT

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Background

The Clorox Company (Clorox) and the American Red Cross (ARC) entered into a cause marketing partnership in July of 2006. One component of the partnership included the option of adding a cause marketing message on the label for five Clorox disinfecting products. The proposed label included the ARC logo and name, along with the following statement: *“Dedicated to a Healthier World. Help Clorox raise \$1 million for the American Red Cross.”* Details about the cause marketing program were also included on the label. The pricing for the five Clorox products remained the same with and without the cause marketing label.

US EPA approval was required to execute this cause marketing campaign, and hinged on how consumer perceptions might be affected by the cause marketing label. Specifically, the EPA, Clorox and the ARC wanted assurance that the ARC cause marketing label would not mislead consumers into believing that the disinfecting products are safer than they would otherwise believe.

Purpose of the Research

Determine the impact of adding the American Red Cross cause marketing message on the label for Clorox Bleach. Specifically, we wanted to understand whether the cause marketing label:

- Increased consumers’ safety perceptions of Clorox Bleach
- Clearly communicated that purchasing Clorox Bleach means consumers are donating funds to the ARC
- Changed purchase interest for Clorox Bleach
- Changed key equity perceptions of Clorox Bleach

The main question was around consumers’ safety perceptions. That said, we also asked purchase intent and equity perception questions to understand how safety perception might also impact consumer behaviors and beliefs.

Research Design

We conducted an online study to test the impact of the cause marketing label on Clorox Bleach. The study consisted of a total of 400 consumer surveys. Each consumer was randomly assigned to one of two groups. The first group evaluated the current Clorox Bleach bottle, while the second group evaluated the Clorox Bleach bottle with the proposed ARC cause marketing label. After viewing a picture of the product, consumers were asked to answer a series of questions regarding Clorox Bleach. We then compared the responses of the first and second groups to determine whether the different labels led to different consumer perceptions.

For reference, we conducted a parallel “benchmark” study with an additional 400 consumers to gauge the impact of a similar cause marketing campaign on a non-Clorox Company product, the Purell Hand Sanitizer, which is already in the marketplace. The study design mirrored that of the Clorox Bleach study, with half the consumers evaluating the current Purell bottle, and the other half evaluating the Purell bottle with the ARC cause marketing language.

Methodology rationale: Each consumer was asked to evaluate one product only without comparing it to any other options. We did not show consumers both versions of the label because it would artificially force consumers to make a distinction, whether or not one really exists. The methodology we used ensures that we mirror the consumer's real-life shopping experience. For instance, when a consumer shops for Clorox Bleach, she will not be asked to choose between the current and the cause-marketing labels. Instead, she will make a stand-alone evaluation of whichever one version is on the shelf. Thus, the stand-alone evaluation better reflects consumers' shopping experience.

Sample composition: Our study was conducted among females who are 18 years and older and who do some/most of the grocery shopping for their household. We chose to survey only females based on prior Clorox research, which indicates that females are the primary shoppers of Clorox Bleach.

Sample size: We surveyed a total of 800 consumers, with 200 consumers for each of the four surveys. A sample size of 200 consumers per survey meets industry standards, and is projectable to the US population as long as the sample is pulled randomly and without bias, and is balanced according to US Census. The samples for this study were balanced accordingly, across regions, ages, education and income levels.

Advantages of online survey research: The main advantage of online survey research is that the Internet provides faster and more cost-effective access to a large group of nationally-representative individuals than do traditional survey methods. Phone interviews are somewhat fast, but do not enable consumers to evaluate product images. Mail surveys enable consumers to evaluate product images, but are very time-intensive. In-person interviews are very time and cost-intensive and geographically-limited.

Statistical testing: A simple t-test is employed for comparing means and uses a pooled variance estimate. A Z-test is utilized for comparing percentages, again using a pooled error term. Based on a sample size of 200, the statistically significant point spreads at the 95%, 90% and 80% confidence intervals are listed below:

- 5 to 11 point spread at 95% confidence interval
- 4 to 9 point spread at 90% confidence interval
- 3 to 8 point spread at 80% confidence interval

Note: Statistically significant point spreads are based on three factors: (a) base sample size, (b) confidence interval and (c) consumers' response to each specific question. The point spread is narrower when applied to the extremes (near 5% or 95%), whereas the spread widens when applied to the middle (near 50%). See examples below:

In other words, when comparing two percentages, say 50% and 57%, then the difference of 7 points is significant at the 95% confidence interval. It is not significant if the comparison is between 50% and 56%. The spread has to be 7 points for percentages near 50%.

On the other hand, when comparing percentages near 5% or 95%, the spread is narrower. The difference of 4 points between 5% and 9% is significant at the 95% confidence interval. The difference of 4 points between 95% and 91% is significant at the 95% confidence interval.

About the Research Vendor

Synovate eNation Panel: Clorox engaged Synovate Research, one of the nation's largest independent market research companies, to conduct this research as a part of Synovate's eNation online survey

program. The eNation survey and the use of online interviewing are highly respected in the market research community. Each week, Synovate conducts five national eNation online surveys. Each survey consists of a minimum of 1,000 completed questionnaires with adults 18 years of age or older in the contiguous U.S.A. The sample consists of individuals selected from the online segment of Synovate's Consumer Opinion Panel of 1 million U.S. households and is balanced to be representative of the general population based on region, gender, age and household income data from the U.S. Census Bureau.

Date of Research: June 2006

Survey Screens: The following charts show the screens with the questions that consumers saw in the survey itself. The text below the bottle image states "96oz. - \$1.99 SRP" – note that the text is clearly visible on the computer screen.

Please look at the following product, and indicate how likely you think you might be to buy this product.



Please select one:

- Definitely would buy
- Probably would buy
- Might or might not buy
- Probably would not buy
- Definitely would not buy

Based on the product label you have just read, how much do you agree with each of the following statements? Please use a scale from 1 to 6, where 6 means agree very much and 1 means disagree very much.

Please select one for each statement

	6 = Agree very much	5	4	3	2	1 = Disagree very much
(a) I will be donating money to the American Red Cross						
(b) Is safe to use						
(c) This product will help keep my family healthy						
(d) This is a brand I would recommend						
(e) This is a brand name I trust						
(f) This brand of product offers something different from other brands						

Evaluative Criteria

We evaluated the impact of the ARC cause marketing label on Clorox Bleach based on the percentage of consumers who agreed with the statement “*Is safe to use*” at the 95% confidence level.

If the top two box agreement score for the statement “*Is safe to use*” was not significantly different at the 95% confidence level for the current Clorox Bleach bottle versus the Clorox Bleach bottle with the ARC cause marketing label, then we could conclude that the addition of the ARC logo would not lead to consumers having increased safety perceptions for Clorox Bleach.

Key Findings

There were 4 key findings summarized below:

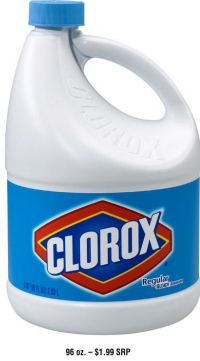

1. The ARC cause marketing label did not imply greater safety for Clorox Bleach.
2. Consumers clearly understood that purchase of the product with the ARC cause marketing label would generate a donation to the American Red Cross.
3. Purell Hand Sanitizer had similar results to Clorox Bleach.
4. The addition of the ARC cause marketing statements appeared to result in decreased purchase intent for Clorox Bleach.

Conclusion

The research demonstrated that there was no change in consumers' safety perceptions of Clorox Bleach when the product label included the American Red Cross cause marketing language. Thus, the study supported the EPA's decision to authorize Clorox and the American Red Cross to move forward with the cause marketing partnership label for Clorox Bleach.

1. The ARC cause marketing label did not imply greater safety for Clorox Bleach.



There was no significant difference (at the 95%, 90% or even at the 80% Confidence Level) between consumers' safety ratings for Clorox Liquid Bleach with and without the ARC cause marketing label (see Exhibit 1). There were also no significant differences for any of the other brand equity statements measured.

Top 2 Box Scores (i.e. agree very much on a 6 pt. Agreement Scale)	 <p>96 oz. - \$1.99 SRP</p>	 <p>96 oz. - \$1.99 SRP</p>
	(210) % A	(206) % B
(b) Is safe to use	61	66
(c) This product will help keep my family healthy	53	49
(d) This is a brand I would recommend	78	74
(e) This is a brand name I trust	83	83
(f) This brand of product offers something different from other brands	34	37

For the safety question highlighted above, we see only a 5 point difference between the two versions, which is only statistically significant at the 70% confidence level. According to Clorox best practices, we would need to be at the 80% confidence level for this point difference to qualify as a “directional” (not projectable) read. At the 80% confidence level, we would need to see a 7 point difference. At the 90% and 95% confidence levels, we would need to see 8 point and 10 point differences, respectively.

2. Consumers clearly understood that purchase of the product with the ARC cause marketing label would generate a donation to the American Red Cross.

This message more clearly communicated for Clorox Bleach than for Purell Hand Sanitizer, with 54% of consumers agreeing with the donation statement for Clorox Bleach vs. 38% for Purell Hand Sanitizer.



		
	(210) % A	(201) % B
Top 2 Box Scores (i.e. agree very much on 6 pt. Agreement Scale)		
(a) I will be donating money to the Red Cross by purchasing this product	54B	38

Statistical Notations: The following statistical notations appear in this Exhibit:

- lower case Letter (a, b, etc.) Indicates Data In That Column Directionally Higher Than Data From A Column With The Specified Letter (90% Significance, 2-Tailed Test)
- UPPER CASE Letter (A, B, etc.) Indicates Data In That Column Significantly Higher Than Data From A Column With The Specified Letter (95% Significance, 2-Tailed Test)
- Note: We also tested for differences at the 80% confidence level.

3. Purell Hand Sanitizer had similar results to Clorox Bleach.

There was no difference between consumers' safety ratings for Purell with and without the ARC cause marketing label (see Exhibit 1). There were also no significant differences for any of the other brand equity statements measured.

		
	(208) % A	(201) % B
Top 2 Box Scores (i.e. Agree very much on 6 pt. Agreement Scale)		
(b) Is safe to use	70	71
(c) This product will help keep my family healthy	54	58
(d) This is a brand I would recommend	55	59
(e) This is a brand name I trust	67	66
(f) This brand of product offers something different from other brands	27	30



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- Note: We also tested for differences at the 80% confidence level.

4. The addition of the ARC cause marketing statements appeared to result in decreased purchase intent for Clorox Bleach.

While there was no difference in safety perceptions between the regular Clorox bottle and the one with the ARC label, we saw lower purchase intent for the bottle with the ARC cause marketing label. We recognize that this finding is somewhat counterintuitive and are probing into why this may have occurred. One hypothesis is that consumers may have incorrectly assumed that we increased the price of Clorox Bleach to pay for the donation to the ARC.

What we do know, however, is that the ARC label alone does not drive higher purchase intent, likely because the ARC label does not imply greater safety.

		
	(210) % A	(206) % B
Top 2 Box Purchase Intent (I.e. Definitely or Probably Will Buy)	80B	63

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Exhibit 1
Agreement to Statement ‘Is safe to use’

	<u>Purell Red Cross</u> A	<u>Purell Regular</u> B	<u>Clorox Regular</u> C	<u>Clorox Red Cross Tagline</u> D
Base: Total Respondents	201	208	210	206
Top 2 Box (Net)	71 C	70 C	61	66
Agree very much (6)	40	41	36	36
5 (5)	31	29	26	30
4 (4)	19	19	23	22
3 (3)	7	10	11 a	10
2 (2)	2	1	3 bd	1
Disagree very much (1)	0	0	1	0
Mean	5 C	5 C	4.8	4.9

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- Note; we also tested for differences at the 80% confidence level as we wanted to give a difference every chance of showing up.

Exhibit 2
Purchase Intent

	<u>Purell Red Cross</u> A	<u>Purell Regular</u> B	<u>Clorox Regular</u> C	<u>Clorox Red Cross Tagline</u> D
Base: Total Respondents	201	208	210	206
Top 2 Box (Net)	50	48	80 ABD	63 AB
Definitely would buy (5)	23	19	52 ABD	29 aB
Probably would buy (4)	27	29	28	33 a
Might or might not buy (3)	30 C	33 CD	11	25 C
Probably would not buy (2)	16 Cd	14 C	6	11 c
Definitely would not buy (1)	3	5 cD	2	1

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