

# Household Cleaning Products:

## U.S. Competitor Cost Structures 2009

### 6th Edition

One of Kline's series of reports on competitor cost structures

To Be Published 4th Quarter 2009

Base Years: 2008 and 1st half of 2009

An accurate and comprehensive examination of competitor cost structures of leading marketers of household cleaning products, focusing on key trends, developments, and business opportunities designed to:

- Understand how key marketers' cost structures have changed during the recession
- Offer a benchmark for industry cost performance
- Reveal profit and loss line items for each players' household cleaning products business and their largest product classes
- Assess the cost positions of market leaders including Procter & Gamble, S.C. Johnson, Reckitt Benckiser, and Clorox
- Give subscribers critical insights in order to succeed in the face of intensifying cost pressures
- Provide an appraisal of expected future performance

## Report Scope

*Household Cleaning Products: U.S. Competitor Cost Structures 2009* has been successfully completed six times before and was last published in 1998. The report presents information on the financial performance, profitability, and costs structures of the eight leading household cleaning products companies in the United States. It is designed to help companies benchmark their cost structures with those of their competitors. For each company, cost breakdowns are provided for its overall household cleaning business, as well as its leading product classes.

Company profiles will also feature overviews of each company's household cleaning business unit, an assessment of domestic cleaning product sales by product class, and analysis of costs, expenses, and profitability.

Cost structures refer to U.S. operations only. Sales, expenses, and profits are presented for the 2008 calendar year and first half of 2009 and do not include extraordinary or nonrecurring items reports in published financial statements. References to overall corporate results are for the latest fiscal year available.

## Key Benefits

This study will provide subscribers with accurate and concise profitability information and cost structures of eight major household cleaning products marketers in the United States. It is designed to help household cleaning products firms benchmark their cost structures with those of their competitors.

Specifically, this report will assist subscribers by providing:

- Line-item detail to allow companies to benchmark their business against that of competitors
- Details on how household cleaning products marketers structure and run their operations
- Insights into decisions companies have made regarding outsourcing, resource allocation, and product portfolios
- Competitive intelligence that will help companies make decisions to take steps to lower costs
- Important comparisons of marketers' cost structures between 2008 and first half of 2009 and understanding how marketers are coping with the recession by shifting their costs

Charter subscribers to the study will have the opportunity to shape the final scope of the study.

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## Tentative Report Contents

### 1. INTRODUCTION

### 2. EXECUTIVE SUMMARY

- State of the industry
- Impacts on the industry from the recession
- Market sales and growth
- Industry cost structure
- Key factors influencing profitability
- Analysis of key expenses
- Competitive landscape/ impact of mergers on costs structures
- Product class cost structures (for those listed in Table 1)
- Appraisal and Outlook

### 3. COMPANY PROFILES

For each of the companies profiled (listed in Table 2), the report will provide information on profitability for its household cleaning products business unit and leading product classes (illustrated in Table 3) and will include:

- Corporate overview
- Corporate sales and profits
- Business unit cost structure
  - Profitability
  - Analysis of key expenses
- Cost structure of leading product classes
- Appraisal

**Table 1**  
**Product Classes Covered**

- Deodorizers and Disinfectants
- Dish Care Products
- Laundry Care Products
- Multipurpose and Specialty Cleaners
- Polishes and Waxes

**Table 2**  
**Companies to be Profiled**

- Church & Dwight
- Clorox
- Colgate-Palmolive
- Henkel
- Procter & Gamble
- Reckitt Benckiser
- S.C. Johnson
- Unilever

**Table 3**  
**Cost Structure of the  
Household Cleaning Products Industry**

Line item	% Of net sales
<b>NET SALES</b>	
<b>COST OF GOODS SOLD</b>	
Raw materials	
Packaging	
Processing	
Overhead	
Total	
<b>GROSS MARGIN</b>	
<b>MARKETING EXPENSES</b>	
<b>Promotion</b>	
Trade	
Consumer	
Total	
<b>Advertising</b>	
<b>Marketing department</b>	
<b>Sales force/sampling</b>	
<b>Distribution</b>	
Total	
<b>MARGIN AFTER MARKETING EXPENSES</b>	
<b>OTHER OPERATING EXPENSES</b>	
Administration	
Research and development	
Total	
<b>OPERATING MARGIN</b>	

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## Methodology

Kline is unmatched in our ability to gather hard-to-get market and competitive intelligence with a high degree of confidence. Kline's approach relies heavily on primary research, employing the use of field and telephone interviews to capture insights and information from a wide range of industry experts and opinion leaders including:

- Executives from household cleaning products firms in functional areas such as finance, production, procurement, sales, marketing, distribution, and research and development
- Suppliers of raw materials, packaging, and processing equipment
- Service providers such as advertising agencies, logistics providers, contract manufacturers and packagers, and retailers/distributors
- Key professionals specializing in manufacturing economics, packaging, chemicals, and technology assessment

This report will also draw upon nonconfidential data from Kline & Company's internal database, which contains 50 years of syndicated research on the household cleaning products industry. The analysis will be supplemented by secondary research, including a review of annual reports and other financial files and analyses. This approach has proven to be the most effective and reliable approach to obtaining accurate data and expert insights.

## Kline Credentials

Kline is a worldwide consulting and research firm dedicated to providing the kind of insight and knowledge that helps companies find a clear path to success. The firm has served the management consulting and market research needs of organizations in the chemicals, materials, energy, life sciences, and consumer products industries for 50 years.

Kline's research and consulting services extend across the entire personal care industry value chain. Our solutions have helped clients develop better ways to create and profit from new business opportunities, respond to competitive and economic threats, improve productivity, achieve sustainable growth, and optimize performance. Kline provides clients with facts, forecasts, and recommendations based solidly on the realities of the market.

Our market research reports and services are designed to provide subscribers with a deeper understanding of their markets, an outlook for their business, and accurate information about their competitors. Our clients tell us they often use Kline's market research to validate their own internal analysis, and many clients rely on Kline reports as their most critical source of information.

For more information about this study or Kline's other services, e-mail us at [sales@klinegroup.com](mailto:sales@klinegroup.com), visit our website at [www.KlineGroup.com](http://www.KlineGroup.com), or contact us at any of our regional offices listed below.

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- Household Cleaning Products USA
- Home Fragrances USA 2008
- Personal Care: U.S. Competitor Cost Structures 2009
- Green Cleaning: A Significant Element Of Environmentally Sustainable Solutions
- Food Service Cleaning Products 2008

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