

Procter & Gamble Presentation on the Costs and Benefits of the Collection and Use of Consumer Information for Customer Relationship Management and Targeted Marketing
FTC Workshop on Information Flows – June 18, 2003

Good afternoon. I am Sandy Hughes, Global Privacy Executive for the Procter & Gamble Company. It is my pleasure to participate today in the FTC's workshop on the important topic of consumer and business benefits of the collection and use of consumer information.

As background, the Procter & Gamble Company manufactures and markets consumer products. Two billion times a day, P&G brands touch the lives of people around the world. The Company markets nearly 300 brands – including Pampers, Tide, Ariel, Always, Whisper, Pantene, Bounty, Pringles, Folgers, Charmin, Downy, Lenor, Iams, Crest, Actonel, Olay and Clairol – in more than 160 countries around the world. The P&G community consists of nearly 102,000 employees working in almost 80 countries worldwide.

The saying goes, "A picture is worth a thousand words", and so I've produced a video to give you examples at P&G of customer relationship management technology in use and what our business leaders and consumers believe to be the value of relationship marketing.

At P&G, we do not generally sell products online, but we do offer information and services to improve the lives of our consumers. The attached CD ROM will tell you about two of our examples, www.pampers.com and www.homemadesimple.com.

At P&G, we seek to build our relationships with consumers on the basis of transparency and trust. We offer individuals, who have provided us with information, choices about further communications. We ask whether or not a consumer would like to be contacted about additional offers or services. And, we seek wherever we can to provide consumers with a convenient means to tell us, yes or no, whether we may use the information they provided to re-contact them.

The CD highlights real consumers talking about real benefits they perceive from sharing their personal information with us. You can see that the value consumers experience is converted to trust which we measure by ever increasing subscriptions (400% in two years for homemadesimple.com), low opt-out rates (<1%), and improved products and services, all which leads to increased loyalty and sales. While our two examples highlight online relationship marketing, the same principles apply to the offline world as well.

At Procter & Gamble, the "consumer is boss", a mantra practiced in our operations all around the world. This is also the basis for our Global Privacy Program. We treat information provided by individuals as their own, entrusted to P&G. This enables us to provide products, information and services that improved the lives of the world's consumers.

For more information, please contact:

Sandra (Sandy) R. Hughes
Global Privacy Executive
The Procter & Gamble Company
2 Procter & Gamble Plaza, TN-7 Box 20
Cincinnati, OH 45202

(513) 983-4224
hughes.sr@pg.com