

# Strategic Management in Oral Care Product Market: A Case Study of Colgate-Palmolive (Thailand) Limited

Supaprawat Siripipatthanakul, Dr. Karin Sixl-Daniell

Manipal Global NXT University, Malaysia

## ABSTRACT

Colgate is a Colgate-Palmolive product line manufacturer, which produces, markets, and distributes oral care products like toothpaste, toothbrushes, mouthwash, and dental floss. In the year of accelerating growth, 2018, net revenues increased by 1.0 percent, whether from organic or net sales. The company's goal is to make the world a better place by providing oral healthcare knowledge and services. Finding more environmentally friendly ways to produce goods and packaging uses less plastic, water, and waste. Consumers are looking for more natural and sustainable goods, high-growth opportunities across the board. Organic sales development in the toothpaste segment drove the rise in oral care products, followed by mouthwash. As a result, the focus is on toothpaste and mouthwash. Maintaining Colgate's market and trade partner image is vital to selling its branded goods. Regulatory and Quality policies, such as Ethics and Compliance, Sustainability, Brand Security, and Product Safety, are used to protect and retain brand integrity. Negative publicity about its products, supply chain, ingredients, packaging, or staff, whether justified or not, can damage the brand's image. Colgate's branding approach (strategy), the organizational structure, financial analysis, control application (system), and the staff-skillstyle follow ethical leadership. The CSR concept's shared values, including ethical responsibility to consumers (customer-centered approach), environmental responsibility to the society, and ethical leadership to its employees, are at the heart of the 7s Model. Thus, this case study proposes strategic management (branding) of Colgate's oral care products through corporate social responsibility (CSR).

**KEYWORDS:** Oral Care Product, Organic Product, Branding, Ethics, Corporate Social Responsibility (CSR)

## 1. INTRODUCTION Overview of the industry Oral Care Product Market Dynamics

The increasing trend of oral care (oral hygiene) product demand is from the rising prevalence of caries and periodontal diseases. (Transparency Market Research, 2021) Due to poor eating habits and the increase in popularity of herbal oral care products, rising dental problems among children and adults are

the key factors driving the oral care product market— moreover, the growth of the market and customers seeking more focused solutions. The increase in oral health awareness has helped vendors launch categories of oral hygiene products. (GLOBE NEWSWIRE, 2020)

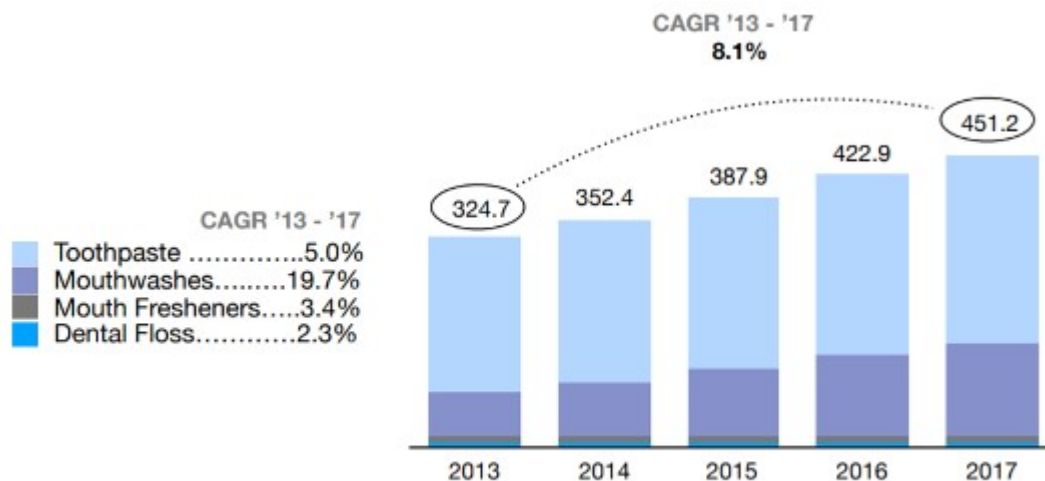
**How to cite this paper:** Supaprawat Siripipatthanakul | Dr. Karin Sixl-Daniell "Strategic Management in Oral Care Product Market: A Case Study of Colgate-Palmolive (Thailand) Limited" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-5 | Issue-5, August 2021, pp.851-865, URL: www.ijtsrd.com/papers/ijtsrd44974.pdf



IJTSRD44974

Copyright © 2021 by author (s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)

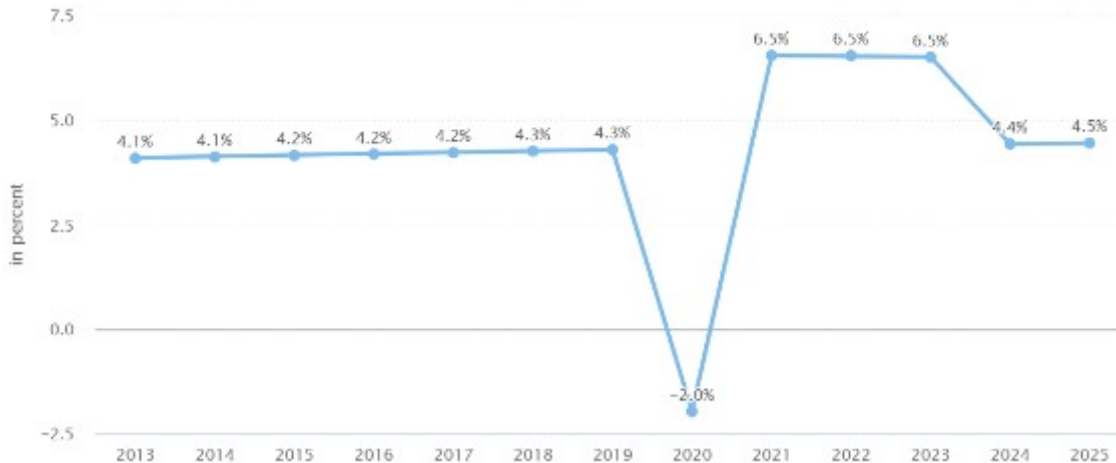




Source: Euromonitor and Canvassco Analysis

**Figure 1. shows the market size and growth rate for oral care products in Thailand. (Euromonitor as cited in CANVASSCO, 2019)**

The oral care product market in Thailand continues to retain its growth momentum, rising between 2013 (EUR 324.7 Million) and 2017 (EUR 451.2 million) by an average of around 8.1 percent per year. For dental floss, the potential is considerable; the market demand has only increased by an average of 2.3 percent per year. Dental floss is an extra item for oral care, which is needless for consumers' daily routine. For toothpaste, the overall growth of the segment increased by an average of 5 percent per year. In the future, it is expected that toothpaste products will record a higher growth rate than other oral care products. There is a strong potential for mouthwash demand to rise as it is becoming more widely used in Thailand. The category of mouthwashes had a robust growth of 19.7 percent, and mouth refresher is about 3.4 percent per year from 2013 to 2017, as shown in Figure 1 above. (CANVASSCO, 2019)



**Figure 2. shows the revenue growth of the oral care product market in Thailand. Source: Statista Market Forecast (2021)**

The industry's revenue growth in Thailand dropped from 4.3% in 2019 to -2.0% in 2020 regarding the COVID-19 Pandemic-economic crisis. (Figure 2)

## 2. Porter's Five Forces Analysis

### 2.1. The Power of Suppliers

In business growth, suppliers are important because strong suppliers capture more of their value by charging higher prices, restricting quality or service, or transferring costs to the industry participants. (Porter, 2008) Chemical companies (suppliers) are working hard to meet the increasing demand for skin, hair, oral care, and other applications for ingredients. Product ingredients reflect individual chemical companies' challenges as abroad, rapidly expanding, and increasingly diverse sector. (Adams, 2016) The components of oral care products are chemical; also, packaging plastic comes from suppliers. The high-selling products need more chemicals and raw materials; therefore, suppliers' bargaining power is medium. But a small market share company, the power of suppliers is high.

## 2.2. The Power of Buyers

Customers (Buyers) represent in every company a true buying power. Large-volume buyers are often influential in the market with high bargaining power. For instance, the intermediate clients are not the end-users that obtain considerable bargaining power. (Porter, 2008). In the oral care product market, bargaining of the intermediate customers (hypermarkets or convenience stores) is high. But the end-users' buying power depends on the economic forces and purchasing decisions related to customer satisfaction with oral care products. Thus, the bargaining power of end-user is medium.

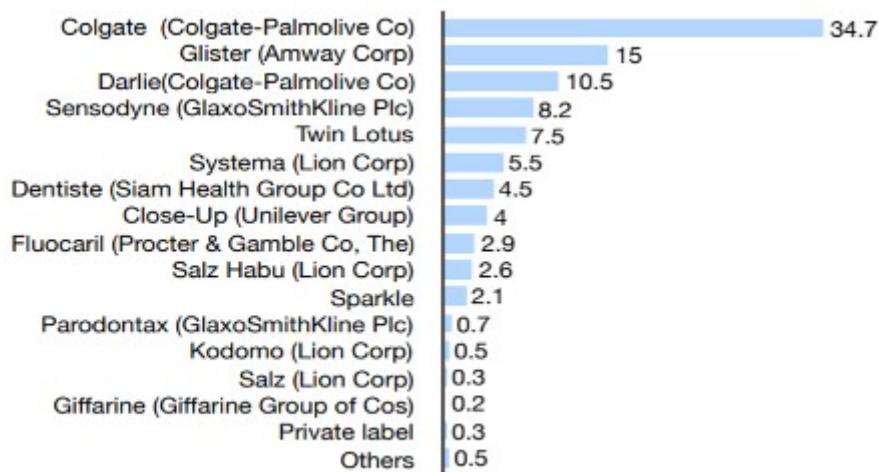
## 2.3. The Threat of New Entrants

New entrants bring new potential and a willingness to capture market share, placing pressure on the markets, costs, and investment rates needed to compete. (Porter, 2008) Oral care products are normal goods for everyday use. It is good if the competitors expand the product line, such as toothpaste, that responds to every generation and demand of modern consumers for natural goods, toothpaste for kids, whitening-toothpaste to increase the market segments. The scare off new entrants by elevating the fixed costs of competing by escalating R&D expenditures or advertising costs of a high market share competitor leads to the threat of new entrants is medium.

## 2.4. The Threat of Substitutes

A substitute has a similar function as the product of competitors. The threat of substitutes is high if it offers to industry's product. (Porter, 2008) An example of a substitute for toothpaste is tooth powder or natural products (e.g., salts). Nowadays, many oral care products are added natural or herbal ingredients in toothpaste or mouthwash. The high market share limits substitute by offering better value through broader product accessibility. The rivals did this by continuously introducing new products in convenience stores or the free samples for dental clinic patients, which dramatically improved the availability to other competitors. Thus, the threat of substitutes is medium.

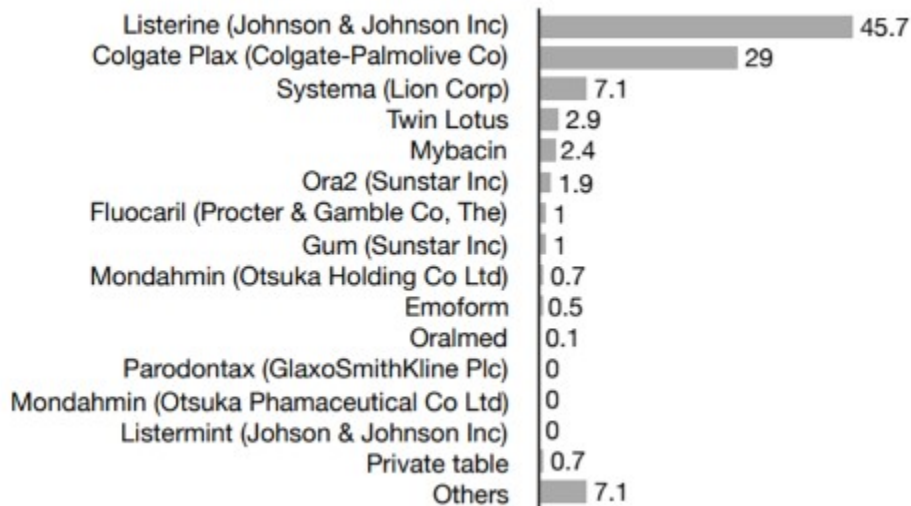
## 2.5. Rivalry Among Existing Competitors



Source: Euromonitor

**Figure 3. shows brand shares of the toothpaste market in Thailand for 2016. (Euromonitor as cited in CANVASSCO, 2019)**

In Thailand, the best-selling toothpaste brand is Colgate (made by Colgate-Palmolive Thailand Ltd), with a market share of 34.7%, followed by Glister (made by Amway), Darlin (made by Colgate-Palmolive Thailand Ltd), Sensodyne (made by GlaxoSmithKline), Twin Lotus, etc. (Figure 3, above)



**Figure 4. shows brand shares of the mouthwash market in Thailand for 2016. (Euromonitor as cited in CANVASSCO, 2019)**

Two big brands of mouthwash in Thailand are Listerine and Colgate-Plax. About 45.7 percent market share- Listerine (made by Johnson & Johnson) is the market leader, followed by Colgate Plax (made by Colgate-Palmolive)-29 percent market share.

If the gravity is justified in price competition moves profits directly from the business to consumers, the rivalry is destructive to profitability. Customers are trained through sustained market rivalry to pay less attention to product characteristics. (Porter, 2008) The customers can often see rivals in the oral care products in sales to attract new clients. Moreover, more aggressively in product differentiation that is substantial from competitors' offerings. Thus, there is a great rivalry among existing competitors.

### 3. Blue Ocean Strategy

The four actions framework in the blue ocean strategy are 1) Eliminate- analyze the industry's factors for granted should be eliminated. 2) Reduce- analyze the factors that should be reduced well below the industry's standard. 3) Create-analyze the factors that should be created that the industry has never offered. 4) Raise-analyze the factors that should be raised well above the industry's standard. (Kim, 2005)

Eliminate	Reduce
The oral care product market competitors should eliminate the side effect of chemical ingredients, dissatisfied products, and customer complaints.	Competitors in the oral care product market should reduce waste-products, plastic, and dangerous chemical ingredients to environments.
Raise	Create
The oral care products market competitors should expand their business (product Lines) and raise a suitable branding strategy (Marketing Mix, product differentiation, brand image, customer satisfaction, brand loyalty, etc.)	The oral care product market competitors should create technological innovation (new products), new distribution channels (easy to buy in convenience stores, dental clinics, etc.), and communicate with customers in any touchpoints and channels. Moreover, value creation (CSR) is a choice of competition.

**Figure 5. Eliminate-Reduce-Raise-Create Grid for the Oral Care Products Analysis**

### 4. History and Background of Colgate-Palmolive (Thailand) Limited

Colgate-Palmolive (Thailand) manufactures under the well-known brands of COLGATE (toothpaste, toothbrushes, mouthwash, dental floss), PALMOLIVE, PROTEXT (shower gels, hand liquid soaps, and bar soap), and CARE (shampoos, talcum powders, and bar soap).

William Colgate, a 23-year-old soap maker, began his business in New York in 1806. The company employed more than 38,000 employees, and products are distributed to 223 countries. The company now focuses on four categories of oral care products, pet nutrition, personal care, and home care. The company entered the market (Thailand) in 1958. In 1979, the company established its distribution channels to enhance customer service. Then 1995, it started a new National Distribution Center and manufacturing operations serving about 53 countries. It is owned by the Colgate-Palmolive Limited Company, with headquarters in New York City. (The American Chamber of Commerce in Thailand, 2021) 2019 was Colgate's Accelerating Growth year. As of 2018, net revenues rose by 1.0%, and organic sales, or net sales excludes foreign exchange, acquisitions, and divestments, grew by 4.0%. (Colgate, 2019)

The company's mission is to improve a healthier planet and work daily healthy smiles for all by giving people access to oral healthcare information and resources. Its vision is to raise oral healthcare standards everywhere by looking for better and more sustainable ways to make products and packaging use less plastic, less water, and little waste. (Colgate, n.d.)

## **5. History of Toothpaste and Mouthwash and its linkage of CSR**

The development of toothpaste began in 300-500 BC in India and China. First attempts at tooth cleaning included using abrasives such as crushed eggs, oyster shells, and crushed bone. Tooth powder was the first noticeable advance and was made up of salt, powdered charcoal, powdered bark, and some flavoring agents. Modern toothpaste was developed in the 1800s. As the year passed, new components were added to their formulations, like soap and chalk. In 1873, toothpaste was firstly mass-produced. Due to advancements in synthetic detergents after World War II, the soap was replaced with sodium lauryl sulfate and sodium ricinolate-emulsifying agents. Fluoride was added in 1914, and in 1960, the American Dental Association consented to the use of fluoride in toothpaste. (Jardim et al., 2009)

Fluoride toothpaste is the most widely used for maintaining a constant low level of fluoride in the oral environment. In many countries, fluoride-containing toothpaste makes up more than 90% of all toothpaste sales. In 2006, total sales of all toothpaste at retail sales price were US\$ 14,827 billion, growing to 20,486 billion in 2011. There is strong evidence that higher fluoride levels (1,000 ppm or more) in toothpaste are associated with an increased risk of fluorosis when used with children under 5 or 6 years of age. The guidelines recommend using toothpaste containing 1,000 ppm fluoride for your children to reduce the risk of fluorosis. (O Mullane et al., 2016) Thus, Colgate's ethical responsibility to the customers does not include fluoride in toothpaste more than 1000 ppm.

The first known reference to mouthwash is found in Chinese medicine around 2700 BC. Later, in Greek and Roman periods, mouthwash following mechanical cleansing become common among the upper classes, and Hippocrates recommended a mixture of alum, salt, and vinegar. In 1890, essential oils were reintroduced among the dental care habits and freshening bad breath. (Jardim et al., 2009)

Many chemicals are crucial for consumers as a food product quality and safety because of the possibility of swallows. Moreover, the side effect of chemicals needs to eliminate. The chemical from toothpaste and mouthwash can cause harmful effects on the environment. Organic products are used for the ethical responsibility to customers and environmental commitment to the community regarding its strategic branding management and the detailed discussion. Thus, this study focuses on organic products (toothpaste and mouthwash) and Colgate's branding strategy through CSR.

### **5.1. Ethical Responsibility to customers & Environmental Responsibility to the community**

#### **Colgate toothpaste goes organic products and all-natural.**

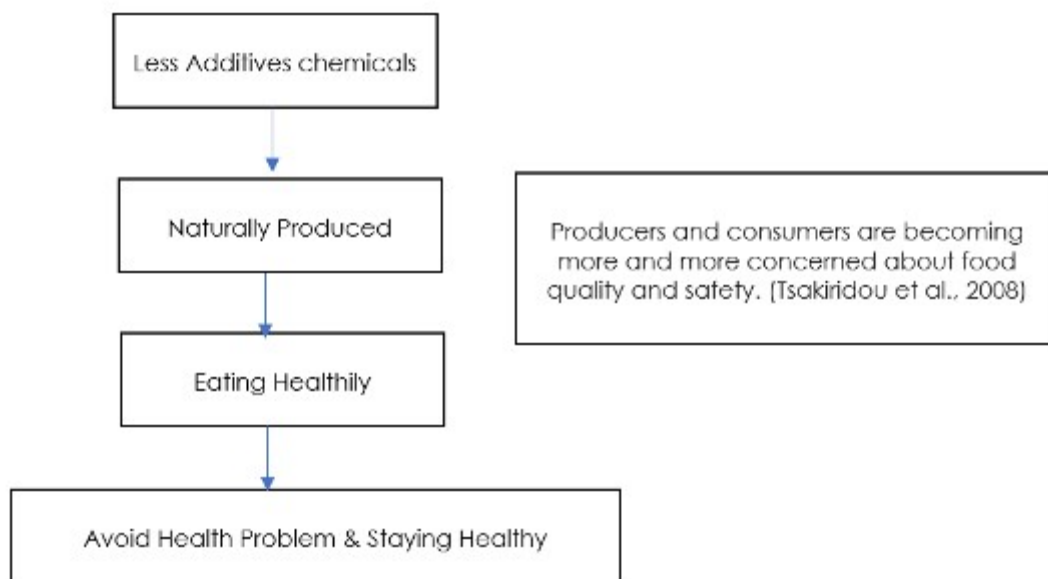
Colgate has unveiled organic, vegan, gluten-free products with no preservatives, sweeteners, colors, or artificial flavors. They sound a part of the latest natural food trend in toothpaste, mouthwash, and toothbrushes.

Colgate Zero products aim at the younger, healthier, and eco-conscious crowd that buys from smaller competitors. It could also help Colgate better compete with the competitors. Colgate Zero products are transparent in color, indicating that they are free of artificial additives. For children, the company also launched alcohol-free mouthwash and Colgate Zero toothpaste with no preservatives. Regardless of the various components, Colgate claims that its goods provide "all the security you have come to expect from Colgate." Colgate did not reply right away. (CNN wire, 2020)



**Figure 7: The organic products-Colgate Zero. (CNN Wire, 2020)**

Gluten, which can be present in grains, has been reported to cause for the immune-mediated disorder coeliac disease. (Biesiekierski, 2017) Organic products are produced using environmentally sustainable technologies and cultivation techniques that consider both the final product's characteristics and processing methods. (Chinnici et al., 2002 as cited in Tsakiridou et al., 2008) Thus, Colgate's ethical responsibility is to eliminate the harmful ingredients from its oral care products, such as gluten.



Colgate-Palmolive's biodegradability experts are working to ensure that their products do not leave a permanent imprint on the world once they have been used. Biodegradability refers to organic-based or carbon-containing foods' ability to break down and be recycled back into the atmosphere as carbon dioxide (CO<sub>2</sub>) and water after interacting with bacteria living in the environment. The continuous aim of Colgate-Palmolive is to fulfill customer needs by using as many biodegradable and non-accumulating ingredients to the environment as possible. (Colgate-Palmolive, n.d.)

**Whitening toothpaste of Colgate: Going Green & Smile for good**

According to Guzman & Ries (CNN Business, 2020), For the first time in five years, Colgate, the oral-care product brand, releases a vegan-certified toothpaste that comes in an "industry-first" recyclable container. Since most toothpaste tubes are made of plastic and aluminium, reducing the environmental footprint is unlikely. However, Colgate hopes that customers will soon be able to recycle the toothpaste tube. High-density polyethylene (HDPE), the same plastic used to produce milk jugs, is used to make the fresh Smile for Good toothpaste tube. Colgate aims to contribute to the circular economy by making tubes more efficient and reducing waste. When it compiled multiple HDPE materials grades in a tooth, it had its "eureka moment." Colgate's

toothpaste is made up of just a few ingredients. It also contains elements derived from natural sources. Glycerine is derived from animal fat and is used in most toothpaste. Each of the toothpaste's ingredients is mentioned, with 99.7% of them being natural. The Vegan Society has given the seal of approval. Smile for Good Protection and Smile for Good Whitening can be found in Boots, Superdrug, and Amazon. The advantages of these new products are 1) first recyclable toothpaste tube 2) Recyclable carton 3) 99.7% natural origin ingredients 4) Vegan 5) the Minimal number of ingredients for an optimal everyday protection 6) Whitening benefit and 7) Certified by the Vegan Society, Eco-Cert/Cosmos Natural and FSC. (CNN Business, 2020)



**Figure 8: Colgate's recycling toothpaste tube. (CNN Business, 2020)**

Consumers seek more natural and sustainable goods, a significant, high-growth opportunity for all global businesses. Colgate Natural Extracts Charcoal toothpaste and Colgate Bamboo manual toothbrush are two recent premium developments in this space. (Colgate, 2019)

Thus, natural-optimal ingredients and biodegradability products are the ethical responsibility of Colgate to the customers. Moreover, the recyclable toothpaste tube is an example of environmentally friendly products; in other words, it is Colgate's environmental commitment.

## 5.2. Awareness Marketing Communications

Marketing communications work by showing the product or service and what the company or brand proposed, and they can become motivated to use it. They can contribute to brand equity by establishing the brand in creating the image. (Kotler & Keller, 2016) Advertising plays an essential role in raising awareness of various choices and providing practical knowledge about dental care attributes. (Wang et al., 1996) Awareness of what foods and drinks are essential for dental care and prevention. (Wichit&Patcharawan, 2007) Also, communities of knowledge and awareness of oral disease are critical. (Matysiewicz&Sztangret, 2017). Therefore, awareness marketing communication is the responsibility of Colgate.

Colgate promotes healthy smiles for all by giving consumers access to oral healthcare information and resources regarding raising oral healthcare standards. (Colgate, 2019) Awareness marketing communications can encourage consumers oral healthcare knowledge, especially in organic and green products that positively affect customers and the environment. Moreover, awareness and prevention of oral diseases and tooth cavities are essential.

## 5.3. Ethical Leadership to Colgate's employee

One business function is Human resource management (HRM) that focuses on managing people's capacity. All HR practices have a basis in ethics. (Rose, 2007)

The management teams and other employees' output is critical to the company's success. Assume Colgate cannot recruit and retain talented, highly skilled senior management and other key personnel and its company and operational performance. Cash flows and financial conditions can suffer because of this. Organizational change, including management changes at Colgate's leadership levels and senior management succession plans, is vital to its success. Although Colgate has a structured, ongoing succession planning process and has succession plans for seniors and key executives, these plans do not guarantee that eligible senior executives will be available at specific times. Changes in immigration laws and policies can also make it more difficult for us to hire or transfer

highly qualified technological, professional, and management workers to fulfill the business needs. (Colgate, 2019) Colgate-Palmolive is one of 132 companies named to a list of World’s Most Ethical Companies in 2020. (Columbia Business School, 2020)

The unethical practices of HRM have hit public attention (Rose, 2007) such as 1) Cheap labor 2) Using child labor 3) Longer working hours 4) Increasing work stress 5) 6) Reneging on company pension or payment agreements, and 7) The use of dubious practices in hiring or firing of personnel. (Winstanley & Woodall, 1996 as cited in Rose, 2007) There is a relationship between corporate performance (finance) and employee satisfaction, in which customer satisfaction is a mediator. (Chi & Gursoy, 2009)

According to Ponnu & Tennakoon (2009), ethical leadership positively influences workers' organizational engagement and trust in leaders.

Therefore, CSR practices in HRM may increase employee satisfaction and customer satisfaction. Ethical responsibility to its employees is crucial for corporate performance.

#### 5.4. Branding Strategy and CSR

The environmental responsibility covers the activities related to the impact of the company's operations on environmental issues such as impact monitoring, energy, water efficiency, waste reduction, recycling, or treatment, taking advantage of by-products and environmental management and verification of suppliers' responsibility. (Vives, 2006)



Figure 11: Sustainable Commitment in People and Performance. (Colgate, 2019)



Figure 12: Sustainable Commitment in Planet (Society). (Colgate, 2019)



Greenhouse gases and carbon dioxide in the atmosphere could harm weather patterns, weather patterns, the severity frequency of extreme weather, and natural disasters. The predicted effects of climate change may also exacerbate challenges regarding the availability and quality of water. Also, concern over climate change may result in new or additional legal and regulatory requirements to reduce or mitigate climate change effects on the environment. Despite Colgate's sustainability efforts, any failure to achieve its sustainability goals minimizes the impact on the environment or the perception that Colgate failed to act responsibly concerning the environment or respond to new regulatory requirements or additional legal. According to climate change could result in adverse publicity and adversely affect the business and reputation. There is also increased focus, including governmental and non-governmental organizations, investors, customers, and other stakeholders, on these and other sustainability matters, including deforestation, plastic, energy, and water use. Colgate's reputation could be damaged if it does not (or is perceived not to) act responsibly concerning sustainability matters, which could adversely affect our business, results of operations, cash flows, and financial condition. (Colgate, 2019) Thus, CSR is crucial for Colgate's brand reputation.

### 6. Colgate’s Global Expansion Strategy

Exporting is the direct sale and marketing of goods produced domestically in another country. (Mariadoss, 2019)

The strategic alliance includes a contractual arrangement between two or more entities that stipulates that the parties involved must collaborate in some way for a specified period to accomplish a shared goal. (Mariadoss, 2019)

An acquisition is a transaction in which a company gains control of another company by paying a purchase price or buying the stock to the owners. Cross-border acquisitions have gone up significantly in our increasingly flat world. Cross-border acquisitions have accounted for more than 60 percent of all acquisitions completed worldwide in recent years. Acquisitions are attractive because they provide easy, proven access to a new market for the product. (Mariadoss, 2019)

## OLI-Framework Colgate’s International Entry Modes

Categories of Advantages				
	Advantages/ Mode of Entry	Ownership Advantages	Location Advantages	Internalization Advantages
Form of Market Entry	Strategic Partner	Yes	Yes	Yes
	Export	Yes	No	Yes
	Acquisition	Yes	Yes	Yes

OLI-Framework is proposed by the author (2021) and based on Fischer & Roy (2019: 129).

One rationale for Colgate entering international markets through strategies is shown in the OLI framework (figure 1). It demonstrates the potential suitability of a local firm concerning Acquisition and Strategic Partners. The categories of advantages (ownership, internationalization, and location advantages) compare between Strategic Partners, Export, and Acquisition rebased on Fisher & Roy. (2019)

#### 6.1. Acquisition of Colgate bought Myanmar Toothpaste brand- Laser.

According to Vekat& Mahtani (2014), Colgate had acquired a local business in Myanmar, with one of the continent's most extensive international deals by Colgate-Palmolive Co. The company bought Laser Toothpaste for approximately \$100 million. The takeover occurred since the military government imposed economic sanctions on Myanmar in 2012, which allowed the country to open to international trade for the first time in six

decades. ShweAyar, a privately held business, is Colgate's newest business partner, is releasing the new Laser line of toothpaste and personal care products. This company benefits from Colgate's increased market share of a home market share. It did not provide information on the terms of the agreement. The Colgate strategy is positioned to expand in this fast-growing Southeast Asian country, where it will gain a foothold in the growing toothpaste market. The company will acquire Laser's manufacturing and tube-forming facilities, produce Laser-brand toothpaste, and import Colgate brand goods from Thailand.

In a report, the country's market will expand. The International Monetary Fund predicts the economy will grow by an average of 8% due to increased foreign investment. The new investment in this growing market shows Colgate's commitment to expanding its presence in Southeast Asia. (Down Jones, 2021)

## 6.2. Colgate Enters Space with Acquisition of Natural Oral Care Brand Hello

According to Ho (2020), Multinational oral care company Colgate acquired Hello products. Hello-brand is the fastest-growing natural oral care brand in the United States, whose product line includes a range of CBD-containing oral health products. The global conglomerate's move signals that major companies are now eyeing the natural wellness trend and CBD (cannabidiol) space's enormous market potential and show that these emerging sectors are here to stay.



**Figure 14: Natural Oral Care Product Brand Hello (Ho, 2020).**

Established in 2012 by Craig Dubitsky, Hello's products, including toothpaste, mouth rinse, toothbrushes, and lip balm, are currently sold in over 44,000 food, pharmacy, and mass retail locations in the United States, as well as through e-commerce. The New Jersey-based brand has appealed primarily among younger consumers who turn towards natural synthetic-free brands and managing to attract consumers through the growing global hemp and CBD trend. (Ho, 2020).

Cannabinol (also known as CBD) is used throughout the world for numerous purposes but is currently not approved in any country for medicinal use. CBD is only available in reduced CBD formulations that are particularly helpful in refractory epilepsy in children. The diseases like anxiety, schizophrenia, addiction, post-traumatic stress disorder, and potential conditions, such as post-traumatic stress disorder, ulcerative bowel disease, and graft-versus-host disease. (Millar et al., 2020)

As a monumental effort by the cannabis-derived seeds and oils in Thailand's list of controlled substances has been removed, allowing for the practical medicinal use of the abundant component, purpose. The high concentrations of the psychoactive cannabinoid compound THC are only found in marijuana, so it is illegal, not hemp. It means that the oil extracted from hemp plants will provide health benefits to users. (Thai Law Forum, 2019)

Colgate has seen some success with its global expansion and its opportunity incorporates CBD into its products through the enormous market of the opportunity. According to trends supplied by the Knowledge Navigator backend, CBD is increasingly holding the number one position in the list of highly sought-after consumers. It has seen success compared to other celebrities like Kanye West and the Beatles compared to everyone else's likes on Google and social media. CBD has a range of beneficial qualities, including anti-inflammation, pain management, neuroprotection, anxiety, insomnia, and depression. Scientific research confirmed a link between

CBD use and helping patients suffering from chronic diseases, such as Alzheimer's, Parkinson's, epilepsy, and adjunct therapy alongside cancer treatments. (Ho, 2020).

### 6.3. Exporting

Colgate brand goods are export to Myanmar from Thailand. (Vekat& Mahtani, 2014) Colgate plans are designing a range of products with CBD trending market and export to Asia. (Ho, 2020)

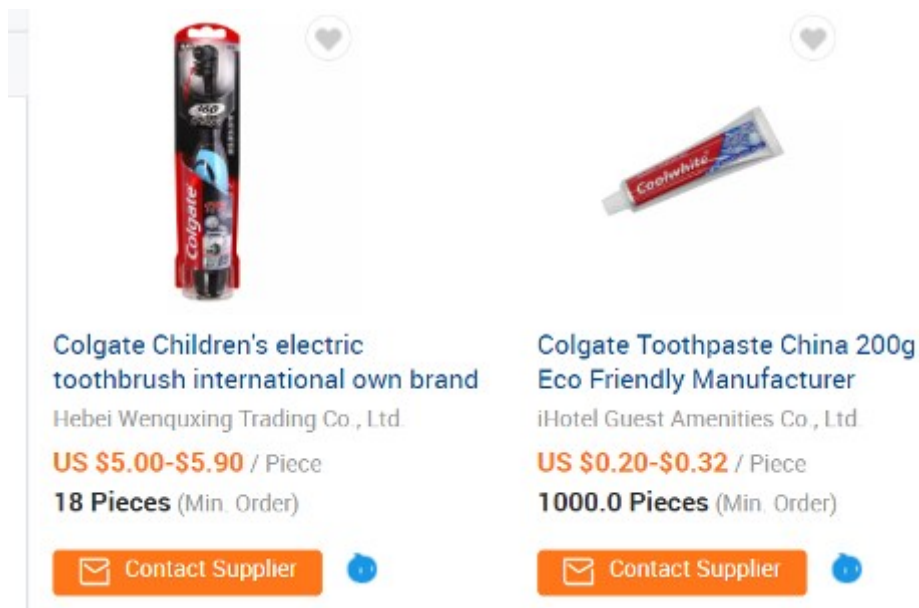


Figure 15. Colgate’s products in the online marketplace-Alibaba (Alibaba, n.d.)



Figure 16: Colgate Charcoal toothpaste and Colgate Bamboo Charcoal & Mint (Amazon, n.d.1)



Figure 17: Colgate’s Mouthwash in the online market. (Amazon, n.d.2)

Figure 15- 17; The customers could find Colgate's products that distribute them through online marketplaces such as Alibaba and Amazon. (Amazon, n.d. and Alibaba, n.d.) The distribution channels such as supermarkets, convenience stores, pharmacies, and Amazon are examples of access to traditional markets and shopping online regarding consumer behaviors and preferences.

### 6.4. Strategic Partners

Colgate's sustainability strategy's essential element is the engagement and collaboration with external partners, which complement solid internal capabilities. Colgate has partnerships with many organizations, including suppliers, research institutions, universities, industry, and nonprofits.

## 7. CAGE Framework

According to Ghemawat (2007: 9), The CAGE framework usually is applied at an industry rather than a cross-industry level. The CAGE framework also recurs in strategies for globalization, and specific strategy levers are shown in the table below.

Table1. The CAGE Framework at the country level

Dimensions/ Country level	Cultural Distance	Administrative Distance	Geographic Distance	Economic Distance
Country Pairs (Bilateral)	<ul style="list-style-type: none"> <li>* Different languages</li> <li>* Different ethnicities, lack of connective ethnic or social networks</li> <li>* Different religions</li> <li>* Lack of trust</li> <li>* Different values, norms, and dispositions</li> </ul>	<ul style="list-style-type: none"> <li>* Lack of colonial ties</li> <li>* Lack of shared regional trading bloc</li> <li>* Lack of common Currency</li> <li>* Political hostility</li> </ul>	<ul style="list-style-type: none"> <li>* Physical distance</li> <li>* Lack of land border</li> <li>* Differences in time zones</li> <li>* Differences in climates and disease environments</li> </ul>	<ul style="list-style-type: none"> <li>* Rich-poor differences</li> <li>* Other differences in cost or quality of               <ul style="list-style-type: none"> <li>- Natural resources</li> <li>- Financial resources</li> <li>- Human resources</li> <li>- Infrastructure</li> <li>- Information or knowledge</li> </ul> </li> </ul>
Countries (Unilateral or Multilateral)	<ul style="list-style-type: none"> <li>* Insularity</li> <li>* Traditionalism</li> </ul>	<ul style="list-style-type: none"> <li>* Nonmarket or closed economy</li> <li>* Extent of home bias</li> <li>* Lack of membership in international organization</li> <li>* Weak institutions, corruption</li> </ul>	<ul style="list-style-type: none"> <li>* Landlocked geography</li> <li>* Lack of internal navigability</li> <li>* Geographical remoteness</li> <li>* Weak transportation or communication links</li> </ul>	<ul style="list-style-type: none"> <li>* Economic size</li> <li>* Low per-capital income</li> </ul>

Source of Table: Ghemawat (2007: 9).

Colgate decided to acquire the Laser brand regarding Thai and Myanmar's cultures are remarkably close and similar, especially in religions, norms, time zones, and climates. Many Myanmar's people could speak Thai. Myanmar's politics is essential for consideration after the military government imposed economic sanctions in 2012. Colgate exports its products from Thailand concerning the physical distance and lack of land border between two countries. The lack of share regional trading bloc. The economic factors are similar in the quality of resources. Moreover, Colgate decided to acquire Hello because Thailand allows CBD to be legal for treatment and health purposes. The Asians are preferred for herbal and natural ingredients are the influencing factors for Colgate to expand its business globalization.

## 8. Conclusion

The success of Colgate is from its strategies such the acquisition, export, and strategic partners. CSR awareness communications affect its brand image. Colgate adopts Branding as its strategy. CSR's shared values, including ethical responsibility to the customers (customer-centered approach), environmental responsibility to the community, and ethical leadership to its employees. Colgate can improve its business through primary data such as surveys, Research & Development (R&D). Big data analytics or artificial intelligence (A.I.) are applied a predictive analysis and responding to customer needs. Awareness advertising is one of Colgate's opportunities to give people access to oral healthcare information of resources and raise oral healthcare standards through any touchpoints and channels. Organizational structure, financial analysis, and ethical leadership lead to employee satisfaction and corporate performance for its effectiveness and

efficiencies. Thus, Colgate's global expansion strategies are for its competitive advantage adapts to CAGE Framework (cultural, administrative, geographic, and economic distance) and OLI Framework.

## 9. Implementation & Recommendation

The marketers could more effectively use social responsibility as their key strategy to communicate with the outside world, attract potentials, respond to the customers' needs, and react to environmental change. (Hwang & Chung, 2018) CSR has a strong influence on marketing activities not only on the company and its customers but also on the community. CSR is used as a competitive advantage for companies to create positive associations with the brands, leading to a strong brand image. Also, the emotional aspects of brands based on CSR need further study. (Das, 2017)

Branding becomes an exciting topic to discuss the link between customer experience, brand awareness, brand equity, and brand loyalty. (Wijayanti et al., 2019) There is a positive association between CSR, corporate image, customer satisfaction, and customer loyalty. (Chung et al., 2015). CSR is effective marketing for differentiated brands and allows them to achieve a competitive advantage in the marketplace, especially in the healthcare sector. (Kemp et al., 2014)

According to Tsakiridou et al. (2008), there are differences in consumer's perceptions between consumer's demographics such as age, income, non-buyers, and buyers for organic products. The examples of questions are varieties in organic products are of better quality, organic products are healthier, organic products are expensive, etc.

The implementation of CSR is based on BUCUR (2013) and is shown in the appendix.

### Discussion Questions

1. How could be applied 7S Model to improve Colgate's business model?
2. What is the relationship between ethical responsibility to customers and Colgate's oral care products?
3. What is the relationship between environmental responsibly and Colgate's oral care products?
4. What is the relationship between ethical leadership and Colgate's strategies (human resource management and financial strategy)?
5. What are the international entry modes of Colgate?
6. Why is CSR awareness marketing communications essential to Colgate?

### References

- [1] Adams, A (2016) Chemical Suppliers: Keep Pace with Global Personal Care Markets. <https://assets.kpmg/content/dam/kpmg/pdf/2016/07/REACTION-20-v2.pdf>
- [2] Alibaba (n.d.) Home: Chania's Colgate. <https://www.alibaba.com/countrysearch/CN/colgate.html>
- [3] Amazon (n.d.1) Customers who viewed Colgate Charcoal Clean Toothpaste, Bamboo Charcoal and Mint. <https://www.amazon.com/Colgate-Charcoal-Clean-Toothpaste-Bamboo/dp/B07XC1SJD3>
- [4] Bucur, M. (2013). The CSR implementation. *Scientific Bulletin of the*

*Petru Maior" University of Targu Mures, 10(2), 70.*

- [5] Amazon (n.d.2) Home: Colgate Mouthwash [https://www.amazon.com/s?k=Green+tea+mint+mouthwash+colgate&ref=n\\_b\\_sb\\_noss](https://www.amazon.com/s?k=Green+tea+mint+mouthwash+colgate&ref=n_b_sb_noss)
- [6] CANVASCO (2019) Thailand Market Survey on Dental Equipment and Oral Care Products.
- [7] Chen, M. J. (2014) The Power of One: The Strategy Diamond Framework.
- [8] DARDEN: Business Publishing, University of Virginia.
- [9] Chi, C. G., & Gursoy, D. (2009). Employee satisfaction, customer satisfaction, and financial performance: An empirical examination. *International Journal of Hospitality Management, 28(2), 245-253.*
- [10] Choi, B., & La, S. (2013). The impact of corporate social responsibility (CSR) and customer trust on the restoration of loyalty after service failure and recovery. *Journal of Services Marketing.*
- [11] Chung, K. H., Yu, J. E., Choi, M. G., & Shin, J. I. (2015). The effects of CSR on customer satisfaction and loyalty in China: the moderating role of corporate image. *Journal of Economics, Business and Management, 3(5), 542-547.*
- [12] CNN Wire (2020) Colgate toothpaste goes vegan, organic, and all-natural. <https://wreg.com/news/colgate-toothpaste-goes-vegan-organic-and-all-natural/>
- [13] CNN Business (2020) Colgate finally launched its recyclable toothpaste tube. It's made from the same type of plastic as milk jugs. <https://edition.cnn.com/2020/01/15/business/colgate-recycle-toothpaste-tube-trnd/index.html>
- [14] Colgate (2008) Annual Report-Building on Global Strength: Succeeding with Consumers <https://www.colgate.com/Colgate/US/Corp/Annual-Reports/2008/HomePage/BuildingOnGlobalStrength.pdf>
- [15] Colgate (2019) Annual Report <https://investor.colgatepalmolive.com/static-files/4e950006-c6b9-43b4-abb1-d06ad88fbc7a>

- [16] Colgate (n.d.) Home: Colgate. <https://www.colgate.com/en-us/power-of-optimism>
- [17] Colgate-Palmolive (n.d.) Home: Biodegradability When Science Goes “Down the Drain”. <https://www.colgatepalmolive.com/en-us/core-values/science-innovation/commitment-to-safety/when-science-goes-down-the-drain>
- [18] Colgate-Palmolive (2018) Home: Sustainability 2018 Partnerships. <https://www.colgatepalmolive.com/en-us/core-values/sustainability-2018/partnerships>
- [19] Colgate-Palmolive (2019) Home: 2019 Sustainability Partnerships. <https://www.colgatepalmolive.com/en-us/core-values/sustainability/partnerships>
- [20] Columbia Business School (2020) Colgate leaders discuss the importance of a strong CEO Counsel Relationship for Organizational Culture. <https://www8.gsb.columbia.edu/newsroom/news/8857/colgate-leaders-discuss-the-importance-of-a-strong-ceo-general-counsel-relationship-for-organizational-culture>
- [21] Das, M. (2017). Healthcare: An Emerging Area of Research. *International Journal of Research in Finance and Marketing*, 7(4), 13-29.
- [22] Down Jones (2021) Home: Colgate-Palmolive Says Bought Myanmar Laser Brand Toothpaste Fischer, D., & Roy, K. (2019). Market Entry in India: The Curious Case of Starbucks. *Rutgers Business Review*, 4(2).
- [23] Ghemawat, P. (2007). Differences across countries: the CAGE distance framework. *Harvard Business School Press, Redefining Global Strategy: Crossing Borders in a World Where Differences Still Matter, Boston, USA*, 8-10.
- [24] GLOBE NEWSWIRE (2020) Global Oral Care Market (2020 to 2025)-Growth, Trends, and Forecasts. <https://www.globenewswire.com/news-release/2020/07/21/2065251/0/en/Global-Oral-Care-Market-2020-to-2025-Growth-Trends-and-Forecasts.html>
- [25] Hambrick, D. C., & Fredrickson, J. W. (2005). Are you sure you have a strategy? *Academy of Management Perspectives*, 19(4), 51-62.
- [26] Hwang, Y. I., & Chung, S. (2018). Market orientation, social responsibility, and performance in Korea's healthcare industry. *International Journal of Healthcare Management*, 11(4), 325-332.
- [27] Ho, S. (2020) Colgate Enters CBD Space with Acquisition of Natural Oral Care Brand Hello. <https://www.greenqueen.com.hk/colgate-enters-cbd-space-with-acquisition-of-natural-oral-care-brand-hello/>
- [28] Jardim, J. J., Alves, L. S., & Maltz, M. (2009). The history and global market of oral home-care products. *Brazilian oral research*, 23, 17-22.
- [29] Kemp, E., Jillapalli, R., & Becerra, E. (2014). Healthcare branding: developing emotionally based, consumer-brand relationships. *Journal of Services Marketing*.
- [30] Kim, W. C. (2005). Blue ocean strategy: from theory to practice. *California management review*, 47(3), 105-121.
- [31] Kotler, P., & Keller, K. L. (2016). *Marketing Management. Global Edition (Vol. 15E).* Global Edition (Vol. 15E).
- [32] Mariadoss, B.J. (2019) Core principles of international marketing: International entry modes. <https://opentext.wsu.edu/cpim/chapter/7-1-international-entry-modes/>
- [33] Matysiewicz, J., & Sztangret, I. (2017). Corporate social responsibility in healthcare. A value for customer approach.
- [34] McKinsey & Company, Inc. SWOT Analysis. (2020). *McKinsey & Company, Inc. SWOT Analysis*, 1-7.
- [35] Millar, S. A., Maguire, R. F., Yates, A. S., & O'Sullivan, S. E. (2020). Towards better delivery of cannabidiol (CBD). *Pharmaceuticals*, 13(9), 219. *International Journal of Healthcare Management*, 1-13.
- [36] O Mullane, D. M., Baez, R. J., Jones, S., Lennon, M. A., Petersen, P. E., Rugg-Gunn, A. J., ... & Whitford, G. M. (2016). Fluoride and oral health. *Community dental health*, 33(2), 69-99.
- [37] Ponnu, C. H., & Tennakoon, G. (2009). The association between ethical leadership and employee outcomes- the Malaysian case. *Electronic Journal of Business Ethics and Organization Studies*.

- [38] Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard business review*, 86(1), 78.
- [39] Rose, A. (2007). Ethics and human resource management. *New York: McGraw-Hill*, 37, 38.
- [40] Statista Market Forecast (2021) Oral Care-Thailand.  
<https://www.statista.com/outlook/70060000/126/oral-care/thailand>
- [41] Thai Law Forum (2019). CBD No Longer a Controlled Substance in Thailand.  
<https://app.grammarly.com/ddocs/1101134390>
- [42] The American Chamber of Commerce in Thailand (2021) Member Directory,
- [43] Colgate-Palmolive (Thailand) Ltd.  
[https://connect.amchamthailand.com/list/member/colgate-palmolive-thailand-ltd-\\_bangkok-1311](https://connect.amchamthailand.com/list/member/colgate-palmolive-thailand-ltd-_bangkok-1311)
- [44] Transparency Market Research (2021) Oral Care Products Market: Global Industry Analysis, Size, Share, Growth, Trends and Forecast 2016-2024.  
<https://www.transparencymarketresearch.com/oral-care-products-market.html>
- [45] Tsakiridou, E., Boutsouki, C., Zotos, Y., & Mattas, K. (2008). Attitudes and behaviour towards organic products: an exploratory study. *International Journal of Retail & Distribution Management*.
- [46] Tuan, L. T. (2012). Corporate social responsibility, leadership, and brand equity in healthcare service. *Social Responsibility Journal*.
- [47] Vives, A. (2006). Social and environmental responsibility in small and medium enterprises in Latin America. *Journal of Corporate Citizenship*, (21), 39-50.
- [48] Wang, Z., Janda, S., & Rao, C. P. (1996). Dental services marketing: do market segments based on usage rate differ in terms of determinant attributes? *Journal of Services Marketing*.
- [49] WichitSrisuphan, R. N., & PatcharawanSrisilapanan, D. D. S. (2007). Opinions of parents, teachers, and school board members regarding healthy eating: A qualitative investigation of lay Thai people's perspectives. *J Med Assoc Thai*, 90(5), 1014-20.
- [50] Wijayanti, T. C., Setini, M., & Darma, D. C. (2019) How to Increase Brand Equity and Brand Loyalty? *International Journal of Innovative Science and Research Technology*, 4(10), 104-111.