



DRY CLEANERS



SITUATION ANALYSIS

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EXECUTIVE SUMMARY

THE ASK:

How to communicate the importance of dry cleaning to Millennials entering the workforce while positioning Tide Dry Cleaners as the best option.

Our objective is to share Tide Dry Cleaners' current business goals and position through secondary research findings in a bright, colorful way- just like Tide. To be able to do this, we discuss all aspects of the Tide Dry Cleaners brand through their company, category, service offerings, competition and consumers. All secondary research was found on the Tide Dry Cleaning website, dry cleaning information hubs and databases with vital facts and studies. We're excited to share our findings, thoughtful analyses and research-based recommendations in order to spark further primary research.

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COMPANY

PROCTOR & GAMBLE | TIDE | FUTURE WORKS



PARENT COMPANY



In 1837, Procter & Gamble started in Cincinnati, Ohio when partners William Procter, a candle maker and James Gamble, a soapmaker, combined their talents to start a business called Procter and Gamble Company.

This year, P & G will be 179 years old. They attribute this success to the art of innovation.

While using this guiding force to serve consumers to the best of their abilities, P & G stands strongly behind their core values.

"Innovation has always been - and continues to be - P&G's lifeblood."

COMPANY VISION

"Making your day better in small meaningful ways"

VALUES

Integrity | Leadership

Ownership | Passion for Winning | Trust

PRINCIPLES

We Show Respect for All Individuals

The Interests of the Company and the Individual are Inseparable

We are Strategically Focused in Our Work

Innovation is the Cornerstone of Our Success

We Value Mastery

We Seek to Be the Best

We Are Externally Focused

Mutual Interdependence is a Way of Life



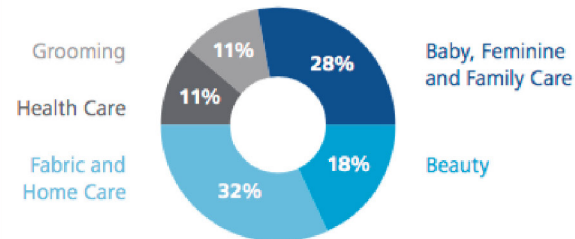


FINANCES

As of 2016, Procter & Gamble's current revenue is \$65,299,000.

2016 NET SALES BY BUSINESS SEGMENT

(Excludes Net Sales in Corporate)



P&G MISSION STATEMENT

"We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders and the communities in which we live and work to prosper."



TIDE



Tide, "the washday miracle," was launched in 1946, and within three years became the leading laundry product in the country. It began in powder form, and today the expanded line includes a variety of products from liquid detergents to Tide Pods.

P&G TAKES ON DRY CLEANING

It's not the first time.

In the late 1990s, Procter & Gamble introduced Dryel, an at-home dry cleaning product. Dryel proved to be a disappointment and was sold in 2008.

In 2000, P & G opened a handful of stores in Atlanta. These stores went by the name of Juvian and offered laundry and dry cleaning services that included at-home pickup and delivery. The stores were all eventually closed.





P&G FUTURE WORKS

Procter & Gamble founded FutureWorks in 2000 for the purpose of creating adjacencies and new business models for P&G brands. P&G FutureWorks is based in the United States and operates as a subsidiary of The Procter & Gamble Company.

In pursuit of franchise opportunities, FutureWorks was looking for industries where ownership was fragmented and consumers unsatisfied. The company came up with countless ideas.

The first to hit the drawing board was inspired by P&G's popular cleaning product, Mr. Clean. They brought to market a new car wash franchise. There are a little over a dozen Mr. Clean Car Washes today. One of which includes spray guns that children can aim at cars passing through the wash.

Second on the board was the world of dry cleaning, a roughly \$8 billion-a-year industry.



Research showed that consumers thought the quality of dry cleaners was inconsistent, hours were inconvenient, and prices were rarely displayed

THE BIRTH OF TIDE DRY CLEANERS

Tide Dry Cleaners stemmed from the successful 70-year-old brand of laundry detergent - Tide. The service was founded in 2008 by FutureWorks.

Mission: Aspires to change dry cleaning for good, by improving upon the quality and customer-service standards traditionally offered within the industry.

"The power of our brands represents disruptive innovation in these industries. Imagine getting to start my new business with the power of Tide."

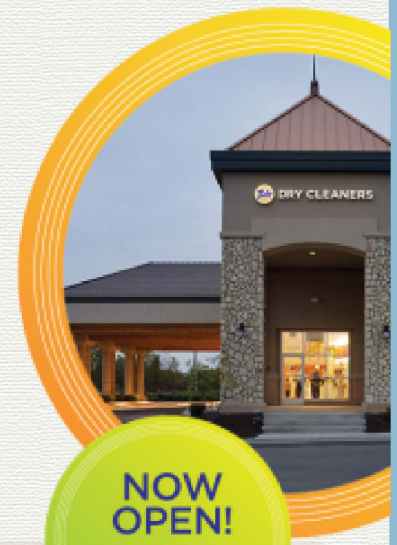
-Nathan Estruth
vice president of FutureWorks

THE VISION

Rather than focusing on developing a clever business model like other dry-cleaning entrepreneurs had attempted in the past, this company's primary innovation is in the brand name itself: TIDE DRY CLEANERS, named for its best-selling laundry detergent.

NOW OPEN! THE OBJECTIVE

The goal is for the big brand name to draw customers in to the franchise stores and for the outstanding experience and customer service to keep them coming back.





CATEGORY

THE DRY CLEANING INDUSTRY | LAUNDRY SERVICES



UNDERSTANDING THE PLAYGROUND

Tide Dry Cleaners finds itself within the dry cleaning and laundry services category. In order to understand the unique competitive advantages and product positionings of the brand, it is absolutely necessary that we understand, as much as possible, the category that it finds itself in. Below will be an in-depth analysis and audit of key motivators, past marketing efforts and everything in between that is of vital importance about the dry cleaning and laundry services category.

KEY INDUSTRY STATS

REVENUE	PROFIT	WAGES	BUSINESSES	ANNUAL GROWTH 12-17	ANNUAL GROWTH 17-22
\$9.1bn	\$773.1m	\$3.1bn	33,990	-0.1%	-0.9%

WHAT'S OUT THERE

Amongst the 33,990 businesses contained within this category few are large, multi-state companies. A large portion of the categories market share is controlled by small, family owned and independently run dry cleaning operations. According to US Census data, dry cleaners normally only have five or fewer employees and most businesses are family owned.

There is only one company that has a share of the market that is greater than one percent. This leads us to a more interesting fact. The category is highly fragmented, competitive, and localized. The four companies with the largest market share only generate less than three percent of industry sales. Additionally, the top 50 dry cleaning companies are expected to only generate nine percent of industry sales.

MARKET SHARE





WHAT'S OUT THERE

The top companies in the industry only account for a small share of the category. Family owned, independently run dry cleaners represent the majority of the market share, which must be noted as significantly altering the impact of the three largest members of the category.

Family owned, independently run dry cleaners represent the majority of the market share

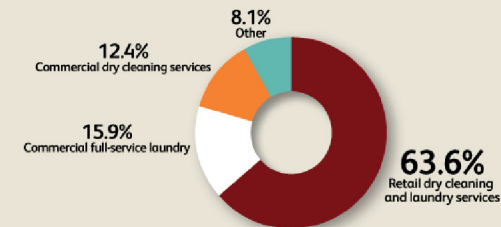
However, the arrangement of market share within the category may experience some changes. For one, the difficult financial and economic circumstances over the last five years has caused the industry to decrease its number of businesses at a rate of 2.1% per year. In addition to the decreasing number of dry cleaning stores currently open and operating, the industry has experienced some consolidation amongst the biggest market share holders.



As the industry has experienced a decline, many operators of dry cleaning businesses have been forced to exit the category. The major drivers of the reduction in the number of currently operating dry cleaners are a decline in industry profits and a consolidation of larger market share holders.

Over the last five years from 2012-2017 the dry cleaning category experienced a decline of 0.1%. That number is expected to get larger eventually reaching a decline of 0.9% by 2022. It is for these reasons that the category can consider itself within the decline stage of its life cycle.

Products and services segmentation (2017)



Total \$9.1bn

SOURCE: WWW.IBISWORLD.COM

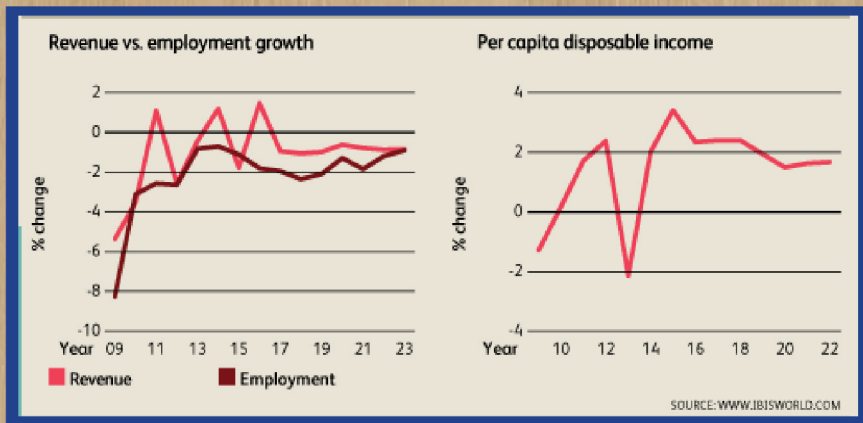
The US household population is approximately 120 million according to IBISWorld. 10% of those households are considered heavy dry cleaning users. Heavy users take a trip to the dry cleaners two times per month. Another 60% of households have used dry cleaning services within the past year. The rest have either used dry cleaning "sometime in the past" or have never used dry cleaning.

In serving households nationwide one dry cleaning facility processes around 100,000 garments each year, which translates into \$300,000 in revenue on average.



KEY DRIVERS OF THE INDUSTRY

- Per capita disposable income
- Households earning more than \$100,000 per year
- A decline in the national unemployment rate



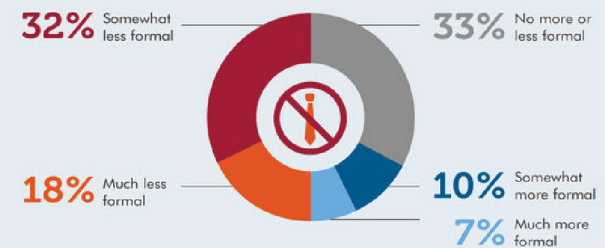
Per capita income is closely related to growth or decline within the category. If per capita income is increasing the dry cleaning industry is growing. The same pattern can be seen for households earning more than \$100,00 per year. However, if the national unemployment rate sees an uptick, it is likely that the dry cleaning and laundry service category will begin to decline.

Additionally, consumers are overwhelmingly purchasing clothing that is made from low-maintenance fibers and fabrics that do not require dry cleaning. However, it is not only the consumer who is changing their behavior. Clothing manufacturers have observed the trend towards low maintenance clothing and have given the consumer what they want.

According to IBISWorld, "clothing manufacturers for professional attire and business uniforms are increasingly using low-maintenance fabrics in place of more fragile fabrics such as silk or wool."

Another trend that may impact demand for this category is a transition from professional work attire to business casual work attire. Employers are now more likely to only require business casual from their employees making dry cleaning a non-essential service.

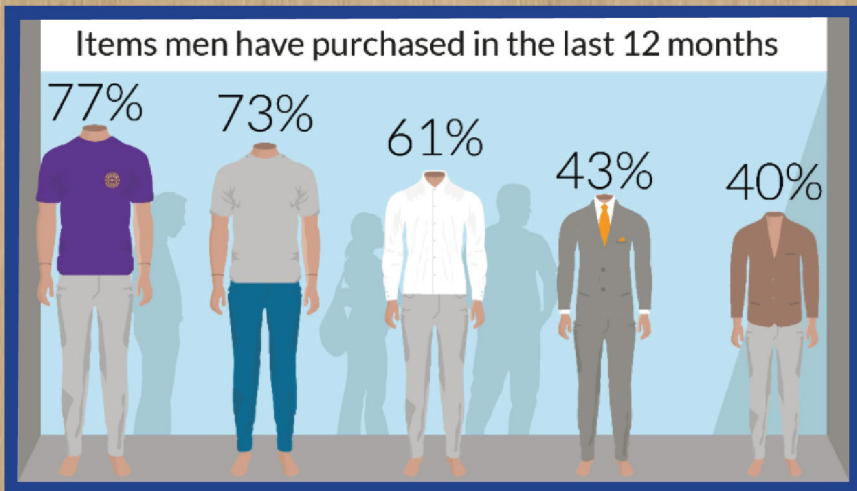
50% of managers say employees dress less formal than they did five years ago:





IBISWorld cites a 2012 survey conducted by American Drycleaner which says 76.1% of dry cleaners reported that the ongoing trend toward casual clothing in the workplace has negatively affected the industry.

CASUALIZATION TREND IS HERE TO STAY



Jeans and T-shirts are the most popularly purchased men's clothing items. These top clothing items purchased over the last year support the notion that casualization in both personal as well as professional lives is in the norm.

COMPETITIVE ADVANTAGES

The dry cleaning and laundry services category offers members different competitive advantages. The current state of the category, for example, could present members who offer lower prices a competitive advantage, considering consumers are heavily influenced by price.

Market and industry conditions that could lend themselves to a competitive advantage for a particular dry cleaners include: proximity to large consumer markets, offering a range of services in addition to dry cleaning and laundering garments, and large companies have greater purchasing power to negotiate better terms with chemical and equipment retailers as discussed in IBISWorld.

SERVICES IN THE CATEGORY

Although the category itself is widely fragmented and contains thousands of different businesses, there are some services that most of them offer. Below they are listed.

- Dry cleaning
- Wet cleaning
- Alterations and repairs
- Drop off and pick up
- Wedding gown preservation
- Pressing
- "Green" dry cleaning

This is by no means an exhaustive list of all of the services offered by all members of the category but it should facilitate a greater understanding of the category itself.

**CATEGORY MARKETING**

Dry cleaners within the category on average spend 2.8% of their revenue on marketing efforts. According to Consumer Magnetism, direct mail marketing, especially the distribution of coupons, has been a successful way for dry cleaners to market their product and attract customers.

According to a survey of dry cleaners conducted by American Dry Cleaner, 36% of dry cleaners utilize coupons “often” as a part of their marketing strategy.

Price is also an important way in which dry cleaners compete with one another. Consumers are not very loyal to certain dry cleaners and instead will go where they can receive the best price or promotion. As a result, coupons have become an increasingly prominent and relevant part of a dry cleaners marketing portfolio. Other prominent forms of marketing for dry cleaners include their company website, social media, print, radio, as well as television.

An American Dry Cleaner survey explains, “Maintaining a company website is the most common marketing initiative, used by 67.2% of respondents. A close second, at 59%, is social media (Facebook, Twitter, etc.). Other popular efforts include community outreach (54%), direct-mail marketing (45.9%), e-mail marketing (39.3%) and print advertising (34.4%). A small percentage (9.8%) uses other outlets, including radio, billboards and door-to-door sales.”





INDUSTRY REGULATION & INNOVATION

Dry cleaning is actually not a “dry” process at all. Clothes that are dry cleaned are soaked in a chemical solvent in order to get them clean and ready for the customer. The prominent cleaning solvent for dry cleaners, since the mid-1930’s has been tetrachloroethylene or as it’s more commonly known, perchloroethylene or “PERC”. According to Pearce, the World Health Organization and the United States EPA, PERC is a probable human carcinogen and this revelation has significantly altered the way dry cleaners are thinking about operating.

PERC is a probable human carcinogen.

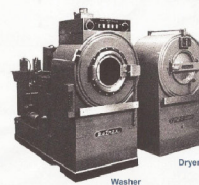
According to Brian Dakss of CBS News in 2007, three out of four dry cleaners utilized PERC as their primary chemical solvent. However, this is not the case today.

Since 2007, and frankly before then, the category has experienced a significant amount of innovation, some of it forcibly. The percentage of dry cleaners using PERC as their primary cleaning solvent has steadily decreased since 2007 and by 2014 approximately 49% still used the chemical. However, this is a significant decrease from 2012 when 69.9 percent of category members still used PERC.

The dry cleaning category, for the most part, has not phased out PERC on its own. Regulations implemented by the EPA for example, provide significant pressure on the industry.

“In 2006, the EPA added new requirements to limit PERC emissions. Machines installed after 2006 are required to have a non-vented carbon absorber that collects emissions. Furthermore, the EPA strongly recommended dry cleaners to phase out PERC at residential facilities by 2020,” explains an industry report completed by IBISWorld.

Generations of Dry Cleaning Machines



1st generation machine



2nd generation machine

Generations of Dry Cleaning Machines



3rd generation machine



4th & 5th generation machine

California has already banned the use of PERC in residential and commercial settings. As a result, there seems to be a pattern of dry cleaners adopting different cleaning solvents in place of PERC like hydrocarbons and liquid silicone. Dry cleaners are beginning to self-regulate in response to the inevitability of EPA regulation.



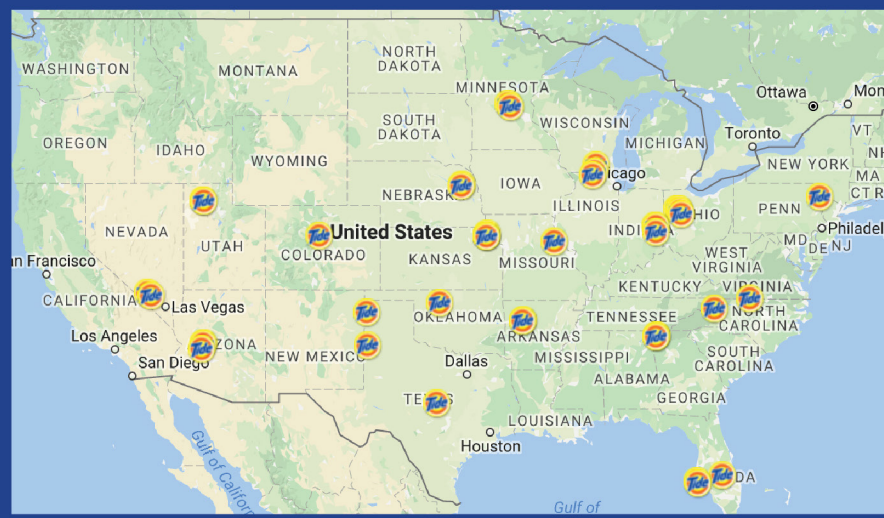
TIDE DRY CLEANERS

SERVICE OFFERINGS | MARKETING EFFORTS



LOCATIONS

Tide Dry Cleaners currently has 38 locations throughout the United States.



SERVICE OFFERINGS

Directly from Sullivan Higdon & Sink, Tide Dry Cleaners offers various amenities that are not offered through the typical dry cleaners.

The Tide Dry Cleaners Difference

	 Tide DRY CLEANERS	Typical Dry Cleaners		 Tide DRY CLEANERS	Typical Dry Cleaners
Drive-thru valet. Never leave your car!	✓	No valet service	Free same-day service*	✓	Additional fee for same-day service or not offered
24-hour drop-off & pickup	✓	Business hours only	Extended hours	✓	Standard business hours
 Laundry Detergent & Downy Liquid Fabric Softener	✓	Generic powder detergent No fabric softener	7-point hand inspection	✓	No detailed inspection
 GREENEARTH CLEANING Gentle, environmentally non-toxic	✓	Harsh petrochemicals	Free minor repairs	✓	No free repairs



CONVENIENCE

From our wide range of services, it's becoming clear Tide Dry Cleaners is committed to convenience.



SERVICE

From the moment you drop off your clothes, to when you pick them up, our service is unmatched.



REWARDS

Exclusive access. Exciting rewards. Exceptionally Easy.

**7 POINT INSPECTION**

Tide Dry Cleaners prides itself on its use of the 7 Point Inspection. The purpose of the inspection is customer services-based, making sure that not only is the garment clean, but in perfect condition as well. The inspection goes as deep to check for stains, missing buttons and even special instructions regarding tagging.

**SPECIAL SERVICES**

Tide Dry Cleaners also offers SpotLIFT, noted for its ability to release the worst stains even in white shirts, and ColorGuard, used mostly on darker clothing to ensure that it does not fade while it continues to be washed repeatedly over time. And, along with scent, an option of not scented is offered as well.



Also offered is Tide Back to Black and Tide Restore. Tide Back to Black turns all black cotton garments back the dark it was as if it were first taken off the rack. Tide Restore is used on white garments to make whiter whites and on colored garments to restore bold color.

**PRICES**

Laundered Dress Shirt	\$2.79
Blouse/Dry Cleaned Shirt	\$6.99
Pants/Jean/Khakis	\$6.99
Blazer	\$6.99
Suit	\$13.98
Skirt/Sweater	\$6.99
Polo	\$4.95
Dress	\$11.98
Comforter	\$29.99

*PRICES TEND
TO VARY
SLIGHTLY BY
LOCATION

SPECIAL FEATURES

Tide Back-to-Black	\$5
Tide Restore	
For Colors	\$2
For Whites	\$2



IN AN EFFORT TO BE A FRONT RUNNER IN THE MOVEMENT TO PHASE OUT PERC, TIDE DRY CLEANERS EMPLOYS THE TECHNOLOGIES OF GREENEARTH CLEANING



GREEN EARTH TECHNOLOGY

- The world's largest "green" dry cleaning chemical solvent manufacturer
- Uses liquid silicone as its chemical solvent
- 600 million pounds of garments have been cleaned using their liquid silicone solvent
- Serves 6,000 retail locations across 40 countries
In the United States there are over 1,000 locations who utilize GreenEarth
- Oxxo and Tide Dry Cleaners are the only retailers who use it exclusively at all locations (GreenEarth Cleaning)
- Breaks down into the three natural elements it is made from: sand (SiO_2) and trace amounts of water and carbon dioxide
- Safe on your skin. Liquid silicone is the base ingredient in most shampoos



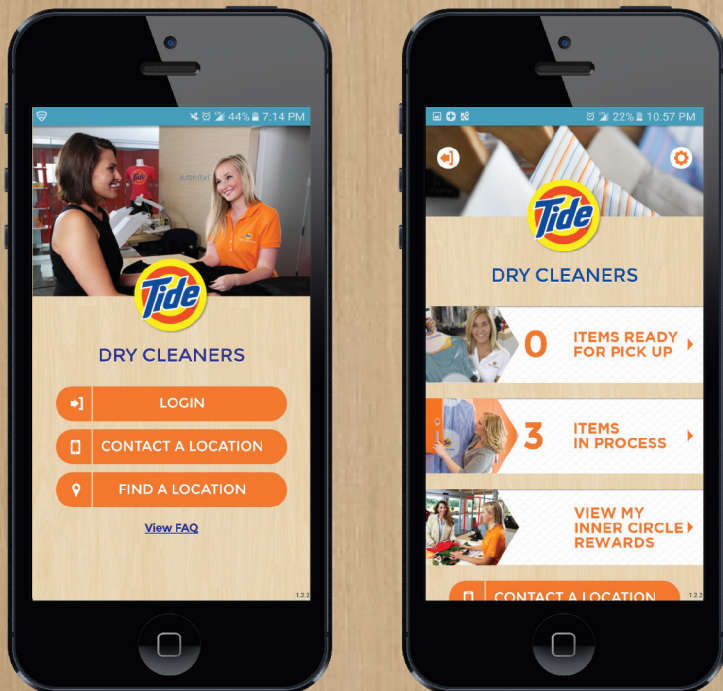
"Liquid silicone is chemically inert, meaning it doesn't chemically react with fabric fibers. It just carries the detergent to your clothes and gently carries away the dirt and oil." (GreenEarth)

"It also is very light in weight and has a very low surface tension, allowing it to gently penetrate fabric fibers and rinse away dirt in a way that water or perc cannot. So it cleans without being abrasive or aggressive, leaching dyes or damaging trims."



MOBILE APPLICATION

The Tide Dry Cleaners application is something that goes along with the brand's desire for innovation. The application is offered to anyone who is part of the Inner Circle Rewards program and signs up to use the application while in the Tide store. It must be noted that unless the customer has physically signed up for the application in-store, they do not have access to the application past the login page and are not part of the Inner Circle Rewards program.



The application offers many perks for Inner Circle customers like letting you know the status of a clothing item that is being processed, informing you on the status of your rewards benefits, and providing an overview of each piece of clothing a customer has in the store that is being processed and at which location it is being processed. The application also indicates when clothing is ready for pick-up.



PAST PROMOTIONS

"Love your Dry Cleaner"

Tide Dry Cleaners' customer promotions are bright, cheery and clean. The promotions use words like "love" to encourage a friendly relationship between customers and Tide Dry Cleaners.



"Gronk's Dry Cleaner"

This promotion also pokes fun at the "typical" dry cleaners experience. It uses humor to suggest that, if you go anywhere else, you'll get less than the best customer service.

NATIONAL TRIAL

DTC



NATIONAL REPEAT

EMAIL



FLYER



CURRENT PROMOTION

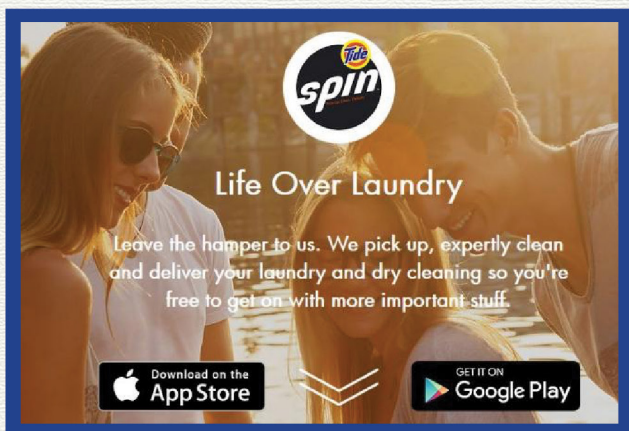
"Dry Cleaning Horror Stories"

Featured on the Tide Dry Cleaners social media, this current promotion calls attention to bad consumer experiences at the dry cleaners. The video contrasts with dark colors against the bright oranges and blues of the Tide pages.



ADDITIONAL OFFERINGS

Depending on the independent Tide Dry Cleaning franchise, different convenience services are offered to customers. For instance, some franchises offer pick-up and delivery services to both homes and places of business. At the Ballwin, MO location, the delivery service is part of the everyday franchise. But, what is not included is the 24-hour drop off and pick-up kiosk, a notable service option for other Tide Dry Cleaning franchises



Another notable franchise from P&G that offers delivery is called Tide Spin. It is solely in the Chicago area. The delivery service offers a special feature for customers: an application. This application differs from the generic application that is used by most franchises and acts as a separate service from the store itself.

Noting the two delivery services above, not all franchises offer delivery services, meaning not all franchises offer the same services across the board either.

SOCIAL MEDIA

According to content and social/digital marketer, Jason F. Harper, there are problems regarding Tide Dry Cleaners and their desire to solely rely on social media for their advertising and communication efforts.

	Tactics	OBJECTIVE: Build Brand	OBJECTIVE: Drive Trial	OBJECTIVE: Encourage Repeat	OBJECTIVE: Enhance Experience
Website	Mobile Responsive Website w/ CRM Platform - Works on All Devices - Fresh Content for SEO - User Account Login - Personalized Deals - Schedule Pickup/Delivery - SMS Notifications	👍	👍	👍	👍
	Online Coupons Seeded Through Social, Search, and Email		👍	👍	👍
	ICR Email Signup Functionality		👍	👍	
Social Media	Facebook All Locations	👍	👍	👍	👍
	Twitter	👍	👍	👍	👍
	Foursquare	👍		👍	👍
	Instagram	👍	👍	👍	👍
	Facebook Targeted Ads	👍	👍	👍	
	Twitter Advertising	👍	👍	👍	
Review Sites	Google	👍	👍	👍	👍
	yelp			👍	👍
PPC	Google	👍	👍	👍	
	yelp	👍	👍	👍	
Email	ICR Program, working in tandem with CRM program	👍	👍	👍	👍

As of now, Tide Dry Cleaners has a main landing page for the brand, followed by franchise pages based on location. Sadly, the franchise pages are doing even more poorly than the general page.



FACEBOOK

MAIN FACEBOOK PAGE

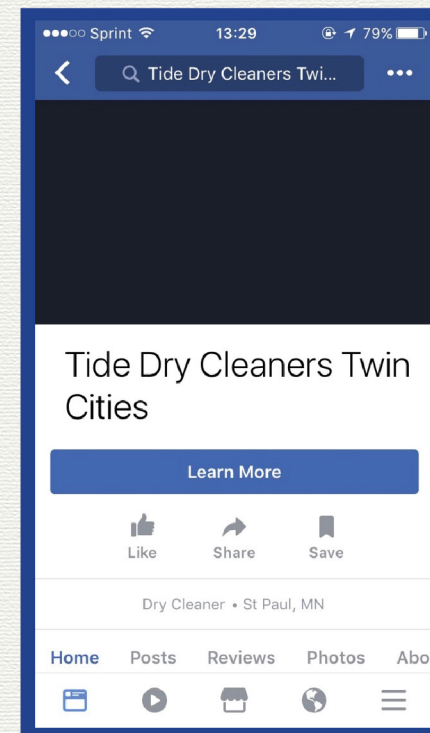


shows moderate levels of engagement

OKLAHOMA CITY
FRANCHISE PAGE

Clear lack of engagement, especially on franchise pages, but the content is the same between the two as well. Though the use of franchise is used to promote local engagement depending on location, this is not happening, as seen by engagement evidence existing on the pages

Some pages are only mobile friendly and lack any visual elements whatsoever that rightfully promote the brand and its image.



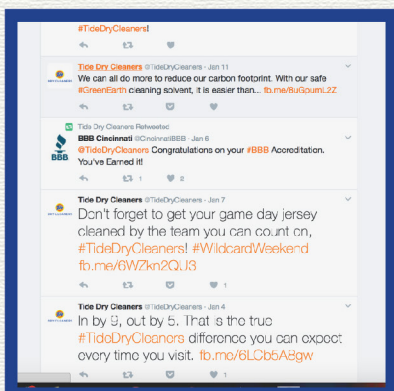
Twin Cities Facebook Page
(lack of all guidelines for proper social media actions and no engagement whatsoever)



TWITTER

MAIN TWITTER PAGE

Tide Dry Cleaners' Twitter page is also lacking in engagement. This issue is also highlighted in Harper's review of their use of the medium.



Trends of the page show that Tide Dry Cleaners does more work than the consumers. The young consumers who do respond do so to complain, otherwise they are of older demographics.

Small engagement numbers on each post.



The attempt for Tide Dry Cleaners to have a strong social media presence is clearly lacking, despite their wishes to make it their main medium of communication with customers.



COMPETITION



OVERVIEW OF COMPETITORS

With more than 30,000 independent stores that are highly fragmented, the dry cleaning industry is not oversaturated with big name competitors. Factors such as convenience, location and promotions tend to be the biggest influence on consumer decision making.



We decided to break down the competition into three categories. The categories are as follows: direct competition of other dry cleaners that have locations in the US, the indirect competitors that focus on wet cleaning, and the indirect competitors that focus on at home dry cleaning.

DIRECT COMPETITORS

The three largest dry cleaning companies are US Dry Cleaning Services, The Huntington Company and Dry Clean USA. Dry Clean USA does not control multiple brands like Huntington and US Dry Cleaning. Instead, they utilize franchising. US Dry Cleaning controls and operates six other brands of dry cleaning stores.

According to IBISWorld, "The Huntington Company has rapidly evolved from a regional player into the industry's largest operator by acquiring several competing dry cleaning chains in the past three years. In particular, the company acquired 1-800-DryClean in 2012, Pressed 4 Time in 2013 and Martin Franchises Inc. (Martinizing Dry Cleaning) in late 2014."

The Huntington Company:

- The most profitable in the market
- Currently occupies 2.2 percent of the market
- Bought out the Martinizing Dry Cleaners
- Owns 750 stores, half of them being located within the US
- Offers various services such as:
- Complimentary home pickup and delivery
- GreenEarth Cleaning's patented liquid silicone solvent and cleaning process
- The "bizziebox" - a locker based dry cleaning service that allows consumers to drop off their dirty laundry in a locker that is secured, send a request via their smartphone and be able to pick up clean and folded laundry within a week



US Dry Cleaning Services:

- The largest non-franchisor in the industry
- Occupies the second largest portion of the market at 0.3 percent with 68 operating facilities in California, Hawaii, Indiana and Virginia
- Focuses on purchasing leading dry cleaning chains that are within specific areas to transform them into full-service garment-care stores

Dry Clean USA:

- Occupies the third largest portion of the market at 0.2 percent
- 428 locations all across the US, the Caribbean, and Central and South America
- 42 locations are within the United States
- Looking to expand in Latin America and other international locations
- All franchises independently owned and operated

EVALUATION OF COMPETITORS

- Price: An average amount to be made towards a shirt by this product/service
- Number of Stores: The amount of stores that are accessible to the consumers along with the hours that the service is able to be purchased/utilized.
- Turnaround Time: The amount of time it takes for the service to be completed and returned to the consumer.
- Promotions offered: The discounts and promotional rates that are offered to the consumer.

	PRICE	NUMBER OF STORES	TURNAROUND TIME	PROMOTIONS OFFERED
	\$2.79	38 ONLY IN THE U.S.	SAME DAY SERVICE (FREE)	25% OFF FIRST PURCHASE REWARDS FOR LOYAL MEMBERS
THE HUNTINGTON CO.	\$7.77	OVER 750 WITH HALF IN THE U.S.	SAME DAY SERVICE (FREE IF IN BY 10AM)	NO COUPONS
U.S. DRY CLEANING SERVICES	\$2.35	68 OPERATING FACILITIES	NEXT DAY SERVICE (EXTRA DOLLAR PER GARMENT)	NO COUPONS
DRY CLEAN U.S.A.	\$2.35	428 TOTAL 42 IN THE U.S.	SAME DAY SERVICE (FREE) ONLY WHEN THEIR PRESSER IS IN	UP TO 50% OFF WITH TRIALPAY



INDIRECT COMPETITORS

Coin laundromats and household washers and dryers indirectly affects Tide Dry Cleaners due to the ability to produce the effects of wet cleaning services in the home. During periods when the economy is not doing as well, households are more likely to use home appliances for their laundering needs over the services of a professional laundromat.

Garments that are made from silk or wool require professional dry cleaning and therefore face no competition from coin-operated laundromats or household washers and dryers. With young consumers increasingly purchasing low-maintenance garments made from cotton or polyesters that do not need to be dry cleaned, we are seeing more items being washed with ease at home.

Advantages:

- Typically more convenient
- Turnaround time is the same day
- They are cheaper
- They have many locations



At home dry cleaning kits are a lot more cost effective, reusable and time efficient. They also avoid the fear of clothes being returned damaged, or even worse, not being returned at all. According to an article from Business Source Premier, dry cleaners tend to ruin 25% of orders, which is why home dry-cleaning kits is more appealing for those who do want to deal with the risk that is involved with dry cleaners.

Woolite At-Home Dry Cleaner

Price: \$6.29 - \$8.88 (Woolite)

Number of Stores: Sold at 41 retailers in the US, two in Canada and four online stores (Woolite)

Turnaround Time: 20 minutes

Dryel

Price: \$9.99 - Costs as little as 25 cents per garment, which could be up to 90% cheaper than dry cleaners. (Dryel)

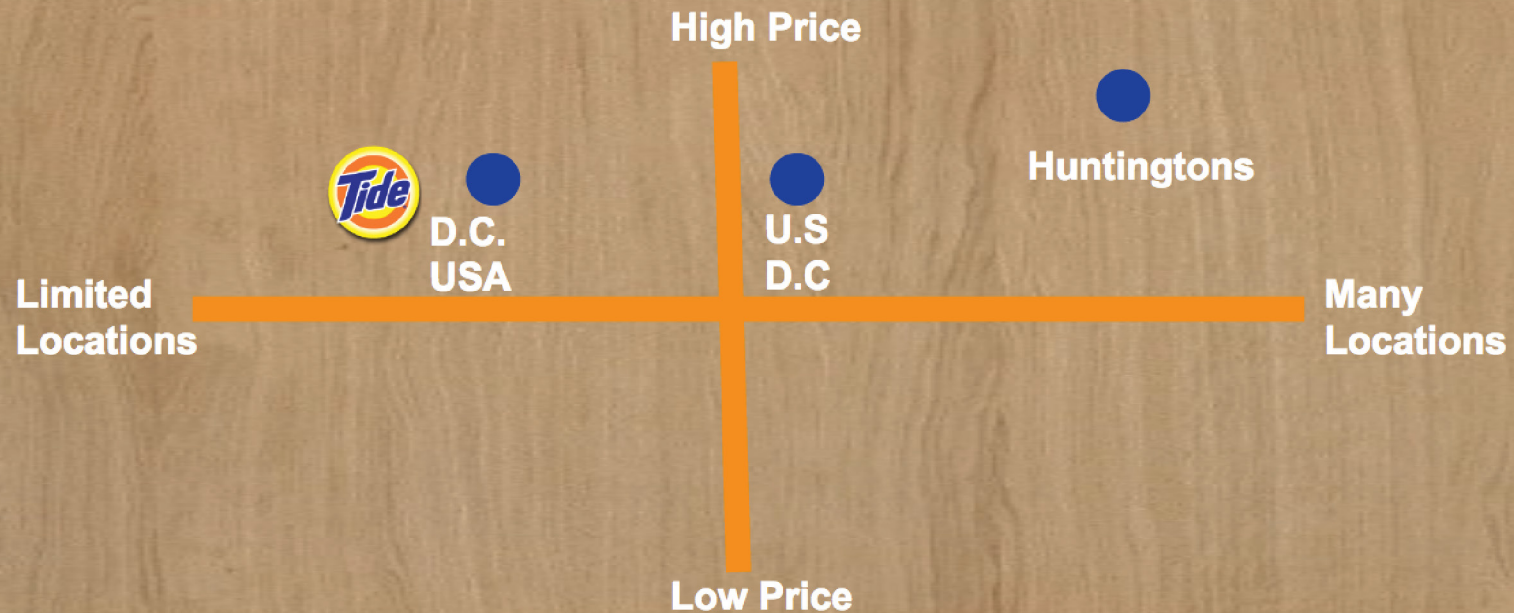
Number of Stores: Sold at 37 in-store locations and online through four websites. (Dryel)

Turnaround Time: 15 - 30 minute turnaround time depending on desired effects

Promotions offered: Dryel has a \$1.00 coupon offered on the website for download at any time.



Perceptual Map



DRY CLEANERS⁵⁹



CONSUMER



CURRENT CONSUMER

The current consumer incorporates dry cleaning into their weekly routine. To them, it's an errand that's as familiar as the grocery store or the gas station. They make 75-100K per household and utilize dry cleaning to maintain their suits, skirts and blazers.



This consumer likes to stay close to home- 80 percent will travel less than four miles to the dry cleaners and 37 percent will stay within one mile. Two out of three customers are women and 65 percent are married.

Although the current consumer likes to stay close to home, 57 percent say that would change providers if offered a discount or coupon. But, the option to use a dry cleaner at all is stifled by the perception of the industry as a whole. According to Jezebel it is seen as dirty, smelly and many do not trust dry cleaners to take care of their clothes properly, worried they may be damaged or completely lost.

NEW TARGET: THE PROGREENS



They're entering the workforce with a head full of ideas and a strong will to shake things up. That being said, they're at junior-level positions with salaries to match. They believe in being ecologically friendly and support companies that favor causes. But they're complex. They're green not only in the way they view the environment, but in their newness to the world. Some see them as naive- they see themselves as game changers. They're entering the professional space but they don't believe in suits and ties. They're ProGreens. (Professional Greens)





CONSUMER INSIGHT

"I can't believe it, I have nothing to wear. I've dreamed of my first day at PwC since before I could even talk, and before I even walk in the door, I don't even know what shoes to put on. A suit? No, too stuffy. I should probably splurge and get this blazer dry cleaned, but I have to make ends meet until payday. What kind of service should I even ask for once I get there? All those chemicals can't be good for my clothes...or the environment! I've picked up dry cleaning for Mom a thousand times, but now I have to start from square one...on my own."

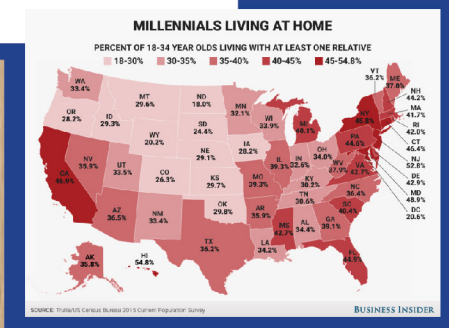
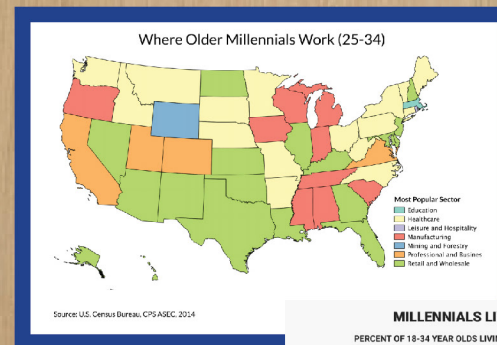
- ProGreens

WHO ARE THEY

The ProGreen is full of paradoxes. They believe in green companies but care more about being perceived as "green" by their friends. Independence is valued, but many live with their parents. Budgeting is a must and they're known for penny pinching, but they enjoy investing in experiences. They don't believe in belonging to institutions and they don't need to feel supported in their ventures- but they value friends and family. They're democratic and religious. They live life by the taps of an application and socialize through screens. They're not ignoring the American dream- they're reinventing it.

WHERE DO THEY WORK

The ProGreens are changing the way business is done from the inside out. In 2015, they accounted for 35 percent of the labor force, more than any other generation. They work diverse jobs and many have college degrees. However, many live with their parents after graduation. Some choose to not go into the workforce, but rather volunteer or start a business. If they do choose a 9 to 5, they mix things up: since Millennials entered the workforce, there's been a trend from business professional to business casual. In fact, according to a survey by OfficeTeam, 58 percent of workers preferred a business casual or casual dress code compared to a traditional one. The point? Suits & skirts may not need laundering by this generation of machine-washable jeans & blazers.

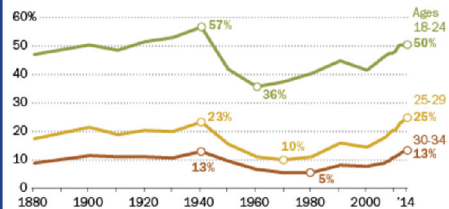




LIVING

Record share of 25- to 34-year-olds living in parents' home

Share of U.S. young adults (ages 18-34) living in their parent(s)' home, by age



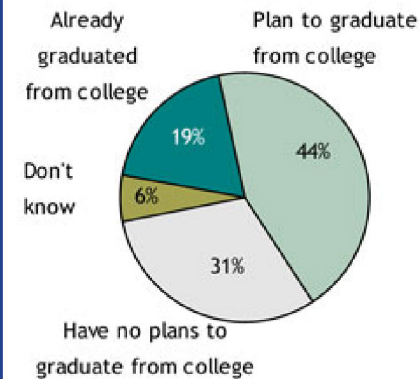
Note: "Living in parent(s) home" means residing in a household headed by a parent regardless of the young adult's partnership status.
Source: Pew Research Center tabulations of the 1880-2000 U.S. decennial censuses and the 2006-2014 American Community Surveys (IPUMS).

PEW RESEARCH CENTER

EDUCATION

Millennials and College

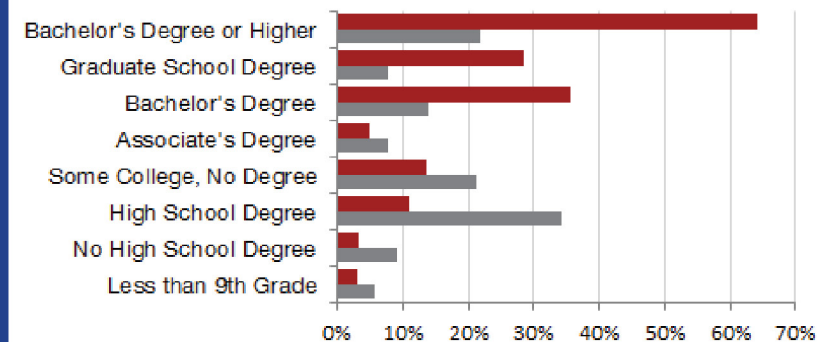
% of Millennials who...



PewResearchCenter

Redfin Rank	City	Zip Code	Total Population	Millennial Percentage	Median Income	Median Sale Price	20% down payment
1	Arlington	22201	29,200	44%	\$110,300	\$543,100	\$108,600
2	Arlington	22209	11,000	43%	\$94,100	\$641,000	\$128,200
3	Chicago	60654	13,000	41%	\$88,800	\$383,200	\$76,600
4	Chicago	60657	54,900	39%	\$75,700	\$401,100	\$80,200
5	Miami	33131	9,200	36%	\$78,500	\$438,100	\$87,600
6	Philadelphia	19103	17,600	36%	\$61,800	\$467,900	\$93,600
7	Washington	20009	35,100	36%	\$82,700	\$532,700	\$106,500
8	Chicago	60642	13,200	34%	\$68,900	\$381,200	\$76,200
9	Chicago	60613	32,900	33%	\$65,100	\$285,600	\$57,100
10	Chicago	60607	16,000	33%	\$80,500	\$325,700	\$65,100
11	Chicago	60622	33,500	33%	\$67,500	\$414,400	\$82,900
12	Denver	80203	13,600	32%	\$40,400	\$244,500	\$48,900
13	Chicago	60614	42,200	32%	\$86,800	\$460,000	\$92,000
14	Arlington	22206	12,200	32%	\$95,000	\$383,500	\$76,700
15	Boston	2127	19,400	31%	\$67,000	\$504,200	\$100,800
16	Arlington	22203	13,200	30%	\$100,900	\$419,900	\$84,000
17	Seattle	98102	14,100	30%	\$57,400	\$482,500	\$96,500
18	Washington	20008	17,000	30%	\$92,400	\$491,200	\$98,200
19	Philadelphia	19106	7,000	30%	\$89,600	\$369,500	\$73,900
20	Atlanta	30309	12,900	30%	\$69,700	\$221,400	\$44,300

Educational Attainment



REDFIN.

■ Millennial ZIP Codes ■ All ZIP Codes



BUYING CLOTHES

As a generation that remembers the great recession of 2008 clearly, 80 percent of Millennials are willing to switch brands for a deal, even one as small as \$1. To many Millennials, like those featured in the blog, “Broke Millennial,” dry cleaning is a foreign concept that is often avoided to a penny-pinching generation.

“Wait, I need to check the tags,” she said as we got ready to pay up.

“Why?” I inquired.

“Because, if they’re dry clean only I don’t want them,” she informed me.”

The “Broke Millennials” go on to discover that the cost of dry cleaning the shirt once a month would be more than the price of the shirt, and leave it in the bin. To many Millennials, “Dry Clean Only” is a dealbreaker.

Reasons that US Millennial Internet Users Follow a Brand/Company on Facebook, Twitter or Pinterest, Fall 2014

% of respondents

	Facebook	Twitter	Pinterest
To support the brand	84%	78%	70%
To receive regular updates from brands	83%	47%	-
To get a coupon or discount	66%	85%	41%
To research brands when I was looking for specific products/services	40%	34%	67%
To share my interests/lifestyle with others	40%	35%	76%
To participate in contests	37%	37%	27%
Seeing my friends are already a fan, follower or have a board	36%	28%	36%
Someone recommended me to “like,” follow or pin the brand	31%	21%	29%
A brand ad on TV, online or in print led me to “like” the brand	28%	25%	21%
To share my personal good experiences	26%	23%	38%
Other	3%	9%	11%

Note: born between 1980-2000; among those who use the site
Source: University of Massachusetts Dartmouth Center for Marketing Research, “Millennials Transform Social Commerce: Hashtag “Buy” Buttons?” Dec 1, 2014

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www.#Marketer.com

HOW TO REACH THEM

Millennials use social media to connect with brands. However, not all social channels are equal. Facebook is used for Millennials to show support- that “like” means they believe in the brand and its message. It’s also used by Millennials who want to receive updates from their favorite brands. On the flip side, Twitter is used for discounts. Millennials follow brands with the expectation that they’ll receive promotions and deals through their Twitter account, or may begin following the brand in order to receive the discount.

WHAT THEY CARE ABOUT

They believe in being “green” but perception is equally as, if not more, important. If they’re going to buy a green product, they’ll be sure to tell their friends about it. They buy and live healthily. When they’re considering dry cleaners, 38 percent consider the “green-ness” of the cleaner. In fact, the age group is the most likely group to consider the ecological effects of dry cleaning.

Figure 18: Select attitudes toward lifestyle, by generation, October 2016

Base: 2,000 internet users aged 18+

“Thinking about yourself and your lifestyle, which of the following do you agree with?”

	I am trying to live a healthier lifestyle	I take vitamins/minerals/supplements consistently	I exercise consistently	I go out of my way to do positive things for the environment (eg recycle)	I buy organic food	I buy foods from local producers	I am a member of a gym	I do research before buying to ensure a company is green
	%	%	%	%	%	%	%	%
All	62	58	41	39	28	35	24	13
Generation:								
iGeneration	64	47	41	31	33	33	34	29
Millennials	58	46	43	32	34	30	28	18
Generation X	55	56	42	33	25	30	22	13
Baby Boomers	65	69	38	46	23	41	19	7
:	:	:	:	:	:	:	:	:

Click here to show full table

Source: Lightspeed/Mintel

download into spreadsheet create new graph



MILLENNIALS AND ADVERTISING

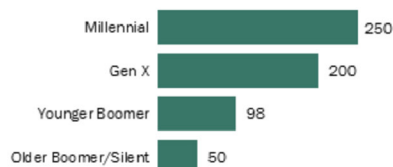
Millennials want experience in everything they encounter. This goes for advertising, too. According to "Entrepreneur" Magazine, "Millennials Don't Want Ads, They want Stories." They are more likely to pay attention to ads that speak to their values and ideals. Millennials desire authenticity. They get their sources of information from online web groups and from their own friends for advice on what and where to buy, leading them to ignore and even avoid regular advertising.

MILLENNIALS AND MEDIA

Media for Millennials is a huge aspect of personal identification and source of information. They are paradoxical in their feelings about media. According to a study conducted by Mintel, the use of phones or media devices clashes with the idea of disconnection from social media that tends to go along with Millennial beliefs. For instance, they can look at phones as if they are part of their identity, but at the same time, they advocate for taking social media breaks, or time off from their digital circle of friends.

Generations, Facebook and Friends

Median number of friends



Note: Based on Facebook users, n=960. In 2013, "Younger Boomers" were ages 49 to 57, "Older Boomers" were ages 58 to 67 and "Silents" were ages 68 to 85.

Source: Pew Research Center's Internet Project survey, Aug. 7-Sep. 16, 2013

PEW RESEARCH CENTER

MILLENNIAL HEALTH CONCERNS

Many Millennial health concerns come from two places.

1. Learning from past generations about unhealthy habits such as using drugs and drinking alcohol regularly.
2. A healthy lifestyle is now more "trendy" than it has been before. Millennials are those who want to be part of new trends, and even strive to start new trends, both being huge motivators for their decisions.

HOW MILLENNIALS CHOOSE BRANDS

According to Defy Media, Inc., an online magazine, and Digsite, an online marketing firms, Millennials are the most loyal brand promoters and users yet in the current consumer age.

But, as more research marketing studies show, the best way to keep loyal customers is to continually provide innovation, which Millennials pay attention to when buying products.

The other aspect of brands or services that Millennials pay attention to is how what is offered fits with individual values, especially Millennial parents. Millennials want authenticity in all that they do, and they want it from brands as well. Depending on how authentic a brand is in its advertising, determines if it is in a Millennial's evoked set or not.



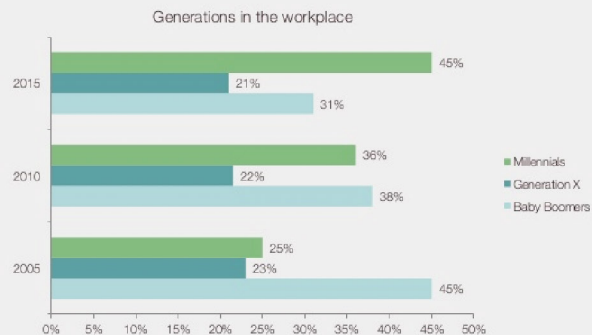
HOW MILLENNIALS DEFINE SOCIETY

Millennials are changing society professionally as well as personally. The move to a more digital lifestyle is one promoted and utilized by Millennials in everything from work to shopping. For instance, Millennials buy more products online than they do in physical retail stores.

This desire to have ease and access is carrying itself into the workplace, defining environment, working habits and even what people are allowed to wear to work. For instance, Millennials are defining how businesses construct offices in order to meet wellness needs so important to the new incoming employees.

Along with this, New Boston Post reported that not only are Millennials changing what the workplace feels like, but are also “laughing at the word ‘slacks’”, a vital characteristic of the changed happening in professional environments across the globe.

Millennials have power in numbers: 2015 is the year they become the majority in the U.S. workforce



Source: Bureau of Labour Statistics Employment Projections

Red Brick Research

8

MILLENNIALS AND DRY CLEANING

They look at dry cleaning as an amenity, not a necessity. Millennials will not go out of their way to seek out dry cleaning services regularly, but if it is offered and convenient, they will utilize it. Also, feelings about dry cleaning can be determined by the consideration of the “greenness” of the service, and can even make or break a deal for some Millennials.

Figure 49: Impact of environmental practices on purchasing decision, January 2014

"When choosing the following services, does the environmental impact of the business factor in your purchasing decision?"

	Base	Yes, I currently consider 'green-ness' of service provider	No, I currently do not consider 'green-ness' of service provider
	#	%	%
Base: internet users aged 18+ who use the service			
Any (net)	1,926	58	42
Grocery store/supermarket	1,882	45	55
Dry cleaners or laundromats	1,299	38	62
Contractors for home repairs/improvements	1,403	34	66
Hotels	1,569	34	66
Restaurants	1,810	32	68
:	:	:	:
:	:	:	:

[Click here to show full table](#)

Source: Mintel

[download into spreadsheet](#) [create new graph](#)

Currently consider 'greenness' of service provider"

	2008	2010
Base: adults 18+ with internet access	2,500	2,587
	%	%
Grocery store/supermarket	n/a	44
Dry cleaners or laundromats	12	31
Hotels	13	29
Restaurants	14	29
Contractors for home repairs/improvements	12	26
Airlines or other long-distance travel providers	10	21
Package vacations/tours	10	20
Financial services providers (e.g. banks)	n/a	18



KEY TAKE AWAYS

COMPANY

P&G is a company with over 80 brands to date. Their adjacent branch, FutureWorks, takes select brands and expands them to franchise businesses.

CATEGORY

The category is highly fragmented, competitive and localized. It is in the decline life cycle stage and requires serious innovation.

SERVICE

Tide Dry Cleaners is a full service dry cleaner that claims to offer the the ultimate in convenience, quality and customer service. They preserve and prolong the lifespan of your clothes so they always look good.

CONSUMER

ProGreens are aged 25-34. They are new to the professional world, learning how to do things on their own and interested in a more environmentally friendly lifestyle in all facets of life.

COMPETITION

The industry is not affected much by competition. What will affect the consumer's decisions are price, number of locations, turnaround time and promotions offered.





INTERNAL

W

Not yet achieved top of mind awareness for consumers/new to industry
Bad marketing
Locations

S

Green
Service/Experience
Tide Brand

STRENGTHS

WEAKNESSES

EXTERNAL

O

Expansion of the franchise
Improve perception of dry cleaning
Frontrunner with green technology

T

At home options (dry cleaning products and regular laundering)
Casualization of clothing
Current perception of dry cleaning industry

OPPORTUNITIES

THREATS



RECOMMENDATIONS

Open use of the app to all primary consumers

People need to use the app to decide if they like it. This is a large barrier to ensuring that ProGreens are engaging with our brand via the TDC app. Someone who has downloaded the app cannot utilize the benefits of it without being a member of the Inner Circle Rewards Program, which requires you to visit the store. The only review gives the app a one star rating saying, "It is astounding to me that the Tide Dry Cleaning service is so awesome, but that this app is so terrible."

Improve social media strategy

There is little engagement on the main Facebook page, and minimal to none on the individual franchise pages. Change approach to targeting ProGreens on primary pages, as well as franchise pages, by creating content that is more tailored towards their interests and values.

Off-internet marketing should be added into the marketing mix, possibly with print advertisements in magazines, handouts such as pamphlets, as well as posters promoting minimal guerilla advertising.

According to eMarketer, 85% of Millennials use Twitter to get a coupon or discount





RECOMMENDATIONS

Build a stronger association between the existing Tide brand and Tide Dry Cleaners

Millennials are statistically the most brand loyal generation. Along with this, Millennials also value innovation in a brand and its business ventures. Tide Dry Cleaners is an innovation brought out by P&G's marketing arm, FutureWorks, to take advantage of Tide's already well-established brand equity.

Consolidate the Tide Spin Program with Tide Dry Cleaners and utilize "Life Over Laundry" approach that Tide Spin offers

Add

Tide Spin into the general Tide Dry Cleaners application

It would be best to test/use Tide Spin in a larger, different metropolitan location, due to different transportation styles in the separate areas.

Suggestions of where to test: New York City; Austin, Texas; San Antonio, Texas; as a result of the growing Millennial population. In addition, lack of personal transportation in large cities makes it more difficult for customers to physically get their dry cleaning to the dry cleaners; pickup and delivery solves this problem.

This can grow the consideration to Tide Dry Cleaning as a convenience brand in general. Millennials tend to be busy, having a job and volunteering as well as social responsibilities. Giving people the option of delivery gives them more peace of mind to get their clothing on time, especially with a brand they trust.



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