
P&G's multimillion dollar cutback on ineffective digital ads hasn't hampered its growth

Posted by [Derek A. Lackey, Editor](#) / July 31, 2017

Procter & Gambles cutback on marketing spend hasn't had a negative impact on the business, with the FMCG giants chief marketing officer Jon Moeller saying almost all of the marketing budget reductions the company has enforced in the past three months were in the digital space.



A still from Herbal Essences 'Bio Renew' ad - one of P&G's brands

The choice to clampdown on spending from a digital standpoint, Moeller said, coupled with the companys robust 2% growth for the most recent quarter of the financial year, indicated that ads P&G had stopped investing in were ineffective.

Over the past three months to June, P&G's organic sales rose 2% to \$16.1bn, all-in net earnings rose 15% to nearly \$2.3bn for the quarter.

During the firms most recent earnings call on Thursday (27 July) Moeller didnt say which platforms the brand had cut spend from, but did hint that the company had stopped investing in areas where the placement of ads was not facilitating the equity of P&Gs brands; hinting at problems faced by YouTube and Google around brand safety earlier this year. He added that cuts were also made to arenas in which ads were being served to bots, as opposed to being seen by humans.

He said the business was working with media partners to create very efficient supply chain that helps build the brands under P&Gs watch, and that it would focus on

settling a higher standard on ad quality. He also said the brand propositions marketed by P&G needed to be communicated with exceptional brand messaging, advertisement makes consumers think, talk, laugh, cry, smile, act and of course buy.

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