

By **MONICA SHAW**, Editor

Roll reversal

A major investment in TAD towel machines at the Wauna and Port Hudson mills, combined with savvy marketing, lets Georgia-Pacific revitalize its Brawny icon

Relating a \$500-million investment in towel making technology with the changes in roles for men and women may seem like a stretch, but not at Georgia-Pacific (G-P), where a recognized brand has opened the door for translating paper towel attributes into human emotion — and dollars. The 2003 installation of state-of-the-art towel machines in Zachary, La., and Clatskanie, Ore., as well as upgraded converting capabilities, has given both the Brawny towel and its tough, lumberjack icon a dual purpose where an improved base sheet signifies strength and improved softness conveys sensitivity.

"We made this investment to capitalize on the wonderful brand equity that existed with Brawny by improving on the quality of the product in order to deliver a true premium towel that satisfies customer and consumer needs in the marketplace," said Rob Lorys, G-P's vice-president of marketing for North American Consumer Products. "In conjunction with our highly creative agency partners, we executed an effective integrated marketing effort around the complete modernization of the brand — from product attributes and package design to the Brawny man icon itself — that optimized our business goals for this powerful product line."

To compete with the extensive ad spending within the paper towel

market sector, G-P carefully places its ad spending.

"Our advertising budget is smaller than our major competitors', so we've been selective and focused on a female consumer target," explains Gino Biondi, G-P's director of marketing for Brawny. "Whether it's quantitative research or qualitative research in focus groups, we found that women are intrigued by the idea of having a man that helps around the house. We married this concept to our initial intent of producing a better, more competitive towel."

Prior to its re-launch in early 2004, Brawny paper towels, with a market share of 11%, held the No. 2 spot behind Procter & Gamble's (P&G's) Bounty, which held 35% of the market. According to Biondi, G-P saw this as a "huge opportunity gap," especially given the product's brand recognition.

"Our unaided brand awareness is over 80%, and, in some cases, it actually tracked above Bounty," Biondi describes. "Brawny's top-of-mind awareness, meaning what brand consumers think of first when asked about paper towels, peaks at 36%, even though its market share was at 11%. If you can mention our brand first, why wouldn't you buy our brand first?"

To gain both market share and dollar share with a better performing towel, G-P embarked upon an R&D endeavor in

2002 that drew upon resources throughout the company in an atmosphere where "teams ensured no one presupposed what the consumer wants ... they had to dig deeper," according to Michael Burandt, executive vice president of G-P's North American Consumer Products. Combined with an increase in marketing and a non-traditional advertising strategy that stretches marketing dollars, G-P's \$500-million investment is accomplishing its goals of ensuring that Brawny is a consumer product, not a commodity (see sidebar, p. 34).

Closing the performance gap

Prior to its re-launch, Brawny was made of two plies of conventional wet press (CWP) towel, an older technology that G-P had "maximized," says Biondi. To match pace with P&G and Kimberly-Clark (K-C) and capitalize on Brawny's strong brand equity, an investment in through-air drying (TAD) technology was necessary.

Drawing from operational expertise throughout the company and working with its pilot facility in Neenah, Wis., G-P developed the new sheet in 2002. As Burandt stated, the marketing, R&D, and manufacturing teams refused to presume consumer opinions, including the idea that both plies should be TAD. In fact, research had shown that the best performing towels actually over-delivered 89% of the time. In addition, energy costs for TAD machines are estimated to be about 40% higher than conventional machines.

With the Brawny re-launch in 2004, the "strong, sensitive" Brawny man was introduced (left), cleaning up spills around the house and replacing the rugged lumberjack icon (right).



Ultimately, G-P chose to combine one ply of CWP technology with a TAD base sheet, calling the combination advanced base sheet technology (ABT). Biondi says ABT creates a better value for the consumer and for G-P.

"The CWP sheet has a tight fiber structure that holds liquids tightly as compared with a TAD sheet, which is a little bit softer, slightly stronger, and absorbs faster," explains Biondi. "So we married those two sheets and got a strong, more absorbent, softer towel. When we researched ABT as the way to close the technology gap, we put it in consumer homes and it was rated as high as the leading brand from a performance standpoint."

In December 2001, G-P's board of directors approved a \$150-million project to install an 80,000-tpy TAD paper towel machine and related converting equipment at the Port Hudson mill in Zachary, La. A fully integrated mill that generates about 69% of its electrical needs, Port Hudson was a large capacity facility producing uncoated free-sheet on two 378-in.-wide paper machines. It also had a new tissue machine that was installed in 2000.

By August 2002, the board approved installation of another 80,000-tpy TAD towel machine and related converting equipment at its Wauna mill in Clatskanie, Ore., and installation of converting equipment for mills at Halsey, Ore., Palatka, Fla., and Port Hudson, La., at a cost of approximately \$250 million. G-P secured the Wauna mill in its 2000 acquisition of Ft. James. The mill produced uncoated free-sheet on a smaller paper machine, as well as a wide range of tissue products on three conventional tissue machines.

The Port Hudson machine started up in February 2003, while the Wauna machine began production in early 2004. The capital spent on converting included installation of four-color process printing capability. "We were predominantly known as a white towel, and we wanted the ability to deliver the finest prints in paper towels," Biondi describes.

To make the TAD base sheet that provides the new Brawny with softness, strength, and fast absorbency, G-P installed 80,000-tpy towel machines at the Port Hudson mill in Zachary, La. (shown here) and the Wauna mill in Clatskanie, Ore.



According to Paperloop's Benchmarking Services, 30 of the 137 tissue and towel machines identified in its "2004 North American Retail Tissue Competitive Cost Study" are now equipped with TAD. P&G has 25 TAD-equipped machines, while G-P and

K-C each have two and Potlatch has the latest at its new Las Vegas, Nev., mill.

Translating attributes into emotion

Working with its creative advertising agency, Fallon in New York, G-P's brand marketing

team needed a way to communicate the improved Brawny product characteristics to consumers. With marketing research, product positioning studies, and a "Do you know a Brawny man?" contest in 2003 that allowed women to "create" their ultimate guy online, G-P gained a good deal of information on its rugged lumberjack icon.

"The feedback showed that women want men with both strong values and the ability to contribute around the household," says Biondi. "Our equity is tied to the Brawny man, and we began to equate what women want from men to what they want from their paper towel. They want a strong towel that's also soft, and, in the today's culture, they want a man with strong family values who is sensitive to helping out."

Starting with the "Role Reversal" ad campaign in 2003, G-P introduced the concept of a man doing nice things for his wife. With the Brawny re-launch in 2004, the "strong, sensitive" Brawny man was introduced, cleaning up spills around the house.

Despite the seriousness of the research for the new Brawny man, the dichotomy of his

rugged looks and thoughtful behavior conveys a tongue-in-cheek humor. "The brand is an emotional one, and it's certainly more entertainment based than that of most towels," says Ari Merkin, executive creative director at Fallon (see sidebar below).

Savvy ad spending

According to G-P's media agency, Zenith, ad and promotional spending for paper towels totals almost \$117 million, with P&G's Bounty receiving the most funds in 2004 at around \$74 million. K-C spent about \$37 million on its Scott and Viva brands, while G-P spent \$23.5 on Brawny and another \$3.4 million on its Sparkle brand.

To combat the huge amount spent on advertising by its competitors, G-P pumped up its ad budget for Brawny by \$10 million in 2004. Since the competition still spends a great deal more, G-P, with help from Zenith and its public relations agency, Edelman Worldwide, has chosen media channels that are "creative and intrusive," says Biondi, but more importantly, "integrated."

"All of our advertising communication is

integrated on a number of fronts, so that we deliver the message consistently," Biondi describes. "We've challenged ourselves to market to consumers in an innovative way for a product that people buy in a grocery store or in a Wal-Mart, which is pretty unique. To make a difference, we feel like you've got to get in front of the consumer because you have three seconds for a decision at the shelf."

What does this integration mean? As Biondi explains, media channels have become extremely fragmented in the last 10 years. There are now more TV channels and magazines, as well as sports marketing and online opportunities. "We've had to pick and choose where we could reach our consumer the best, because all those media vehicles are increasing in price even though they don't reach as many consumers as they once did," he says.

To get the most bang for its advertising buck, G-P started by taking advantage of assets it already had. For example, the company's relationship with Petty Enterprises meant it did not cost Brawny

advertising

Building a brand in a commodity category

How difficult is it for a traditional manufacturing company to move into the glitzy world of consumer products? With innovative leadership and a good product with an appealing persona, it's not that hard, says Ari Merkin, executive creative director at G-P's ad agency, Fallon, New York.

"Brawny is a brand with strong functional attributes, but it's also an entertainment-based, emotional brand, and we are playing that up in the Brawny campaign," describes Merkin.

The humor and emotion in the tongue-in-cheek Brawny campaign is in direct contrast to many of its competitors.

"We can't beat them on ad spending, but where we can win is by being a brand in a commodity category and having a relevant and emotional benefit that goes beyond mere product attributes like sheet strength or absorbency," Merkin explains. "There's entertainment rooted in our product and our strategy. We have an icon that represents the perfect man, and G-P has gone to great lengths to shape that image as it targets the female consumer."

For much of the work in image shaping, Merkin points to Gino Biondi, G-P's director of marketing for Brawny.

"I think the marketers at G-P understand and encourage the direction the marketing has been going in, and Gino Biondi has done some truly revolutionary work with Brawny," Merkin comments. "The ads have been well respected in the advertising community — one of the toughest groups of critics — because they realize how hard it is to reach people."

To better target consumers, G-P uses tactics such as sponsorships and magazine and television ads aimed at its target demographic — women age 25-54, as well as pre-movie ads in the cinema and "viral" advertising, where people make humorous "e-cards" online and pass them to their friends.

"We want to create advertising that people naturally seek out, and that's 180 degrees from what most people perceive advertising to be," says Merkin.

incrementally in order to participate with the racing program.

In addition, G-P focused on the media outlets it thought could deliver most specifically to the targeted consumers — women, age 25-54. With the print campaign for the 2004 re-launch, it used Hearst publications like *Country Living*, *Redbook*, and *Cosmopolitan*. Focusing its resources on just one print media group allowed G-P to integrate the Brawny campaign across magazines, where, for example, a Brawny man "makeover" contest was held. Also, for each ad page it purchased, G-P received another page of "value-added PR" for free, says Biondi, to promote the makeover contest.

According to a recent *New York Times* article, about 31% of the Brawny towel ad budget was for television, where G-P again targets a female audience by developing special deals with demographically focused networks like TBS, HGTV, Food Network, and TNT. "This allows us to put together big partnership deals where we get extra services," Biondi explains. "We've calculated extensive value added services. For example, we're having a lot of contests and other vignettes of cleaning with paper towels on the Food Network."

G-P also uses its PR agency, Edelman, to create and place entertaining PR that has appeared on "The Tonight Show," "Extra," and "On-Air with Ryan Seacrest." The idea is to be creative and intrusive enough with advertising that it creates outside interest, says Biondi, which means it gets picked up by a lot of media. Even National Public Radio used Brawny as the basis for a segment on changing household roles for men and women. "We've been sociologically relevant and creative at the same time," Biondi comments.

Cinema advertising is another ad medium G-P sees as very effective. Ads before a movie have been demonstrated as having more impact than television ads,

with the consumer recalling them six to ten times better.

"Anybody can buy cinema advertising, but it better be entertaining because consumers may get upset with you since they're ready to see the movie," Biondi says. "We went down this path because our brand has a compelling, likeable persona, and so far we've heard laughter and cheers in the cinema, which is difficult given that it's a product ad."

TABLE 1.

G-P has the six lowest cost towel mills out of 37 identified by Paperloop Benchmarking Services' 2004 North American Retail Tissue Competitive Cost Study.

Rank	Company	Location	Integration	Mill Towel Capacity (tpy)
1.	Georgia-Pacific	Palatka, Fla.	Wood	46,400
2.	Georgia-Pacific	Naheola, Ala.	Wood	39,300
3.	Georgia-Pacific	Port Hudson, La.	Wood	82,000
4.	Georgia-Pacific	Crossett, Ark.	Wood	34,300
5.	Georgia-Pacific	Muskogee, Okla.	Wood	25,000
6.	Georgia-Pacific	Green Bay (West Mill), Wis.	Wood	9,000
7.	Atlantic Packaging	Scarborough, Ont.	Wastepaper	9,000
8.	Atlantic Packaging	Whitby, Ont.	Wastepaper	11,400
9.	Marcal Paper	Elmwood Park, N.J.	Wastepaper	48,200
10.	Irving Pulp & Paper	Saint John, N.B.	Wood	7,000
11.	Cascades	Candiac, Que.	Wastepaper	19,600
12.	Georgia-Pacific	Wauna, Ore.	Wood	94,600

Other innovative ad strategies have included the developing field of "viral" advertising, in which companies try to create messages so entertaining that people pass them along via email or cell phone text messages. Brawny's "Innocent Escapes" web site, which allows women to create and send funny online "cards," was recently hailed as an effective example of such advertising in a *New York Times* article, although G-P spent less than 1% of its Brawny ad budget on it.

The new converting capabilities have brought their own marketing appeal. Spiderman paper towels debuted with the *Spiderman 2* movie in Summer 2004. This March, G-P introduced Brawny towels with designs by Mary Engelbreit, a nationally

known pioneer in art licensing with collective retail sales near \$70 million/year.

Pushing forward

G-P's commitment for improved towel making technology and innovative marketing is having an impact. Since the 2004 re-launch, Brawny's pricing has moved up about \$2 a case, and the dollar share to volume share is now over 100. Market share in grocery has also climbed 1.3 points to 11.4% in the latest

24 weeks ending February 5, 2005.

G-P's installation of two new North American towel machines has also contributed to its status as the lowest cost producer in the North American retail tissue market, according to the "2004 North American Retail Tissue Competitive Cost Study" by Paperloop's Benchmarking Services. G-P, P&G, and K-C control about 75% of the 5.23-million ton capacity North American tissue/towel market, but G-P is the lowest cost of the three producers due to its high percentage of integrated mills.

G-P has the six lowest cost towel mills out of 37 identified in the North American study, led by Palatka, Fla. (Table 1). Port Hudson ranks as No. 3, while Wauna, with its purchased electrical costs, ranks as No. 12. **P&P**