



GOODS

P&G has acquired Native natural deodorant brand

PUBLISHED WED, NOV 15 2017•12:53 PM EST UPDATED WED, NOV 15 2017•5:34 PM EST



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KEY POINTS

Procter & Gamble has acquired Native deodorants, the company said Wednesday.

The deal will help P&G broaden its portfolio, which already includes Secret, Old Spice and Gillette, to reach consumers who are looking to avoid certain ingredients, Bill Brace, P&G's vice president of North American Personal Care said in a statement.

Wednesday's announcement comes one month after the sprawling consumer goods company fended off activist investor Nelson Peltz.



Native Deoderant

Source: Native

[Procter & Gamble](#) has acquired natural deodorant brand Native for an undisclosed amount, the company said Wednesday.

Native has built up an online following on its website. The deal will help P&G broaden its portfolio, which already includes Secret, Old Spice and Gillette, reach a growing segment of consumers who want products that are free from certain ingredients or full of natural ones, chief brand officer Marc Pritchard told CNBC on Wednesday.

Some consumers will use products solely based on what's in, or not in, a product, he said. But more care about whether the product works.

"(Native) really hits a great sweet spot for us," he said. "And it's online, so it's a business model that allows us to really get into more of a direct-to-consumer relationship, which is kind of where things are going."

P&G noted Native's direct-to-consumer model in its announcement as one of the factors contributing to its decision to buy the brand. Similar concepts in razors from competitors like Harry's and Dollar Shave Club have cost P&G's Gillette brand market share in the category.



Tampers Rewards, a loyalty program that connects moms with diapers and childcare tips, and Olay Skin Advisor, a program that uses artificial intelligence to tell users their “skin age” and how to treat it accordingly.

Native reached internet fame this year when it introduced a pumpkin spice latte scent.

Wednesday’s announcement comes one month after a bitter proxy battle with activist investor Nelson Peltz. P&G initially declared victory, saying Peltz didn’t win a seat on the company’s board. However, the hedge fund billionaire requested [a recount, and its preliminary results show he won](#) the shareholder vote by a slim margin, sources told CNBC on Wednesday.

The Triun Partners CEO and founding partner has criticized P&G for being too slow and lacking any recent innovation in his quest for a seat on P&G’s board.

The Native acquisition could be a concession to Peltz, who has urged P&G to buy small, on-trend companies. P&G has largely focused on divesting rather than acquiring in recent years. It now joins a number of companies in the consumer goods space who have tapped smaller companies for innovation.

Peltz and others will likely monitor how P&G integrates Native, as the company has been criticized for its handling of the much larger Gillette since it was acquired in 2005.

Native founder and CEO Moiz Ali will continue to lead the brand from its San Francisco operation.

“I couldn’t be more excited about joining the Procter & Gamble family of brands,” Ali said in a statement. “I’ve long admired P&G’s commitment to product innovation and obsession with customer happiness, and I’m excited to leverage their expertise as we continue to grow Native.”

The Native brand aligns with growing interest in natural products. Its website touts the brand as “deodorant that isn’t a science experiment” and includes buzzwords like paraben-free and aluminum-free.

The brand also comes with a premium price tag of about \$12 a stick, more than double the cost of some of P&G’s brands.

Interest for natural products will only grow and expand from the types of ingredients used to



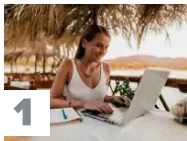
to focus on safety and purity, to clearly communicate product benefits, and to turn to technology in order to take a local and ethical stance,” the report said.

Transparency has also been at the forefront of consumers’ minds. [P&G has pledged](#) to list all the ingredients in its fragrances on its website by the end of 2019.

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