

January 22, 2018

# VIA EMAIL AND OVERNIGHT MAIL

Thomas B. Pahl, Acting Director, Bureau of Consumer Protection Mary Engle, Associate Director, Division of Advertising Practices Julia Ensor, Attorney, Division of Enforcement Bureau of Consumer Protection Federal Trade Commission 600 Pennsylvania Ave. N.W. Washington, DC 20580



Re: Gillette's False and Deceptive Made in USA Marketing Campaign

Dear Mr. Pahl, Ms. Engle, and Ms. Ensor:

Procter & Gamble-owned Gillette is currently running a national marketing campaign – focused on its Boston factory and the people who work there – that makes the unqualified claim that Gillette products are made in the United States. The problem is that the overwhelming majority of Gillette products (as represented on its website) that include origin information on their packaging are not entirely made in the United States. Most of these products are entirely made in foreign countries, such as China, Poland, Brazil, and Mexico, while others contain non-U.S. components. In fact, only a small minority of Gillette products that contain origin information on packaging meet the FTC's legal definition of made in the United States. As such, Gillette is misleading consumers.

## I. Gillette's Made in USA Marketing

Gillette's Boston-focused campaign has included national television commercials, as well as advertisements on its website and social media platforms. TINA.org collected a sampling of more than 50 Gillette advertisements that make misleading Made in USA claims, either directly or implicitly, all of which are available at <u>https://www.truthinadvertising.org/gillette-made-usa-marketing/</u>.

Upon completing its investigation, TINA.org sent a warning letter to Gillette's parent company P&G on December 21, 2017 urging it to promptly remove from publication all

Gillette marketing materials that make deceptive Made in USA claims.<sup>1</sup> As a result of our letter, as well as several subsequent communications between TINA.org and senior counsel for Gillette, the company ultimately removed the majority of its deceptive social media posts, apparently acknowledging the existence of deceptive origin claims in its marketing materials. But Gillette has thus far failed to remove deceptive origin claims from its daily national television commercials – the most visible part of its Made in Boston marketing campaign – or a YouTube video that has been viewed more than 500,000 times.

The following is a breakdown of TINA.org's findings.

## a. National Television Commercials

Gillette is airing at least two national television commercials, one 30-second and one 15second commercial, which make the implied unqualified claim that its products are made in the U.S.

In the 30-second commercial, which aired on national television more than 1,000 times in December 2017,<sup>2</sup> Gillette informs consumers,

It's 6 a.m. Forty million Americans are waking up to a Gillette shave. And at our factory in Boston, 1,200 workers are starting their day building on over 100 years of heritage, craftsmanship, and innovation. Today, we're bringing you America's #1 shave at lower prices every day, putting money back in the pockets of millions of Americans. As one of those workers, I'm proud to bring you Gillette quality for less because nobody can beat the men and women of Gillette. Gillette, the best a man can get.<sup>3</sup>

The commercial includes six different shots of the Boston factory (also known as its "World Shaving Headquarters"), three of which show an American flag, and the commercial ends with a collage of the faces of 21 Boston employees:<sup>4</sup>





[Screenshots from 30-second commercial]

The commercial also features three different Gillette products, none of which meet the legal standard for made in the U.S.A.: (1) the Mach3 Turbo razor has a handle that is made in China, (2) the Fusion5 razor has a handle that is made in Poland, and (3) the Fusion5 ProGlide razor has a handle that is made in Mexico.



[Screenshot from 30-second commercial. Product names and origin information added by TINA.org]

Absent from this commercial is any disclaimer to inform consumers that these products are not fully made in Boston.<sup>5</sup>

Gillette's 15-second commercial, which also aired on national television more than 1,000 times in December 2017,<sup>6</sup> and features three shots of the Boston factory, two of which include an American flag, informs consumers that,

For 100 years, heritage and innovation have made Gillette the #1 shave in America. Now get Gillette quality at lower prices every day. Brought to you by 1,200 workers in Boston. We're proud of giving you our best. Gillette, the best a man can get.<sup>7</sup>



[Screenshots from 15-second commercial]

Similarly, there is no disclaimer that informs consumers that the majority of Gillette products or components are made outside the U.S.

Since receiving TINA.org's warning letter, Gillette has – through its senior counsel – told TINA.org both verbally and in writing, that "the original copy" for these two commercials would be discontinued. However, the time frame provided for this corrective measure has ranged between "March [2018]" and "[we] can advise you when we have an estimated date for airing" the updated commercials. To date, the commercials are still being aired nationally despite Gillette's knowledge of the deceptive marketing issues present. This apparent stalling tactic simply allows consumers to continue to be deceived on a daily basis while the company inexplicably drags its feet.

In addition to the timing, TINA.org is not confident that the changes Gillette intends to make to its commercials will fully eliminate deceptive U.S. origin claims as, during the course of discussions with Gillette's senior counsel, the company indicated that it may simply replace the screenshot of the three products (i.e., the Mach3 Turbo razor, the Fusion5 razor, and the Fusion5 ProGlide razor) with a screenshot that shows only the blades without their foreign-made handles. As TINA.org has made clear to Gillette, even with this change, the commercial still makes an unqualified implied claim that *all* Gillette products are made in Boston, which is false and deceptive, and thus would not remedy the issue presented with the original commercials.

#### b. Gillette.com

Another version of the commercial is still published on the company's website on its "About Gillette" page. The video appears beneath the image below, which exclusively features employees from its Boston factory:<sup>8</sup>



The 30-second video, which is similar but not identical to the 30-second national television commercial and is also found on the company's YouTube channel, includes at least a dozen shots of the Boston factory, four shots of an American flag, and ends again with a collage of 21 Boston employees.







[Screenshots from Gillette website/YouTube 30-second commercial]

The narrative that accompanies this commercial states:

It's 6 a.m. Twenty-five million Americans are waking up to a Gillette shave. And at our factory in Boston, 1,200 workers are starting their day building on over 100 years of innovation, constantly obsessing about creating better blades. And this morning, we're proudly making Gillette quality more affordable, bringing you America's #1 shave at lower prices every day. Now more affordable than ever. Because nobody outdoes the men and women of Gillette.

On the company's YouTube channel, this commercial is accompanied by the following caption:

Learn how the people at the Gillette factory in Boston work hard every day to make our best razor blades even better and more affordable, to provide America's #1 shave at lower prices.<sup>9</sup>

#### c. Twitter and Facebook

Up until last week, Gillette's Boston-centric campaign was also seen throughout the company's Twitter feed and Facebook page. Below are some examples of social media posts that Gillette has since removed from publication as a result of TINA.org's investigation and warning letter.



# **Examples from Twitter**<sup>10</sup>

# **Examples from Facebook**<sup>11</sup>



In short, Gillette's Boston-centric campaign has created the overall impression that its products are U.S.-made.<sup>12</sup>

## II. Actual Origin of Gillette Products

The problem with Gillette's unqualified Made in USA marketing is that only a small minority of its products – that include origin information on their packaging – are made in the U.S. TINA.org examined all individual products listed for sale on Gillette.com as of December 1, 2017 (a total of 72 products, not including gift packs that simply combine Gillette products) that were available for purchase at Amazon.com, Walmart.com, a Walmart store, a CVS store, a Walgreens store, or a Stop & Shop store (a total of 68 products). Of the 68 available products, 30 provide origin information on the packaging, and of those 30 products, only two are labeled as "MADE IN U.S.A."<sup>13</sup> The other 38 products do not provide origin information. However, based upon conversations TINA.org has had with senior counsel for Gillette, it is TINA.org's understanding that all but two of the remaining products that do not bear origin information on their packaging are made in whole or in part outside of the U.S.

Thus, based on the limited information provided by Gillette, only 6-7% of its products are fully made in the U.S. The other 93-94% of Gillette origin-labeled products are made in, or contain parts from, various other countries, including China, Poland, Mexico, Brazil, and Canada, including blades that are made in China, Brazil, and Poland.<sup>14</sup>

Nowhere on the Gillette website or in any of its marketing materials described above are consumers informed that many Gillette products contain non-U.S. components or are wholly made in foreign countries.<sup>15</sup> In fact, other than touting its Boston factory, Gillette does not provide any specific information on its website as to where any of its products are made. The only way for a consumer to discover where Gillette products are made is by reading the tiny print found on some – but not all – of its product packaging. When the information is not provided on the packaging, which was the case for more than half of the products TINA.org was able to purchase, it's anyone's guess as to where the product hails from, which could lead a reasonable consumer to assume, based on Gillette's marketing, that the products are made in Boston.

In short, despite some corrections Gillette has made to its campaign as a result of TINA.org's investigation and communications, the company's remaining unqualified Made in the USA marketing continues to be misleading, and therefore in violation of the Federal Trade Commission's standards for making U.S.- origin claims, as well as Section 5(a) of the FTC Act. For these reasons, TINA.org urges the Federal Trade Commission to commence an investigation into the marketing tactics being used by Gillette and take appropriate enforcement action.

Sincerely,

Laura Smith, Esq. Legal Director Truth in Advertising, Inc.

Bonnie Patten, Esq. Executive Director Truth in Advertising, Inc.

Cc: Deborah P. Majoras, General Counsel, Procter & Gamble Ronald Sia, Senior Counsel, Gillette at Procter & Gamble <sup>1</sup> See TINA.org's December 21, 2017 warning letter to P&G, available at <u>https://www.truthinadvertising.org/wp-content/uploads/2018/01/12\_21\_17-Letter-from-TINA.org-to-PG-Gillette.pdf</u>. TINA.org also reached out to Gillette on November 13, 2017 for comment regarding Gillette's primary national television commercial for an article TINA.org was publishing at that time. *See* Gillette's Implied Made in the USA Claims, available at <u>https://www.truthinadvertising.org/gillettes-implied-made-usa-claims/</u>. In short, Gillette has been aware of deceptive marketing issues with its Boston-centric campaign since at least November 2017.

<sup>2</sup> According to Kantar Media, this commercial has been airing an average of nearly 50 times per day on national television stations that include CNN, FOX, ESPN, NBC, ABC, among many others.

<sup>3</sup> Gillette 30-second commercial, <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12</u> /Gillette-30-second-commercial.mp4.

<sup>4</sup> Tellingly, a nearly identical commercial airs in Canada but all U.S. references have been removed (but for a one-second written statement that indicates in fine print that the factory shown in the commercial is in Boston). *Compare* Gillette's 30-second commercial airing in the U.S., <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12/Gillette-30-second-commercial.mp4</u>, to Gillette's 30-second commercial airing in Canada, <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12/Gillette-30-second-commercial.mp4</u>, to Gillette's 30-second commercial airing in Canada, <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12/Gillette-30-second-commercial.mp4</u>, to Gillette's 30-second commercial airing in Canada, <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12/Gillette-30-second-commercial.mp4</u>.

For example, instead of the voiceover stating "at our factory *in Boston…*," the Canadian commercial simply states "at our factory." In addition, all U.S. flags have been removed from the Canadian version of the commercial.

Example:



Screenshot from U.S. commercial



Screenshot from Canadian commercial

These edits clearly indicate that Gillette is intentionally emphasizing its Made in Boston marketing for U.S. consumers.

<sup>5</sup> In November 2017, TINA.org contacted Gillette regarding this particular commercial. In response, a Gillette spokesperson told TINA.org, in relevant part:

...what you see in the spot is a tribute to our longstanding heritage of manufacturing in Boston and the more than 1,000 men and women who work here today to make some of our best blades. ... billions of blades are leaving our site here every single year, including for example the Fusion5 cartridges... *See* Gillette's Implied Made in the USA Claims, dated Nov. 15, 2017, available at https://www.truthinadvertising.org/gillettes-implied-made-usa-claims/.

<sup>6</sup> Information obtained from Kantar Media.

<sup>7</sup> Gillette's 15-second commercial, <u>https://www.truthinadvertising.org/wp-</u>content/uploads/2017/12/Gillette-15-second-commercial.mp4.

<sup>8</sup> Gillette's "About Gillette" webpage, <u>https://gillette.com/en-us/about-gillette</u> and <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12/Gillette-website-About-Gillette-page.png</u>.

<sup>9</sup> See <u>https://www.youtube.com/watch?time\_continue=3&v=Ucv60ALdig4;</u> <u>https://www.truthinadvertising.org/wp-content/uploads/2017/12/Gillette-website-commercial.png</u>.

At the time TINA.org sent a warning letter to Gillette, the company's YouTube channel included numerous other videos that similarly drove home the Made in U.S.A marketing message. By way of example, Gillette's YouTube channel featured a two-minute video called "The Faces Behind the Blades | Inside the Gillette Factory" that showed various Boston factory workers discussing their commitment to Gillette, as well as the following images:





[Screenshots from "The Faces Behind the Blades | Inside the Gillette Factory" YouTube video]

The video started with a voiceover stating, "you don't usually see a manufacturing facility right in the heart of Boston," and included the following description in the video caption:

Where do Gillette razors come from? In the heart of South Boston, hundreds of men and women are hard at work inside the walls of the Gillette factory. Their passion and pride can be found in every single blade and razor that they make. This is their story...Step into the World Shaving Headquarters in South Boston, and meet the real people who make your favorite Gillette razors.

The video has since been removed from Gillette's YouTube channel.

<sup>10</sup> See TINA.org's database of Gillette Made in USA Marketing, <u>https://www.truthinadvertising.org/gillette-made-usa-marketing/</u>.

<sup>11</sup> Id.

<sup>12</sup> See Federal Trade Commission: Complying with the Made in USA Standard, <u>https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard</u>.

A Made in USA claim can be express or implied.... In identifying implied claims, the Commission focuses on the overall impression of the advertising, or promotional material. Depending on the context, U.S. symbols or geographic references (for example, U.S. flags, outlines of U.S. maps, or references to U.S. locations of headquarters or factories) may convey a claim of U.S. origin either by themselves, or in conjunction with other phrases or images.

**Example:** A company promotes its product in an ad that features a manager describing the "true American quality" of the work produced at the company's American factory. Although there is no express representation that the company's product is made in the U.S., the overall – or net – impression the ad is likely to convey to consumers is that the product is of U.S. origin.

See also Enforcement Policy Statement on U.S. Origin Claims, <u>http://www.ftc.gov/public-statements/1997/12/enforcement-policy-statement-us-origin-claims</u>; 15 U.S.C. §45(a); *In the Matter of Block Division, Inc.*, Docket No. C-4631, Complaint, dated Apr. 12, 2017, available at <u>https://www.ftc.gov/system/files/documents/cases/172\_3052\_c4613\_block\_division\_complaint\_pdf</u>, and Decision and Order, dated Apr. 12, 2017, available at <u>https://www.ftc.gov/system/files/</u>

documents/cases/172 3052 c4613 block division decision and order.pdf (the FTC determined that advertising products as Made in USA when parts essential to the function of the products were imported was deceptive and in violation of the FTC Act); In the Matter of iSpring Water Systems, LLC, Docket No. C-4611, Complaint, dated Apr. 6, 2017, available at https://www.ftc. gov/system/files/documents/cases/170414 ispring complaint.pdf, and Decision and Order, dated Apr. 6, 2017, available at https://www.ftc.gov/system/files/documents/cases/170414 ispring do. pdf (the FTC determined that advertising products as "Built in USA" when products were either wholly or partially imported was deceptive and in violation the FTC Act); FTC v. Chemence, Inc., Case No. 16-cv-228, N. D. Ohio, Complaint, dated Feb. 1, 2016, available at https://www. ftc.gov/system/files/documents/cases/160202chemencecmpt.pdf, and Decision and Order, dated Oct. 13, 2016, available at https://www.ftc.gov/system/files/documents/cases/161014 chemence inc final order.pdf (the FTC determined that advertising glues as Made in USA when a significant proportion – approximately 55% – of the chemicals in the glues were imported was deceptive and in violation of the FTC Act); FTC v. The Black & Decker Corp., Docket No. C-4000, Complaint, dated Feb. 8, 2001, available at https://www.ftc.gov/sites/default/files/docum ents/cases/2001/02/blackanddeckercmp.pdf, and Decision and Order, dated Feb. 8, 2001. available at https://www.ftc.gov/sites/default/files/documents/cases/2001/02/blackanddeckerdo. pdf (the FTC determined that advertising products as Made in the USA when a significant portion of the components of certain of its products was of foreign origin was deceptive and in violation of the FTC Act; the single statement in small print on product packaging "Assembled in Mexico" was not enough to correct the deception.); FTC v. The Stanley Works, Docket No. C-3876, Complaint, available at https://www.ftc.gov/sites/default/files/docum ents/cases/1999/06/ stanleyworkscmp.htm, and Decision and Order, dated June 2, 1999, available at https:// www.ftc.gov/sites/default/files/documents/cases/1999/06/stanleyworks.do .htm (the FTC determined that advertising products as Made in the USA when a significant portion of the components of certain of its products were of foreign origin was deceptive and in violation of the FTC Act; the single statement "Tools made in the U.S.A. Case made in Taiwan." on some labeling was not enough to correct the deception). See also FTC v. E.K. Ekcessories, Inc., Docket No. C-4419, Complaint, dated Dec. 4, 2013, available at https://www.ftc.gov/sites/default/files/do cuments/cases/131211ekcessoriescmpt.pdf.

<sup>13</sup> See TINA.org's database of Gillette Product Origin Information, <u>https://www.truthinadvertising.org/gillette-product-origin-information</u>.

<sup>14</sup> *Id*.

<sup>15</sup> The only information provided on Gillette.com regarding product origin is on the company's Frequently Asked Questions page. *See* <u>https://gillette.com/en-us/faq</u>. There, Gillette simply states the following in response to the question "Where are Gillette products made?":

Gillette blades have been made in Boston since 1905. As global demand for our product has increased, we have expanded our manufacturing capacity to multiple countries around the world. However, we continue to proudly manufacture Gillette's best blades in our hometown of Boston, Massachusetts.

However, as a matter of law, this single statement buried in the middle of the company's FAQs, cannot be used as cover for Gillette's widespread deceptive U.S.-origin claims. *See* .com Disclosures: How to Make Effective Disclosures in Digital Advertising, <u>https://www.ftc.gov/</u>

system/files/documents/plain-language/bus41-dot-com-disclosuresinformation-about-onlineadvertising.pdf. As the FTC has repeatedly noted, "what the headline giveth, the fine print cannot taketh away." *See* What the headline giveth, by Lesley Fair, <u>https://www.ftc.gov/news-events/</u> blogs/business-blog/2011/06/what-headline-giveth.

Moreover, not only is the FAQ "disclaimer" legally ineffective, but its placement is such that the vast majority of consumers will never see it.