CASE STUDY

Unicharm Corporation: Bringing Affordable Hygiene Products to Low-Income Women and Children

Initiative Description

In October 2012, Unicharm Corporation, a leading personal care product manufacturer headquartered in Japan joined the Business Call to Action with a commitment to empower women through expanding local production and sales in the Middle East and North Africa (MENA), and Asia. The company aims to both provide affordable hygiene products and baby diapers to as many as 36 million low-income women, and to train local women employees in manufacturing and sales.

Unicharm’s international expansion is expected to more than triple the company’s annual production of diapers and feminine napkins by 2020. Unicharm projects that 40 percent of the company’s total production and sales will be in MENA and Asia by then. In the process, the company will employ an additional 8,000 women throughout Egypt, India, Indonesia, Saudi Arabia, Thailand, and Vietnam – nearly doubling its female workforce in these countries.

Unicharm’s goals:
• Create job opportunities in the manufacturing and sales of diapers and feminine napkins for 8,000 previously underemployed women in the MENA region and Asia by 2020; and
• Reach 36 million women at the base of the pyramid with affordable baby diapers and feminine napkins in these regions, improving their comfort and allowing for greater participation in economic and social activities.

Business Model

Unicharm manufactures personal care products for the disposable diaper, feminine hygiene and adult incontinence markets as well as health, pet care and household cleaning products, and food packaging. In response to the growing demand for sanitary products and disposable baby diapers in emerging markets, Unicharm has expanded its operations and sales outside of Japan.

By adapting its products to the needs of local people, the company has successfully grown its market share in new countries. In Indonesia for example, the company launched disposable baby diapers with affordable price while maintaining the basic functionality. It has achieved this through product innovation and streamlining manufacturing. This product strategy succeeded in placing Unicharm in a dominant position in Indonesian market. Unicharm is seeking to replicate this success by introducing affordable products in countries where disposable diapers and feminine hygiene products are still not widely used. By expanding its market, the company is also empowering the women who are responsible for the company’s growth.

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This case study was written by Al Obara with support from the Business Call to Action.

Key Success Factors
Quality and Affordability
The initiative is founded on a commitment to develop quality products at a price that local consumers can afford through localized manufacturing.

Fostering Distribution Channels
Unicharm is developing and strengthening its distribution networks upon entering new countries.

Creating Employment Opportunities for Women
Women’s economic empowerment is promoted through the creation of employment opportunities for local female workforce in business activities such as sales and manufacturing.

Educating Local People
Initiating education programmes through schools and other institutions providing people at the base of the pyramid with knowledge about hygiene and sanitation.

Next Steps and Spin Off Effects
Recognizing that demand for feminine napkins and baby paper diapers is expected to grow in line with the expansion of population, the company plans to expand its business in this region even further to supply the MENA region's growing market. In order to achieve sustained business growth, the company will continue to employ and educate both men and women in the region. It will also focus on transferring its manufacturing technologies through arrangements with a well-established plant in Japan.

Through this initiative, we will expand our reach while alleviating poverty, supporting and empowering millions of women across the Middle East, North Africa, and Asia. We are delighted to contribute in this way to sustainable and inclusive development, and to further demonstrate that good business practices and good global citizenship complement each other.

Takahisa Takahara, President & CEO, Unicharm Corporation
As part of its Business Call to Action initiative, the company will expand its operations in the MENA region and Asia. With this expansion, Unicharm will employ an additional 10,000 women in Egypt, India, Indonesia, Saudi Arabia, Thailand, and Vietnam, which will nearly double its female workforce in these countries.

How it Works

In 2005, Unicharm developed an affordable disposable diaper for consumers in Indonesia who could not afford the available brands. The company maintained the quality and basic functionality of the product while lowering costs by simplifying design, streamlining the manufacturing processes and localizing production.

This approach also created jobs and promoted the economic empowerment of communities hosting Unicharm plants, improving the lives of local consumers. By offering products at a price about 30 percent lower than that of other products, the company has been able to succeed in these competitive markets.

Building on this success, Unicharm is seeking to expand local manufacturing and marketing capacity further throughout MENA and Asia. The company will extend the availability of feminine napkins and baby diapers in these regions at a price that is affordable for consumers at base of the pyramid, who could not previously access these products.

Unicharm is adapting its range of products to meet the needs of women in each new market. By localizing production and streamlining manufacturing, Unicharm is able to sell its products to low-income consumers that were previously unable to afford them. For example, in several countries the company is offering diapers and feminine hygiene products in individual packages, which are affordable for low-income families. The company also focuses on transferring its manufacturing technologies to its newer plants through arrangements with more established plants in Japan.

Results Achieved

Business Impact

Unicharm’s expansion strategy has led it to achieve a large market share and sustained growth in many Asian countries including China, India, Indonesia and Thailand.

With sales of 12 billion feminine napkins and 10 billion disposable diapers every year, Unicharm’s annual production is expected to more than triple by 2020, as part of BCtA initiative.

Development Impact

Unicharm aims to empower women through training and employment in operations and marketing in Egypt, Indonesia, India, Vietnam, Saudi Arabia and Thailand. The company also aims to improve the quality of women’s daily lives by providing access to affordable feminine products, which permit women to remain active throughout their menstrual cycles. In addition, Unicharm contributes to local economies, employment and income generation in MENA and Asia, by sourcing local materials and selling locally manufactured products.

The company also strives to create a supportive environment for women through educational campaigns on women’s health issues. For example, it provides pregnant women with information about birth and childrearing, and essential information on safety, sanitation, health care and use of diapers.

Unicharm plans to roll out educational activities targeting the younger generation of women through employee and NGO visits to primary and middle schools. The company will offer classes to young women on educational topics about menstrual cycle. The public is also educated about women’s health and child care through product information provided in television commercials and other mass media.

Innova...
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The company is committed to hiring local talent for manufacturing and sales. Unicharm has opened a manufacturing plant in Saudi Arabia with an all-female workforce, creating new jobs for women who otherwise face challenges finding employment. Women employees are provided with training in manufacturing and production control, leading to improved prospects for their future employment.

In 2013, Unicharm started offering administrative positions to local women, and further empowering them. In order to diversify job opportunities for local people, the company also hires disabled people who can work from home.

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Innovations

that improve lives
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Business Model
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By adapting its products to the needs of local people, the company has successfully grown its market share in new countries. In Indonesia for example, the company launched disposable baby diapers with affordable price while maintaining the basic functionality. It has achieved this through product innovation and streamlining manufacturing. This product strategy succeeded in placing Unicharm in a dominant position in Indonesian market.

Next Steps and Spin Off Effects
Recognizing that demand for feminine napkins and baby paper diapers is expected to grow in line with the expansion of population, the company plans to expand its business in this region even further to supply the MENA region’s growing market. In order to achieve sustained business growth, the company will continue to employ and educate both men and women in the region. It will also focus on transferring its manufacturing technologies through arrangements with a well-established plant in Japan.

Key Success Factors
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Creating Employment Opportunities for Women
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