

The GVH fined Procter & Gamble HUF 315 million

The Competition Council of the Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) established in its decision of 21 September 2006 that the conduct of Procter & Gamble Magyarország Nagykereskedelmi (Wholesalers) Kkt. (hereinafter: Procter & Gamble) was suitable to deceive consumers. Procter & Gamble stated in its television advertisements and in the information given by its hostesses that the cleaning power of its "Bonux" washing-powder was exceptional in comparison with other washing-powders in the same price category. But it could not entirely prove this statement. Procter & Gamble was fined HUF 315 million (approx. EUR 1.105.000) for its unlawful behaviour.

The competition supervision proceeding was initiated generated by the information pusblished by Procter & Gamble concerning "Bonux" washing-powder in its television advertisements and in the information given by its hostesses between August and November 2005.

The television advertisements stated that the cleaning power of "Bonux" was exceptional in comparison with other washing-powders in the same price category available in hypermarkets. As the GVH underlined, consumers – and even Procter & Gamble – did not only put the simultaneously tested washing-powders "Bonux", "Tomi" and "Biopon Takarékos" into the same price category, but other washing-powders as well. However Procter & Gamble did not have any evidence to prove its statements in case of other washing-powders. Moreover the GVH established that it did not correspond to the facts that "Bonux" had exceptional cleaning power compared to the washing-powders "Tomi" and "Biopon Takarékos. This "exceptionality" is not established by the results of the test, so the statement can be considered as excessive.

In addition the GVH drew attention to the fact that it was also qualified as the deception of consumers that Procter & Gamble did not denominate the testing center's real name, but referred to the "Ariel's test laboratory", which did not exist under this name. Procter & Gamble, in its advertisements, made reference to the "Ariel" washing-powder, which was positioned to a higher level than "Bonux", and with this it projected the favourable judgement of "Ariel", the judgement of which was strengthened with advertisements, to "Bonux".

Procter & Gamble is obliged to pay a fine of HUF 315 million for the infringement. At the setting of the amount of fine the GVH took into consideration the expenditures of the publishing of advertisements, the very significant market share of the undertaking, the several month duration of the infringement, and the high number of consumers reached by the intensive campaign. The GVH also took into account that this was the sixth occasion when a decisive behaviour could be established in connection with Procter & Gamble.