Retailers Brand Management: Private Label Marketing Management and Retailer Brand Equity

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Brand, Retail, Equity, Private Label

Abstract
The credibility and consistency of brands are central elements in its position in the minds of consumers, reducing the uncertainty linked to the buying processes, building associations and solidifying relationships of trust, repeated purchases and brand equity. Retailers started to sell their own brands – Private labels – positioned at low-end segments, based on low price and low quality. Actually we observe the coexistence of PLs with different qualitative levels, based on branding strategies that may include umbrella and/or independent names: private labels are a central strategic issue for all major food retailers. These labels may contribute to increase retailer's differentiation, exclusivity, associations, loyalty, and, as a consequence, retailer brand equity.

Brand equity results from the brand-market interaction, reflected in consumer's perceptions, preferences and buying behaviors, built from all interactions developed between the consumer and the brand. Recent research tried to conceptualize the brand equity concept to retailers, building and testing "store equity" metrics, has the differential effect of the knowledge about retailers in consumers buying behaviors. Two of the most representative scales about brand equity in retail industry were developed by Arnett, Laverie & Meieres and Pappu & Questerb.

This paper is part of an investigation process; focus on measuring Private labels brand equity in the food retailing industry. Actually, it is not clear the Private label real impact in retailers brand equity and if they can be considered a true brand, with exclusive associations and brand equity, autonomous from its "umbrella retailer".

Introduction

Retailing includes all activities with the objective of selling goods or services directly to final consumers for their personal use (Kotler & Keller, 2009). In the last decades, the major players in retailing industry increased their investments and market shares, opening new stores and buying existing firms. In 1992, the top 5 European retailers had a market share of 27.7%, which increased for 36.2% in 1997 (Clarke et al., cit in Weiss & Wittkopp, 2003). (Weiss & Wittkopp, 2003)

However, market saturation and competitive intensity is driving retailers to reduce their investments in new locations (a traditional key component of their retailing mix). Retailers are focusing in the consolidation of their operations, in order to maximize operational efficiency, imposing an increasingly proactive and comprehensive marketing activity. Retailers' activity is becoming more and more focused in client satisfaction and value and in a more efficient process management (Planet Retail, 2010), (Paul Osinski, cit in My private brand, 2011):

- A bigger customer focus means an increasing adaptation to their living standards, product envolvement and shopping habits, adopting loyalty programs, exclusive offerings and multi-chanel touchpoints, to atract and retain clients;
- More value offered to customers leads to a decrease in retailers prices, a substantial investment in private label programs and aggressive price promotions in major national brands;