ELSEVIER

Journal of Retailing 97 (1, 2021) 99–115

Journal of Retailing

The Future of Private Labels: Towards a Smart Private Label Strategy

Katrijn Gielens [a,1], Yu Ma [b,1], Aidin Namin [c,1], Raj Sethuraman [d,*,1], Ronn J. Smith [e,1], Robert C. Bachtel [f,1], Suzanne Jervis [g,1]

[a] *University of North Carolina at Chapel Hill, United States*
[b] *McGill University, United States*
[c] *Loyola Marymount University, United States*
[d] *Southern Methodist University, United States*
[e] *University of Wyoming, United States*
[f] *Information Resources, Inc., United States*
[g] *Sam's Club, United States*

Available online 3 January 2021

Abstract

Modern day store brands (SB) or private labels (PL), now also popularly called private brands, are brands generally owned and marketed by retailers. They have been active on the market for about 70 years. Over this time span, these brands have evolved from generic, cheap, low-quality economy or budget private labels to lower-priced-than-national brand but acceptable-quality value or standard private labels. Over time, retailers extended the value proposition to the consumer segment seeking higher quality by offering premium private labels. This strategy, called the tiered-private label, comprises offering economy PL to the price-sensitive but not quality sensitive consumers, standard PL to mainstream consumers seeking acceptable quality at lower prices, and premium PL to the quality-sensitive segment seeking value. Over the last 40 years (1980–2020), these versions of private labels have witnessed substantial growth around the world, though the growth is said to be tapering in recent times.

As retailers chart the future strategy for their private labels in 2020 and beyond, a pertinent question they face is: Should they continue to offer value or even tiered PL with the same formula that brought them success in the past, or should they morph and adopt new strategies in keeping with current market trends? We support adopting a new strategy that we call the *smart* PL strategy. The value PL strategy and its manifestation as the tiered PL strategy cater to different consumer segments but focus primarily on price and quality as attributes of choice. In the current marketplace, consumers care not only about price and quality, but also about sustainability, ethics, social responsibility, image, so forth, perhaps more so than earlier generations. They are also more tech-savvy in using digital tools for search and purchase. Retailers, on their part, are now endowed with rich, extensive data that they can tap into to understand customers' diverse needs, and they are able to harness technology for developing the right product and communication. Thus, the smart PL strategy is a strategy by which retailers can leverage data and technology to market private labels that meet diverse customer needs and achieve greater retail differentiation, store loyalty, margins, and profits. This thought piece provides a road map for developing such a smart PL strategy and directions for future research.

Keywords: Store brands; Private labels; Private brands; Retail strategy

According to a recent report on private labels by Information Resources, Inc. (IRI), store brands or private labels (PL) in the grocery market in the USA grew by 5.8% in 2017, four times faster than national brands (Vimari 2018). PL shares for grocery products in the USA are at a near all-time high of 18.5% in dollar share and 22.3% in unit share. In a 2019 nationwide survey conducted for the Private Label Manufacturers Association (PLMA Report 2020), two-thirds of the respondents agreed that the PL products are just as good as, if not better than, the national brand version of the same product. PL share in Europe is even higher, reaching nearly 40% in some countries, though marketers believe PL shares may be plateauing. PLs are also

* Corresponding author.
E-mail address: rsethura@smu.edu (R. Sethuraman).

[1] All academic authors – Gielens, Ma, Namin, Sethuraman, and Smith, contributed equally to this manuscript and their authorship is presented alphabetically. Bachtel and Jervis provided excellent, insightful comments and inputs from a practitioner perspective. This manuscript benefited greatly from ideas generated during the joint Academic – Practitioner Conference on Re-Strategizing Retailing organized by the *Journal of Retailing* and University of Arkansas in October 2019. Our special thanks to Buster Arnwine for his valuable comments at the conference. The paper was also improved significantly thanks to comments made by the Special Issue editors Dinesh Gauri and Dhruv Grewal, and two anonymous reviewers.

https://doi.org/10.1016/j.jretai.2020.10.007
0022-4359/

beginning to take root in emerging economies in Asia and Latin America (Nielsen Report 2019a).

Although PLs have made substantial inroads in most consumer markets, the consensus until recently was that they were still the "poor cousins" of national brands (NBs) in consumer packaged goods (Pauwels and Srinivasan 2009). PLs were typically positioned as offering good quality at an attractive price. They were thought of as acceptable alternatives rather than desirable or destination brands that consumers would use conspicuously at a party or the dining table. While NBs led the way with new product introductions, PLs followed them once the coast was clear. In essence, PLs did not generally possess the status, imagery, or market power associated with a national brand.

Nevertheless, retailers realized that by adding more premium-oriented PLs, they could penetrate the high-end, more quality-sensitive customer segments simultaneously and improve overall store image (Martos-Partal, González-Benito, and Fustinoni-Venturini 2015; Keller, Geyskens, and Dekimpe 2020). Costco's *Kirkland Signature* premium PL, for example, generated more than $39 billion in sales in 2018, making it one of the world's biggest brand names in consumer products (Mullen 2019) while offering higher dollar margins (Ter Braak et al. 2013). Retailers like Walmart offer store brands for different price-quality tiers under the umbrella name *Great Value* for those who want acceptable quality at low prices and *Sam's Choice* for premium consumers. In this tiered-PL strategy, one PL is offered for each price-quality segment.

Looking to the future, retailers have two options for crafting their PL strategy. They can continue with the status quo by sticking exclusively to the price-quality value proposition that they have used all along and cater to just the mainstream consumers by offering a value brand or to other niche segments with tiered PL. Alternately, they can facilitate the emergence of a new wave of private labels that are more consistent with current market trends while not abandoning their original value proposition. We recommend the latter strategy, which we call *smart* PL strategy. Specifically, the smart PL strategy is a strategy by which retailers can leverage data and technology to market private labels that meet diverse customer needs and achieve greater retail differentiation, store loyalty, margins, and profits. The key drivers of the need for change are:

1 *Changing customer attitude and behavior*: The attitudes, preferences, choice process, and behavior of a new generation of consumers that we have come to call Millennials, GenXers, and Gen Z's have changed dramatically (Namin et al. 2020).
2 *Increased retail competition*: Retail competition has increased significantly with the entry of e-tailers and the expansion of traditional retailers into multi-channel retailing. Savvy retailers are beginning to recognize that the diversity and competitive forces in the marketplace require PLs that meet needs that go beyond price and quality to differentiate their store and increase loyalty (Keller, Geyskens, and Dekimpe 2020).
3 *Rapid technological advancement*: In the past, retailers typically did not have the means or capabilities to act upon these consumer needs. However, a wide range of technology is now available to retailers that can enable retailers to offer smart PL supported by sophisticated digital marketing campaigns (Roggeveen and Sethuraman 2020b).
4 *Availability of data*: Technology also enables retailers to collect data that are timely and rich, as well as providing modeling, machine learning, and artificial intelligence tools to analyze the data and come up with optimal decisions with respect to target segment, product offering, and marketing mix for their PL.

In essence, Stern (1966), over 50 years ago in his pioneering article titled, *The New World of Private Labels*, heralded the birth of what we now call standard or value private labels replacing the earlier generic, economy version. In this paper, we discuss the emergence of a new wave of private labels called smart PL, which:

1 are multi-faceted, multi-tiered, multi-segmented, and image-oriented,
2 rely on new product (co-)development, as well as in-store and digital communication,
3 adopt dynamic and even individualized pricing,
4 are enabled and supported by information technology, and
5 may even be offered outside the confines of their own store environments.

Reputed, forward-looking retailers are already adapting to these changes with product innovation, multi-tier brands, and sophisticated marketing of their private labels. For example, Target and Walmart have launched more than 25 new private brands since 2016. Amazon and other online retailers also are trying to leverage the surging differentiation opportunity in private brands by collecting a treasure trove of data. At the same time, retailers like Sam's Club are consolidating their private label lines to a singular, umbrella "Members' Mark" label while engaging customers and innovating new PL products. By 'opening the umbrella,' retailers hope to revitalize their PLs and create a more loyal following (Keller, Geyskens, and Dekimpe 2020).

In this paper, we discuss the drivers of the new wave of PL and the characteristics of the smart PL that arise from it. Fig. 1 takes you through the PL journey and provides a framework for our study. First, to provide comparison and contrast, we briefly elucidate the two prior strategies – economy and value PL strategies – and their offshoot called the premium PL strategy. Then we discuss in detail the futuristic PL strategy that we call the smart PL – its drivers and strategy characteristics. Finally, we provide several directions and questions for future research.

Economy PL Strategy

Modern-day PLs were introduced in the mid-20th century in some limited items like tea by large supermarkets such as the Atlantic & Pacific Company (A&P), primarily as economy brands to serve as lower-priced, lower-but acceptable-quality alternatives to NBs. Marketing of economy PLs consisted primarily of the following strategies.

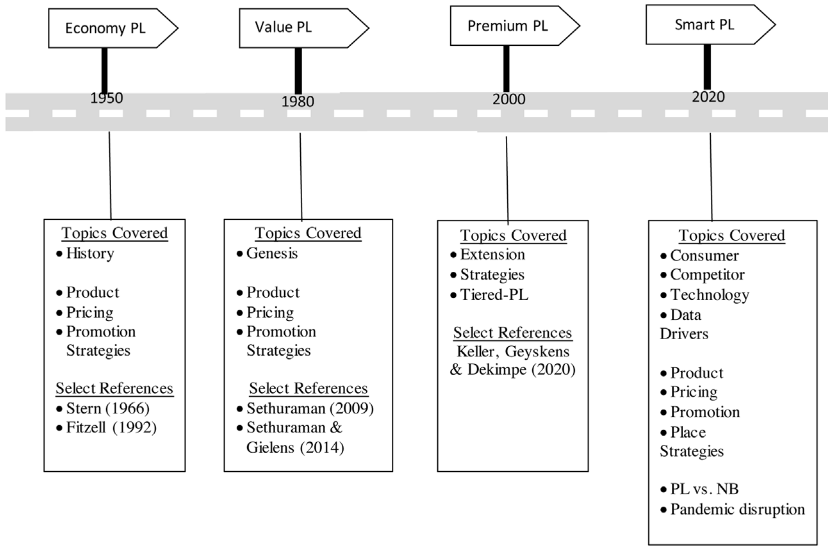

Fig. 1. The private label journey – conceptual framework and topics covered.

Product Strategy

Usually, economy PLs are offered in categories that are highly commoditized with little quality differentiation (e.g., salt), or where branded items are prohibitively expensive for a segment of consumers (e.g., cereals, chips, nonprescription drugs). In addition, such items tend to be high-volume, high-turnover items and cater to a non-competing price-sensitive segment (Sethuraman 2018). Packaging is kept minimal – often simple: black and white, or 4-color.

Price Strategy

Economy brands call for economy pricing. The maxim is "the lower the better," subject to some minimum acceptable quality levels. Typically, these economy PLs are priced about 50%–75% lower than the NBs (Stern 1966).

Promotion Strategy

Economy PLs, almost by definition, do not incur any marketing or promotional spending. Retailers seldom resort to price discounts on these items nor do they actively advertise the PLs in store or through TV or feature advertising. At the store, PLs are often placed on separate shelves or aisles distinct from where NBs are displayed.

Birth of Value PL

The existence of economy PLs is perhaps a happy situation for the NB manufacturers, price-sensitive consumers, and even public policy makers. However, offering just a cheap PL is not an appealing proposition to mainstream consumers or to retailers. Mainstream consumers feel that they must compromise substantially on the lower quality of economy PLs to obtain a lower price. Retailers feel by focusing exclusively on economy PLs, they forgo an opportunity to make more money from mainstream consumers. This lacunae from both demand and supply sides gave rise to value private labels (Stern 1966).

Value PL Strategy

In this strategy, retailers offered a comparable quality private label, often equal in quality or even better than that of national brand. But the price of the PL is always lower than that of the competing national brand. Since perceived value for a consumer is what you get (product quality) for what you pay (product price), it follows that the value proposition was the primary selling point for the private labels, hence they are called value PLs. This value proposition of PLs has been so popular that the brands have also come to be known as standard PL. Due to their popularity, retailers have devoted substantial attention to the marketing of value PLs, and academics have conducted extensive research on the marketing strategy of value PLs (see Sethuraman and Gielens (2014) for a review). These strategies are briefly described below.

Product Strategy

Conducive categories

In the economy strategy, PLs had a dominant presence mainly in undifferentiated commodity products and in products with high penetration and purchase frequency such as milk and bread. In the value strategy, PLs expanded to categories where a retailer can offer acceptable-quality alternatives at a lower price, either to enhance store loyalty or gain better negotiating position with the NB manufacturer, resulting in higher retailer profits. Such products included health and beauty, bakery, and snack items (Fitzell, 1992). Academics have also conducted extensive analytical, empirical, and managerial research to identify product characteristics that are conducive for value PL introduction to gain sales and profits (e.g., Sethuraman 1992; Hoch and Banerjee 1993; Raju, Sethuraman, and Dhar 1995; Sethuraman 2009). These characteristics are: (i) high price substitutability between

NB and PL; (ii) low advertising sensitivity; (iii) high category sales; (iv) high PL margin.

Product positioning and packaging

In economy PL, simple, low-end positioning with black-and-white packaging and placement on shelves separate from the national brands was the general practice. In value PL, the focus is on competing head-on with NBs. Therefore, to convince consumers that their brands offer good value, retailers position their value PL close to the NB in at least four ways: (i) increasing the quality of store brand and reducing the perceived quality gap between national brand and store brand, (ii) imitating national brand packaging, (iii) placing the store brand on the shelf right next to the national brand, and (iv) using shelf talkers with "compare and save" or similar slogans. Academic researchers have added nuanced insights to this general strategy of close PL positioning also called copycat positioning. Sayman, Hoch, and Raju (2002) show that if there are two NBs, it is better to position the PL close to one of them than to stay in the middle. If the NBs have different market shares, then it is profitable for the PL to go after the NB with the larger share. In fact, the larger the share of the NB, the more profitable it is for the PL to mimic the NB.

In support of their analytical results, Sayman, Hoch, and Raju (2002) find that when PLs do target a particular NB, the targeted brand is the leading brand in 80% of the cases. However, PLs target an NB in only about 30% of the categories. The finding suggests that positioning the PL as a copycat to the NB is not always profitable. Sethuraman (2004) suggests that copycat positioning can decrease a retailer's category profit if the NB manufacturer can significantly expand the category demand through non-price marketing activities such as advertising. Choi and Coughlan (2006) introduce the notion of feature (attribute) differentiation as opposed to quality differentiation when analyzing the competition between NB and PL. They show that it is more profitable for the retailer to differentiate its PL by providing an additional feature to consumers than by competing head-on with NBs through copycat positioning.

Pricing Strategy

The "lower-the-better" approach to pricing of economy PLs gave way to "lower-but-optimal" pricing to reflect both quality and value. Practitioners and academics suggest that the price differential between NB and PL should be between a lower limit (floor) and an upper limit (ceiling). The lower limit is set by the Just Noticeable Difference (JND) concept, which says that consumers would notice a price differential only if it is above a threshold value. In the context of NB-PL competition, according to Donegan (1989), that threshold is about fifteen percent. That is, consumers would notice and consider buying a value PL only if the price of PL is at least fifteen percent lower than the price of NB. At the same time, retailers cannot charge too low a price (set too high a price differential with NB) as in economy PL because of unfavorable quality imputation. If the prices are too low, consumers might perceive the PL to be a cheap, low-quality brand and refrain from purchasing it (Sethuraman 1992). Setting a low price may also hurt PL margins and retailers' category profits (Pauwels and Srinivasan 2009). Hoch and Lodish (1998), in a comprehensive analysis of over-the-counter medicines, suggest that the maximum profitable NB-PL price differential may be around 50%. In other words, academic and practitioner insights suggest that the NB-PL price differential to be between 15% and 50%.

Promotion Strategy

In the case of economy PL, the simple, standing mantra was "no promotion is optimal promotion." In essence, economy PLs seldom engaged in any kind of price or non-price promotion. In theory, some of those recommendations carried over to value PLs as well.

With respect to price discounts, analytical modelers such as Rao (1991) have concluded that PLs should not price promote in equilibrium. The logic is as follows. The incentive for value PL to price promote stems from having to charge a regular price to cater to its loyal customer base and occasionally make forays into the switcher segment through price cuts. Because PLs are primarily viewed as brands with little loyalty and which cater mainly to the price-/value-sensitive (switcher) segment, this incentive does not arise. Supporting this viewpoint, Blattberg and Wisniewski (1989) proposed the asymmetric price-tier effect theory, which states that when the higher-price-tier NBs discount, they take sales away from lower-price-tier PLs, but not vice-versa. This theory predicts that value PLs have less incentive to discount. There has been some counter-evidence to these results that shows that PLs do engage in frequent discounting at least in select product categories where the percent of value PL sold on discount is comparable to that of NBs (Nielsen Report 2019b). Nevertheless, the discount depth is generally lower than that of NBs. That is, value PL discounts are shallower.

With respect to non-price promotion, PLs generally do not advertise through traditional media channels. The promotion options for these brands are primarily in-store non-price promotions such as features and displays. NB displays and features can affect PL share, and vice-versa (Cotterill, Putsis, and Dhar 2000). Value PL displays and features are prevalent especially in categories where value PLs can attract store traffic. In addition, managers can increase familiarity with value PLs by inducing trial through free samples, quality guarantee, and a liberal return policy (Sethuraman 2006).

Extending PL Portfolio with Premium PL

With growing awareness of the profit potential of higher-priced PLs through enhancing store image (Akcura, Sinapuelas, and Wang 2019) and generating store loyalty (Nies and Natter 2012), retailers have started adding premium PLs to their portfolio. Essentially, the premium PL can be deemed as an active strategy on the part of the retailer to increase their share and profitability of their PL portfolio (Keller, Geyskens, and Dekimpe 2020). The premium PLs are targeted at less price-sensitive consumer segments with scope for gaining higher margins (Ter Braak et al. 2013). They sell at prices comparable to, or even above, those of standard NBs but below that of premium (higher-priced) NBs (Pauwels and Srinivasan 2009). Premium PLs are mainly introduced in variety-enhancing or fill-in categories with higher functional but lower social risk and that are characterized by longer interpurchase times and lower price sensitivity (Ter Braak et al. 2013). With this positioning, premium PLs do not seem to hurt high-margin premium NBs, but do attract share from lower priced items, so overall category profitability increases (Geyskens, Gielens, and Gijsbrechts 2010).

The market is replete with many examples of successful launches of premium PLs. Kroger's *Private Selection* premium PL, for example, was purchased by more than 30 million households, and grew at over seven percent in 2019 (Aylwad 2019). BJ's Wholesale Club has introduced three new spirits under their brand, Albertsons rolled out *Signature Reserve* vodka and whiskies, and discounter Aldis introduced a premium gin, showing that premium PLs can thrive in niche subcategories (Ochwat 2020).

From a strategy viewpoint, the growing width of PL portfolios poses some interesting branding challenges, specifically with respect to umbrella branding. Premium PLs are being added to already existing economy and standard PLs to form tiered private labels catering to consumers with differing price and quality sensitivities. Should all three PL types be sold under a common brand name associated with the retailer (umbrella branding), or should each type of PL have a different name (distinct branding)? Target, for one, believes in the former umbrella branding strategy, so it is rolling out all its PL under the *Good & Gather* brand and phasing out other PL names. Archer Farms, Simply Balanced, and Market Pantry retailers are also adopting similar strategy (Kumar 2019). Whereas significant economies of scale and scope could be anticipated of such an umbrella strategy, it is not without risk. Indeed, with a common brand name, economy PLs may end up cannibalizing the higher-priced (and higher-margin) standard and premium lines as well as hurting their brand image (Geyskens, Gielens, and Gijsbrechts 2010). Not surprisingly, economy PLs more often feature an unrelated brand name, whereas value and premium lines tend to share a common, store-banner name. We refer to Keller, Geyskens, and Dekimpe (2020) for a recent and in-depth discussion on the main strategies used to support the premium PL and umbrella branding.

Overall, with the emergence of premium PL lines and more diversified PL portfolios, retailers learned that PLs can be used to serve multiple consumer segments, in more product categories, and at higher price points. This experience and knowledge combined with changing marketplace behavior paves the way for the emergence of smart PL strategy.

Smart PL Strategy – Drivers

When moving from value PL, premium PL, and tiered-PLs to smart PLs, two questions arise: (i) Should a PL aspire to be another NB? and (ii) Even if it wants to, does the retailer have the resources or marketing acumen to make that happen? As to the first question, we believe there are many consumer and competitor transformations that are occurring in the marketplace, enabled by technology, which suggest that PLs must evolve to keep pace with those changes. At the same time, the smart PL strategy should continue to adhere to the retailer's core value proposition that has made them successful, instead of becoming another NB. As to the second question, going beyond value proposition and gaining status as a brand may require substantial investment in advertising, promotion, and R&D that are typically the forte of the NBs and well beyond retailers' budgets. How do retailers, with limited budgets, enhance the status of their brands without impairing their value proposition, as well as leverage new technologies and behavioral changes? We describe four types of factors that drive smart PLs: (i) Consumer, ii) Competition, (iii) Technology, and (iv) Data drivers, and we then discuss the marketing mix strategies that are appropriate for those smart PLs along with several real examples.

Consumer Drivers

Consumer fragmentation

Retailers have primarily adopted the one-size-fits-all approach when individually marketing their economy, value, and premium PLs to their respective segments to maximize economies of scale and scope and minimize costs. Even when they followed the multi-tier PL strategy of offering all three PL versions at the same time, the focus was primarily on consumers' tradeoff between price and quality as the core criteria for assessing value. But consumers in the current market are becoming more fragmented. New generations of consumers (called Gen Z's) are entering the marketplace and older consumers (Gen X's and Millennials) are practicing new norms. These consumers are reformulating their own expectations of what value truly means.

Gen Z consumers tend to be less brand loyal and are more inclined to buy the product that best suits their needs rather than be influenced or dictated by the brand name (Sharma 2019). Gen Z shoppers also care more about whether a product aligns with their belief systems than previous generations. As part of their more holistic approach to life, these shoppers are more likely to engage in responsible purchasing and conscious consumption. Concepts such as inclusivity, transparency, environmental friendliness, sustainability, ethical practices, and fair-trade goods resonate with this consumer segment.

Many demographic and behavioral changes also are happening with respect to older consumers in the world, including Gen X's, Millennials, and Baby Boomers, which may impact consumer grocery shopping choices (Namin and Dehdashti 2019). Many of these consumers are growing older and less wealthy. The big-middle is shrinking, with the rich getting richer and poor getting poorer. People live in smaller households, both in terms of area and family size, and have restricted mobility. In the future, these older and poorer consumers will be forced to refocus on the basics of life, with health and convenience as their main priorities. As such, their need for convenience and proximity may lead to further boosts in online ordering, even in the grocery space, particularly accelerated by the present COVID-19 crisis. This rise in online shopping may once again fundamentally change consumers' expectations with respect to private brands as ease of navigation (through search engines and personalized filters), individual-tailored suggestions (through recommendation systems), and easy price comparisons (through comparison algorithms) will increase the need for more fine-grained PL portfolios at multiple price points.

In sum, as the consumer base fragments, more retailers will move out of the mid-market price-tier space to sharpen their private branding positioning. As consumer attitudes toward spending are shifting beyond price to include multiple dimensions of value, such as transparency, health, and alignment with personal beliefs, retailers need to address these attitudes by rebalancing their PL portfolios beyond price tiers.

Changing mindset

In general, shoppers no longer want just acceptable quality products at affordable prices. They desire products that are both affordable and experiential, affordable and sustainable, affordable and health conscious, while requiring convenience at the same time. Retailers will have to address this increasingly complex array of needs with a broader set of private brand products and lines. Whereas many retailers have built experience with PL portfolios by extending their SB program into new, high price-quality tiers (Amaldoss, Desai, and Shin 2015; Geyskens, Gielens, and Gijsbrechts 2010), the question arises whether this experience translates well to portfolios that venture into new benefits and claims outside the pure price-quality spectrum. Can private brands address these needs in an authentic, transparent, and trustworthy manner, while pursuing commercial objectives at the same time? More insights are needed to see to what extent these lines can be added to the PL portfolio while maintaining, and even improving, both private brand and category profitability.

Competition Drivers

Whereas traditionally the main competitor of the PL was the NB, available on the retailer' shelves next to the PL, new value propositions offered online as well as in the brick-and-mortar arena are further reshaping consumer mindsets regarding value. Online, new direct-to-consumer (D2C) initiatives are breaking the price-quality boundaries by systematically cutting out middlemen. In the physical world, hard discount retailers are also reshaping consumers' beliefs on the price-quality trade-off. These evolutions have implications for private branding.

Digital D2C competitors

A wave of de novo companies is trying to build premium brands at discount prices by cutting out intermediaries and going straight to consumers digitally. Pop-up shops are also becoming a popular format to supplement an online-only experience and alleviate the needs to maintain a physical store. This typically results in cheaper products for consumers and higher profit margins for the company. As with PLs, these new digital and pop-up retailer brands break the price-quality relationship, creating yet another layer of competition for private labels. An eyewear brand, Warby Parker, for example, maneuvered around the price-quality notion by establishing the brand as a trendy alternative providing the same, if not higher, quality at good prices (Kahn, Inman, and Verhoef 2018). Moreover, not only are these de novo D2C models disrupting the traditional distinctions between brands and retailers, but they are also empowering consumers to directly engage with the manufacturer-sellers, providing rich data for those sellers from their most loyal shoppers that they can then exploit for future innovation and new product development – a data advantage hitherto held by onsite retailers. Not only do these new business models for retailers up the ante in the quality department of their PL portfolios, they also force retailers to work harder on assortment curation and own-label development. To do so successfully will require retailers to build capabilities in client engagement online, through social media and data analytics.

Hard discount competitors

Hard discount (HD) retailers such as ALDI, WinCo, Trader Joe's, and even wholesale clubs like Costco and Sam's Club, in many ways aim at offering basic goods of daily need at the lowest possible prices – up to 30%–50% below traditional retailers' prices – while maintaining high-quality standards. PLs feature prominently in the assortment. Around 90% of German grocer Lidl's SKUs are PL. The relative emphasis of PLs is the key differentiator between these discounters and other deep-discount retail stores, such as Dollar General and Dollar Tree. The former has deep expertise in how their products are produced, who can produce them, and what trade-offs they need to make. The large revenues combined with their small number of SKUs mean that the volume per SKU is very large. Aldi and Lidl, for example, are the biggest sellers of PL grocery products worldwide. As a result, they can drive out every cent of excess cost without compromising on quality and can outcompete other retailers on price (Steenkamp 2018).

The presence of HD competitors not only poses substantial threats to NB manufacturers (Deleersnyder et al. 2007), but it may also have significant implications for retailers who want to transform their PLs into smart PLs. If a HD retailer truly manages to offer quality store brands at such low prices unattainable by regular retailer PLs, then the competitive scenario may limit regular retailers' ambitions to upgrade their PLs. The extant literature has so far mainly investigated the implications of the HD business model for NBs. Very little is known about how this model affects PLs at regular mass retailers such as supermarkets.

Technology Driver

Tools of technology can enable retailers to better support their smart PL. Sethuraman and Parasuraman (2005) presented a taxonomy of retail technology by classifying it as primarily *cost-saving* or *service-enhancing*, while also acknowledging that cost-saving technologies can increase, decrease, or have no effect on customer service, just as service-enhancing technologies can increase, decrease, or have no effect on product costs or prices. Accordingly, those authors propose six types of retail technologies and provide one example of each type of technology including self-checkout, cross-docking, Radio Frequency Identification – RFID. Even e-commerce was considered a new retail technology at the time of that study. In just the last 20 years (2000–2020), growth in retail technology has exploded. Online retail, webrooming, digital payment systems, and mobile shopping have become the norm; additional, novel options are growing in number and familiarity too. Technological developments in retail seem likely to accelerate in 2020 and beyond, involving expanded applications of artificial intelligence, machine learning, virtual reality, big data, and mobile apps. These retail technologies can help customers navigate through all facets of their journey. Roggeveen and Sethuraman (2020b) call them customer-interfacing retail (CIR) technologies and list 40 types of retail technologies introduced in just the last 20 years that can help at different stages of customer journey. At each stage of the journey, the retailer can use the technology both to understand what customers want and to recommend and promote the appropriate PL to those consumers. For example, in the search stage, they can work with social media platforms to inform, promote, and sell their PL products, as Albertson's grocery chain has done on Pinterest. In the purchase stage, Amazon might program Alexa voice assistants to place orders for its own branded products.

Data Driver

Tools of technology not only enable retailers to reach their consumers more effectively with their PL offerings, but they also help retailers to collect and analyze data to develop and promote their PL. In the pre-purchase stage, retailers can assess needs using web cookies, data mining, and algorithms, and detect needs unmet by the current competitor offerings, and develop new ideas that they can test and co-develop with their existing customer base. They can also predict what customers want and when they want it, using consumer search data. In an example that went viral, Target predicted a teenage customer's pregnancy based on her browsing data and sent related products and coupons to her home, even before she had shared the information with her family (Hill 2012). Furthermore, retailers can gauge after-purchase satisfaction by analyzing returns and repeat purchase patterns, allowing them to continuously fine tune and tweak their PL offering. While all these data leveraging steps can be implemented to promote national brands and private labels, retailers may have a vested interest and unique capability and opportunity to harness technology to drive the development and marketing of their own smart PL.

The online retail giant Amazon offers a good case in point. According to some reports by former employees, Amazon relies not only on massive data involving third-party sales made through its website but also snoops and uses information about competitors' sales to determine how to design and price its own private-label products (Mattioli 2020). Even as Amazon denies these allegations, the idea reflects the tremendous potential for online platforms to draw from their vast data to understand customers' needs and design new and private-label products. Thus, companies such as Amazon as well as Netflix and Airbnb likely can predict, with a high degree of accuracy, what customers want, sometimes even before they realize they want it. In summary, with the onset of new consumer engagement tools and touchpoints, new communication and product development options have become available to retailers that may help them support their private brands in a more fine-grained and targeted way, without significantly increasing the cost of the PL program or its marketing investment.

Smart PL Strategy – Implementation

In the case of smart PLs, target segments are wide-open by design. On the one hand, retailers should not abandon their base consumers who recognize the value of PL in terms of price and quality and have patronized them in the past. On the other hand, they should reach out to a wider group of consumers who earlier felt that the PLs did not match up to the NBs in terms of imagery or novelty or authenticity or other experiential/societal attributes. Furthermore, the multi-tiered nature of PL calls for multi-tiered target segments where each type of PL can focus on catering to a specific group of consumers, not necessarily defined by their demographics, with less potential for cannibalization. Exactly what the nature of those multi-tiered PL, and what their target segments should be in each category, are ripe areas for future research.

Below, we discuss some future evolutions in product, pricing, place, and promotion/communication strategies for smart private labels that are highly inter-linked and leverage new technologies and touchpoints.

Product Strategy

Conducive categories

What categories are conducive for PL introduction in the smart PL strategy? In the economy strategy, PL participation was primarily confined to commodity products with high volume, purchase frequency, and penetration. In the value strategy, the scope of PL participation expanded to a wider range of products where retailers can offer an alternative that is credible and comparable in quality to NB, but at a lower price. The scope expands even further in the smart PL strategy. In fact, any category is fair game for introducing and even investing in smart PL so long as it enhances retailer image, store traffic, and/or incremental profits. Concepts such as data-based thinking, new product innovation niche strategy (Dargahi and Namin 2020), sustainable/social marketing, or product social preferences (Dargahi, Namin, and Ketron 2020) that were once in the exclusive realm of manufacturers have become strategies of choice for retailers when introducing and marketing smart PLs. Private labels will penetrate many more categories in this strategy. Such categories include bio products, organics, health and beauty items, products with sustainable packaging, and even electronic goods such as computers and tablets, as detailed below.

Innovation and new product development

Innovation is a key pillar of every successful brand. Until recently, innovation was considered mainly the prerogative of the national brand (Gielens 2012), but this is quickly changing. On the consumer electronics front, for example, Walmart launched two types of computer tablets under its ONN private label brand to provide a lower cost alternative to major players such as Apple and Samsung. Walmart has been expanding its PL presence in key categories to gain greater control of its product mix, increase its profit margin, and squeeze competitors. To do so, it is looking at gaps in the market, in this case the sluggish tablet market that is a result of shoppers buying tablets less frequently than smartphones. To that extent, retailers have the advantage of customer data from transactions and loyalty programs, which gives them a powerful database they can analyze to better understand customers, something most consumer brands cannot match. In addition, retailers face lower costs for marketing and distribution to end-consumers, and they can leverage physical stores to give their PLs prominent shelf and display space. To that extent, retailers like Carrefour, Tesco, and Asda, for example, have used input from loyal consumers to test, fine-tune, and choose the right products for their store brand selection. Asda then went on to market the products as 'Chosen by You,' thereby fully exploiting their consumer engagement potential. In doing so, retailers hope to go beyond pure catching up strategies and create excitement for their private labels by offering truly new solutions, benefits, and usage opportunities. These new ways of 'crowdsourcing' the customer base can indeed offer viable inroads to successful innovation strategies for retailers. More research is, however, needed in order to see when and to what extent these crowdsource-like activities can be implemented successfully in PL portfolios.

Still, successful innovation is and will always be a risky and expensive strategy, regardless of whether it is undertaken by a NB or a PL. Over 85% of all new products fail within the first year (Emmer 2018). For retailers, such flops may have widespread implications, as they may jeopardize the perceived quality of their PLs in almost every aisle. Moreover, with the increasing importance of speed with which social media penetrate the world, every mistake potentially becomes salient to the entire world and goes beyond the current customer base. For example, blogs like "I tried seven of the weirdest products at Trader Joe's so you don't have to" dissing a PL popcorn may have wider implications than simply displeasing some popcorn shoppers at Trader Joe's. This possibility begs the question of whether retailers can build sustainable and profitable innovation strategies around their entire PL program, which covers all aisles of the store. Retailers may have to prioritize and select categories where they can be relatively more successful with their innovation efforts. This strategy may require a balancing of new product assessment, ease of implementation, and spillover potential to other categories and the entire store. Indeed, creating a potentially successful new product may not be an easy feat in less-commoditized categories, where PLs tend to be weaker to begin with. More insights are, therefore, required to help retailers successfully innovate outside the confines of typical PL 'stronghold' categories.

Convenience/service infusion

In their search for more unique tailored PL offerings, retailers are exploring how they can offer fully integrated convenience solutions to their shoppers. As more and more firms are infusing service in their product offering (Kowalkowski, Gebauer, and Oliva 2017), retailers may indeed explore the options of combining retail convenience and service, both of which are fully under their control. Specifically, as the multi-faceted nature of retail convenience is changing, retailers are trying to infuse their products with solutions to address unmet service needs. Amazon, for example, is bringing back home milk delivery with its Happy Belly brand milk (Brown 2019). Happy Belly food products are available for regular delivery via Amazon's website, with its residential milk delivery trucks. Amazon is thus attempting to restore the old-fashioned convenience of in-home delivery into its PL program for a daily used staple through its AmazonFresh delivery, though the service only operates in nine major metropolitan areas. In a similar vein, Albertsons acquired Plated, a subscription-based meal kit provider, and is turning it into a private brand going beyond a dinner-based solution and into a comprehensive in-house 'culinary' brand. In doing so, Albertson provides a broader scope of PL offerings, "solving customer demands around convenience, lifestyle and cooking experience, while adding yet another layer of interest to our in-store journey" (Wilcox 2020).

Development through acquisition

To face the new online competitive threat head on, physical retailers are increasingly mimicking branded manufacturers, and they are on the lookout to acquire and integrate de novo direct-to-consumer (D2C) players into their PL programs or offer them exclusively in the brick-and-mortar space. By stocking digitally native or emerging brands, retailers aim to create more exclusive assortments and address new needs in the market. Having these unique, buzz-creating products on the shelves can lead to increased store traffic by tapping into a new digitally savvy consumer segment, while generating a positive spill-over effect when consumers also buy other products in the store (Gielens, Gijsbrechts, and Dekimpe 2014). In the USA, Target is leading the way selling several formerly online-only brands such as Casper, Quip, and Flamingo in its stores to create excitement. In the UK, Sainsbury's has a similar approach through its "Future Brands" program, where it is nurturing emerging brands, such as the online shaving brand Harry's, through exclusive listings and a dedicated discovery section across its website and stores. In the Netherlands, Ahold's Albert Heijn introduced a start-up shelf in its stores to give new brands visibility on a rotating basis. These D2C brands offer retailers a way to build appeal amongst digitally savvy millennials and Gen Z's, locking in shoppers through subscription models, without having to invest themselves in the required digital engagement tools and data systems. At the same time, these de novo brands benefit from the local brick and mortar presence, which increases overall demand and efficiency (Bell, Gallino, and Moreno 2015, 2018).

Taking it one step further, these digital natives can be integrated into the PL program and offered as part of the retailer's private brand assortment, as Target has done by offering an extensive range of exclusive PL brands through partnerships or acquisitions of digitally native brands such as Quip. Leading pharmaceutical retailer CVS has also enhanced its PL offerings and customer experience by entering into partnerships with third parties through store-within-store formats and in-store health clinics.

Still, questions arise as to whether moving from online direct distribution to store-based indirect distribution will add to the overall cost structure of these de novo brands and whether their (lower) price levels can be maintained. A related question for retailers is whether these de novo brands will stay true to their promise, and to what extent they can be incorporated in the retailers' PL program. More insights are needed on how both exclusivity arrangements and integration affect retailers, their PL programs, and de novo D2C players.

National brand collaborations

In a similar vein, retailers may tie their smart PLs to established NBs. In the case of economy and value PLs, retailers' "collaboration" with NB manufacturers was confined mainly to dual branding – that is, NB manufacturers producing PLs to be marketed by retailers.

In the case of smart PL, collaboration with NB manufacturers can take on many forms, with the goal of creating a Win–Win–Win situation for the retailer, manufacturer, and consumer. One avenue for collaboration is product innovation. Retailers can provide data and local market knowledge about consumer behavior and emerging segments. NB manufacturers can leverage their product knowhow to tap into these new segments for incremental gains. Recently, health and beauty retailer AS Watson partnered with premium cosmetics brand Shiseido to co-create an exclusive skincare range. These types of collaborations allow both the retailer and the brand to share marketing costs and cross-promotional activity, while allowing both to reach new customer segments. Ter Braak et al. (2013) showed that NB manufacturers are willing to work with retailers in order to generate goodwill in the form of shelf space for their NB products.

However, there is very little empirical research that looks at these supply-side issues, mainly because the procurement strategy is generally a well-kept secret in the business. Needless to say, more research is needed to explore how retailers and traditional NB manufacturers or digital native manufacturers collaborate; to what extent and to whom the benefits or costs may accrue; whether these outcomes accrue symmetrically or not; and whether these national brand-private label collaborations may have a negative effect on consumer welfare.

Sustainable marketing

When tapping into consumers' belief systems or stepping onto the wider sustainability and social responsibility platform, retailers, just like branded manufacturers, run the risk of being accused of appropriation, green-washing, or monetizing shoppers' social concerns and fears. Nevertheless, retailers may be in a better position to incorporate new, less- tangible benefits than brand manufacturers in their product offering. In 2019, Target, for example, launched a new household essentials SB designed with sustainability in mind, featuring more than 70 items that include bio-based/recycled materials or natural fibers. Christina Hennington, Vice President and Chief Merchandising Officer, called the initiative a great example of how "we're listening—and responding—to the evolving needs of our guests in a way that's uniquely Target [. . .] offer[ing] guests another compelling reason to stock up at Target."

Based on nearly 3,000 product introductions, Olsen, Slotegraaf, and Chandukala (2014) find that stronger, more established brands may have a harder time incorporating new claims and benefits in their existing brand set. Whereas these brands can rely on a set of strong brand associations supporting the brand position, these same strong associations may prevent the brand from incorporating new, unrelated associations and beliefs successfully. Weaker brands, however, are not inhibited by these strong brand associations. Translating to private branding, context, this finding implies that retailers may be in a better position to incorporate new beliefs with respect to health, sustainability, and other social concerns in their private brand products. More research is required to test this proposition and explore how it can be successfully implemented.

Positioning and packaging

Smart PLs should be positioned as "right-for-you" brands, implying that the need for copycat "as-good-as-NB" positioning with their counterpart, which was considered optimal in the value phase, becomes less relevant.

Packaging has always been an important quality cue for any brand and product (Underwood, Klein, and Burke 2001). PLs have consistently (ab)used the quality transfer potential through packaging by presenting their store brands with a design that is similar to NBs, called imitation packaging (Van der Bel, van Hoorn, and Pieters 2013). Moving toward smart PL implies moving away from copycatting strategies, that is, transition from imitation packaging to exclusive packaging. This change not only applies to the typical higher-price premium retailers, but also to low-cost discounters, especially in the case of online retailing. For example, in the case of Uniquely J, the jet.com and Walmart-owned brand, substantial freedom was given to the designer to create an online experience that goes way beyond the physical shelf. The goal was to eliminate the tradeoffs consumers face as each product is intended to offer the options of quality, style, and value. In a similar vein, German hard-discounter Lidl, in combination with a supporting social media campaign, decided for its own brand peanut butter to feature a customer's picture as part of an autism awareness campaign. In doing so, retailers are venturing into partially unknown territory. Whereas packaging was mainly used to indicate acceptable quality at a low price point, packaging cues are now deliberately moving away from these two PL strongholds. It remains to be seen how private brands can pursue this strategy without jeopardizing their intended price positioning, which, especially for low-cost retailers, may entail substantial risks.

Pricing Strategy

Managing the price gap has always been one of the marketing mix decisions tightly scrutinized by retailers when it comes to their private labels. Maintaining a comfortable price gap was believed to be essential to safeguard PL's long-term viability (Barsky et al. 2003). By using additional price-quality tier PLs in the category, additional consumer segments could be served, without diluting the value promise of the standard (most popular) lines. Nevertheless, with the increasing importance of innovation and consumer engagement, maintaining those price gaps may be a difficult task to accomplish. Not only may the cost structure of the PL product increase and net margins decline, a low price point may not easily generate the required trust needed to convince consumers of the quality and innovative nature of the private brands. An increase in price to make up for increased costs may, however, leave room for new entrants in the market. Especially given that the physical shelf no longer constrains new entrants who can reach potential consumers through D2C or online third-party platforms, retailers may find themselves vulnerable from a pricing standpoint. In sum, retailers must avoid a catch-22 situation where higher price has the potential of PL reneging on its value promise and where lower price is cost-prohibitive, through deft handling of innovation, product development, cost control, and marketing of their smart PL.

Technology, however, adds a new layer of opportunity to the pricing of smart PL. As omni-channel retailers can obtain and combine online and offline information about what consumers do and do not purchase after browsing, they can dynamically personalize the price of their PL to steer shoppers toward their brands. Taking it one step further, retailers like Safeway are exploring how they can move towards individualized pricing, whereby consumers in the same location at the same time can be offered special prices. Although these practices and tools present substantial avenues for micro-targeting and individualization, private brand positioning and managing the price gap may become even more complex. How far can retailers allow dynamic pricing to deviate from the intended price gap? Is personalized pricing always truly beneficial, especially in the long run?

Promotion/Communication Strategy

Advertising, typically one of the tools to create and preserve brand equity, has for a long time been the main bastion for NBs (Karray and Martín-Herrán 2009). Beyond shelf displays and features, value PLs rarely advertised their products. Whereas retailers could only come up with campaigns for broad ranges, national brands can specialize and communicate about their products' specific benefits and features that go well beyond general value claims. Still, changes in communication media and technology have yielded new opportunities to retailers for promoting their smart PL. Although paid-media have been considered the traditional means of generating awareness and demand, that model is changing rapidly (Brennan 2017). Traditional advertising media (TV, Print, Radio) now share that role with so-called non-traditional ad media, such as digital banners and social media platforms (Namin, Hamilton, and Rohm 2020). In addition, a combination of different technologies allows retailers to communicate more directly and flexibly with consumers while they are shopping, both on the brick-and-mortar store floor and online. Below, we elaborate on some of these new options available for retailers to communicate to shoppers about their smart private brands to a wide audience without incurring the excessive costs associated with traditional media.

Communication in the brick and mortar environment

Retailers increasingly implement beacon technology to track customers' in-store movements and to help them find their way around the store (Dekimpe, Geyskens, and Gielens 2019). In combination with smartphone applications, this beacon technology offers retailers unprecedented opportunities to raise awareness of their smart private brand programs while consumers are walking through the store aisles. Kroger's app, for example, simplifies the shopping experience by displaying the exact aisle location of products, while Target uses beacon technology to dynamically re-sort shopping lists as the user moves through the store, similar to how smartphone navigation apps reroute drivers when veering off course. Smartphone applications thus turn into shopping management devices, and the number of consumer touchpoints multiplies. While transparency and choice expand for consumers, for the retailer this implies that traditional levels of shopper brand loyalty can be undermined. Indeed, smartphone and connected devices create vast amounts of shopper data, which retailers can leverage to inform consumers in real time about their private brand products and send personalized and targeted push messages to drive consumers toward the private label options. At this point in time, little research has been conducted to guide retailers on how to use these new real-time communication devices to influence private brand choice. What type of messages work best? Do price incentives (still) have to be included? Do these messages work better for NBs or for PLs? In addition, how can these applications be used without negatively interfering and interrupting consumers in their shopping experience? Can retailers overstep and ultimately push consumers to opt out of the real-time application or abandon smart PL alternatives?

In addition to smartphone applications, augmented/mixed reality (AR/MR) – which integrates physical and virtual experiences – offers potential to showcase and virtually try a wider range of private brand products in a physical store environment (Gilliland 2019). Sephora, for example, offers "magic mirrors" in its stores to help consumers visualize different make-up treatments. In addition, L'Oréal and YouTube offer AR platforms for trying on cosmetic items without having access to the physical product. Home interior design activities can also be done virtually through Dulux Visualiser and Ikea Place. In the apparel world, Asos uses AR to enable consumers to experience a virtual "catwalk," VF (owner of Timberland and Vans) uses virtual mannequins to showcase its products, and Gucci and Adidas utilize AR technology for consumers to virtually try on their branded shoe products. Use of this technology has even been extended to the car industry; Toyota offers a fully AR-based "vehicle demo" and provides an immersive driving experience to anywhere, such as sports events and festivities. Not only do these technologies create frictionless experiences (Gilliland 2019), but they also allow consumers to easily experiment with products they are less familiar with, once again offering retailers avenues to promote and "sample" their PL products virtually.

Finally, as retailers are rethinking the store floor in order to motivate consumers to shop brick and mortar rather than online, shelf space for stock inventory is trading places for dedicated experiential space (Kahn 2018). Once again, retailers may tap into the growing importance of store experiences to showcase and integrate their private brand program. Walgreens, for example, hosted a "house party" to highlight how its wide assortment of private brand items can fit into a shopper's home and everyday life (Loza 2019). Brands such as Nice!, Sleek MakeUp, and Pet Shoppe were used to demonstrate the quality and breadth of the portfolio. Typically, these dedicated areas are co-developed with national brands such as Mars or Apple, who can rely on substantial marketing and merchandising experience to build in an entertainment and experience factor. The question arises whether smart PLs can be equally successful in this realm. More research is required to gain insight into how PLs can use and build experiential elements in the store to generate more awareness and enhance store brand equity.

Communication in the online environment

Online retailers can track and monitor every move consumers make as they search and navigate through the digital store (Gerstner 2017), giving them unlimited opportunities to influence consumers' choice decisions. In the USA Amazon, for example, tested a pop-up feature to suggest its PL products to customers searching on branded product pages. Amazon was even so aggressive as to force consumers to close the pop-up feature before they could continue their shopping trip, thereby surreptitiously guiding them to the PL page. Nevertheless, in employing this strategy, online retailers walk a tightrope. Not only do they run the risk of frustrating consumers, they also risk alienating consumers from their PLs. Moreover, NB manufacturers may interpret these moves as anticompetitive and alert anti-trust authorities (Soltani 2015), which in the end, may limit their practices and opportunities to support their private brands.

Voice applications are a natural extension of existing digital interfaces, playing an ever-increasing role in all future digital ecosystems and customer engagement. The spread of voice technology can make routine replenishment purchases extremely fast and convenient. Above all, it allows the retailer to impact the discovery and search stage of the shopping journey, limiting the number of easily discoverable items per search term, even to the extent that voice-supported technology may diminish brand visibility and virtually turn brands invisible on the digital shelf (Gielens and Steenkamp 2019). In contrast, retailers can easily integrate voice capabilities into their ecommerce offerings, in order to amplify visibility and top placements in search rankings of their private labels across all relevant search terms. For example, someone who would ask Amazon's Alexa to buy batteries could very well accept whatever it selects at a given price. Retailers can try to leverage these voice command devices, and even install them at specific points in their stores, to guide consumer shopping depending on what search queries consumers use. For example, in certain product categories such as beauty products, consumers search more by ingredient (e.g., Retinol) than by brand name (e.g., Olay). Retailers can offer a solution to this query on their voice device by saying their PL has Retinol.

Social media environment

Going outside the confines of their stores, digital or brick and mortar, retailers are increasingly supporting their PLs with messaging on social media platforms like Facebook, Instagram, and YouTube, often with the help of popular influencers. Albertsons, for example, has enlisted Pinterest to highlight its range of PL products, thereby leveraging the Pinterest Trends tool that provides insights in the top US search terms on Pinterest in the previous 12 months (Newsroom 2019). This arrangement allowed Albertsons to, for example, glean more insight on holiday food and beverage trends and develop a Pinterest campaign to spur in-store sales for relevant own brand products. Trader Joe's, on the other hand, has more than a dozen professional influencers on Instagram alone, highlighting favorite (PL) products rolled out by the retailer. Kroger works together with bloggers, inviting them to corporate events, in an effort to create a community around Kroger. Once again, not much information is available about the effectiveness of social media campaigns in this context. Whereas the Return on Investment (ROI) of social media is sometimes questioned even in branded goods settings (Barnhart 2018), even less is known about such media's impact on PL sales. What type of platforms are most effective? Can influencers become reliable private brand ambassadors? What are the potential dark sides of social media campaigns? As retailers take a more aggressive approach to innovation in product development and communication to gain a larger share of consumers' wallet, more research is needed to answer these questions.

Place–Distribution Strategies

Whereas exclusivity was one of the main reasons to pursue strong PL lines, smart PLs are venturing beyond these traditional limits. First, both traditional and pure play retailers are actively offering and pushing their private brands online. In addition, retailers are exploring the opportunities to take their PLs to both the digital and store shelves of other retailers, thereby truly turning the private label into a brand in its own right. Finally, with retailers becoming more and more international in nature, it remains to be seen where they can be successful with this strategy as substantial heterogeneity still exists with regards to global private label penetration. In sum, the "P" of Place is becoming a true strategic differentiator for private brands.

Digitizing the store brand

By 2024, ecommerce will account for 30% of global chain retail sales. E-commerce will add more sales (USD 1.7 Trillion) to the global economy by 2024, highlighting just how big the prize is for retailers and brands investing in this channel. From a private branding perspective, it is paramount to know how PLs can be built and managed on digital shelves.

Prior research suggests that the digital shelves may not offer the most nurturing environment for retailers to support their PL programs. As a matter of fact, online environments may be more beneficial to stronger (national) brands than to weaker brands (Ho-Dac, Carson, and Moore 2013), even more so than in traditional channels (Degeratu, Rangaswamy, and Wu 2000). In online settings, any touch-and-feel opportunity, which is an important source of information disappears, especially for PLs that have not been established. Online consumers only have access to product descriptions and can view the products but cannot interact with them physically or try them out. The intangible nature of this search and purchase process forces consumers to pay more attention to other cues of product performance. Therefore, the role of the brand name and reputation should become more relevant to compensate for the absence of physical contact (González-Benito, Martos-Partal, and San Martín 2015) and thus brand loyalty may be higher (Chu et al. 2010; Danaher, Wilson, and Davis 2003).

Does this imply that online retailers are limited in building successful PL programs? Many consumer goods categories contain relatively few search attributes, and thus, physical inspection does not provide much information. For such products, private brands can make the online selection process simple and smart, especially when they already trust the retailer (Gielens and Steenkamp 2019). If consumers already trust the retailer they are patronizing, they may extend their trust to the retailer's own brands (Ailawadi, Pauwels, and Steenkamp 2008). Interestingly, a pure play retailer like Amazon got high marks for meeting customer expectations, quality, joy, satisfaction, and trust on the National Most Trustworthy Brand Survey from The Values Institute (Howland 2017), thereby offering a platform to launch private brands. In addition, online retailers can exploit their knowledge, generated by optimizing word-search algorithms, analyzing sales data, and customer-review networks, to steer shoppers towards their private labels. Furthermore, as consumers may adopt voice technology, the playing field becomes even more tilted. For instance, if you were to ask Amazon's Echo to buy batteries, Echo will suggest (at least at the time of this writing) Amazon Basic Batteries even though plenty of other brands are selling on the site.

Interestingly, pure play retailers are expanding private brands well beyond the typical set of commoditized categories. The likes of Amazon, for example, are testing the water in luxury, consumer electronics, furniture, and virtually any consumer goods category imaginable. However, how far can online retailers stretch this strategy? What categories, segments, and benefits can realistically be conquered while at the same time managing the credibility of the overall program? Moreover, whereas trust can be high for the individual retailer, trust in the quality cues and information provided online may be harder to manage and control. With serious concerns raised regarding the authenticity of reviews and the provenance of certain products, generating trust for PLs may be harder to pull off than hoped for. If private brands are indeed a priority for these online juggernauts, the assortment clutter of the digital shelf and the heterogeneity in quality offered by third-party suppliers may jeopardize their long-term success. If private branding really is a priority, this may require a re-thinking of the entire endless assortment strategy, which necessitates the inclusion of as many brands and suppliers as possible, mostly obtained through (independent) third-party providers. Many even question whether Amazon and others may come to regret building private brands (Marketplace Pulse 2019). Currently the jury is still out and more research is warranted on the long-term sustainability of online private labels.

Taking the private brand to other retailers

Increasingly, retailers are exploring opportunities to sell their private brand products at other retailers. Often these moves involve a cross-border component. Walmart Canada, for example, introduced a range of PL products from Coop Italia, covering diverse categories ranging from pasta, sauces, cheese, wine, pickles, olive oil, and many others. UK drugstore retailer Boots has long sold its cosmetics line No. 7 at other retailers including US-based Target. The general idea behind these types of partnerships is to help the supplying retailer to increase its sales volumes and scale and hence improve its cost structure. The receiving retailer, on the other hand, gains an exclusive range and can stand out from the competition. Interestingly, these arrangements extend beyond the typical store-based retail sphere. For example, Swiss retailer Migros's private brand line, M-Industry, supplies private labels for Amazon in several categories. Whether or not these partnerships truly can be Win-Win arrangements remains to be seen. The risk of information appropriation, especially when working with juggernauts like Amazon, is substantial. Given that most retailers, both digital and brick and mortar, are actively expanding their footprint outside their traditional markets, this strategy may come at the risk of creating strong future competitors abusing the knowledge acquired through private branding arrangements.

Taking the private brand global

Within the consumer packaged goods (CPG) market, PL brands in the USA reached a value share of 14.9% and a unit share of 17.7% as of 2018 (IRI Special Report 2018). Still, one can wonder if these numbers truly capture a *global* market. For example, shares currently observed in most developing countries hardly exceed the five percent mark. Sethuraman (2018) calls consumers in these developing markets simply too enamored of brands like Kellogg and Coca-Cola to ever care much about PLs in the categories in which these brands operate. The question remains, however, whether this will truly remain the case as emerging markets mature. Especially as many retail conglomerates such as Amazon and Walmart build and expand their presence in these markets, private brands may gain ground. More insights are, therefore, required on what markets are bound to become private-brand-prone.

Is Smart PL just Another National Brand?

It is true that as private labels are elevated to sophisticated levels, there is a tendency to believe they are becoming more like a national brand. To some extent, this is true, but the goals, opportunities, and challenges faced for a private label by the retailer managing multiple categories are different from those faced for a national brand by the manufacturer managing a single or just a few categories. As a result, there are some commonalities and several differences between a national brand and a sophisticated private label. With respect to commonalities, our paper suggests that retailers should target niche segments, engage in product innovation, emphasize attributes beyond price and quality, enhance brand image, and leverage technology just as a national brand manager would. In essence they must treat their PL as a "brand" as opposed to a value alternative for a NB and must care about its brand equity. However, while the manufacturer generally applies its brand strategy to one category, it has more resources and more avenues for promoting its brand including mass advertising, social media campaigns, couponing, sampling, so forth, that are appropriate and exclusive for the category and brand in question. In contrast, a retailer will be marketing the private label across multiple categories, even across retail formats, and across consumer segments but with limited budget. The retailer's goal is to maximize store differentiation, foster store loyalty, and increase category and overall profits. Therefore, the retailer first has to make a major decision about whether to umbrella brand or not, and if so, how it should open the umbrella – across tiers, across segments, or market all private labels under one banner. Once it decides, then the retailer can resort to specialized marketing focused on gaining the trust of consumers and developing brand image – through unique, identifiable packaging across categories, feature advertising and special displays, and sampling that promotes the PL portfolio rather than a single item. Several innovative techniques have been described in this paper, with examples.

At the same time, as PLs increase in sophistication, retailers should decide how they compete with other manufacturers' brands. Again, the temptation is to replace major brands with their smart PL. We do not advocate such a strategy. Attempts to force just the PL on the consumers at the expense of national brands have not borne fruit for the retailer. For example, Walmart experimented with a reduced assortment structure with only one leader brand and their own *Great Value* brand. The company faced customer resistance and sales loss, and they were forced to revert to their original assortment composition (Dass and Kumar 2012). Spanish chain Mercadona delisted hundreds of national brands with a store-brand-only assortment in many categories, but had to relist some of the delisted national brands to prevent increased consumer boycotts and damage to their store image (Gázquez-Abad et al. 2015). In the consumer durable goods market, the ascent and fall of Sears during the mid to late 20th century may also be partly blamed on its failed over-emphasis on its private labels such as Kenmore appliances, Craftsman tools, and Diehard batteries and trying to market them as any other NB. At one point, Kenmore was the largest appliance brand in the USA. But consumers abandoned Sears because there was no alternative NB to consider (Isidore 2018).

In fact, smart PL strategy calls for sophisticated joint marketing of NB and PL in the spirit of coopetition (competition + cooperation) to create Win–Win–Win situations for consumer, retailer, and manufacturer. These strategies include collaborative product innovation, joint promotions, and sharing data for mutual benefit. The goal of smart PL is not to take over the turf but to expand and participate in the turf.

Pandemic Disruption

A remaining issue, however, that we need to address is how the unfortunate, unexpected, and unprecedented COVID-19 pandemic that paralyzed the global economy since March 2020 must be factored into this PL journey. Early figures reveal that PLs posted double-digit sales increases in the USA during the initial stages of the COVID-19 pandemic. First-quarter 2020 PL sales increased fifteen percent, or about $4.9 billion, over the year-ago period, while unit volume grew 13%, thereby outpacing NBs (Thakker 2020). Moving slowly out of the pandemic and entering a downturn and likely recession, two questions need to be addressed. First, will this recent growth and PL share last? Moreover, and more importantly, to what extent will the pandemic interfere with retailers' intended move towards smart PL?

Will this COVID-19 induced SB lift stick?

Since COVID-19 hit, many people have filed for unemployment, leaving many shoppers looking for cheaper alternatives. Moreover, about three-quarters of shoppers said that they plan to curb their spending in the months following the pandemic outbreak (Roggeveen and Sethuraman 2020a). We know from academic work on business cycles and private labels that consumers switch more extensively to PLs during bad economic times, then they switch back to NBs in a subsequent recovery. In addition, the switch to PLs during economic downturn is faster than the opposite movement to NBs after the recession ends (Lamey et al. 2007). Due to budgetary constraints, consumers may be more easily inclined to try a value option, like PLs, that they have not purchased before. If they also subsequently learn that the quality is on par with some NB alternatives, they may alter their attitudes towards PLs and remain loyal to the PL. Given that PL quality has only improved over the last decade, it is fair to assume that (part of) the COVID-19 PL lift may indeed last.

However, will this increased need for value alternatives hamper the smart PL rollout?

Will COVID-19 and the ensuing economic downturn force retailers to shift their focus back towards value PLs? Grocery retailers, deemed essential, emerged as lifelines for consumers during the pandemic, giving them substantial trust and approval from consumers (Redman 2020). In Canada, grocery retailers even emerged as the most trusted brands during the COVID-19 crisis (Powel 2020). Keeping in mind that trust is one of the essential prerequisites to building brands, this post-COVID era may offer an ideal launching platform for smart brands. In fact, this is the avenue Kroger seems to be following, by kicking off a virtual campaign called Kroger Social, which promotes its PLs by portraying activities that consumers can do at home together as a family, whereby the retailer's "Our Brands" take center stage. Consumers can also visit a new site (https://krogersocialsocial.com) to download activity kits with recipes centered around the different PL tiers and brands: Kroger, Simply Truth, and Private Selection. Each week is a new theme. There is also a designated social hour on Facebook for

Table 1
The three phases of private label (PL) strategies.

Strategy	Phase I (economy PL)	Phase II (value PL)	Phase III (smart PL)
Conducive categories	• Commodity products • High sales/turnover • Where branded products are expensive	• Where PL of comparable quality can be produced • High SB margin • High NB-SB price substitutability	• Niche products • Data-based identification • Solution orientation • Innovation based • Spillovers • Exclusive offerings
Supply sources	• Own or locally produced • Third party manufacturer • NB manufacturer	• Own or locally produced • NB manufacturer • Fringe brand manufacturer	• Digital native brands • NB Collaborations • New retail formats
Target segment	• Price sensitive, quality insensitive • Generally lower-income	• Middle-income, educated, large family, value-driven consumers	• Diverse segments – but value driven • Socially conscious, store-loyal, niche
Positioning	• Low priced, low quality • One brand per (sub) category	• Position against leading NBs	• Position as smart brand to meet customer needs at appropriate price points. • Multi-tiered PL
Packaging	• Simple, minimal • Black and White	• Reflective of good/acceptable quality • Color • Sometimes imitation packaging of NB	• Independent, not imitation • Reflect smartness appropriate for segment – sustainable, transparent, cause-related
Pricing	• Affordable for low-end consumers • Lower-the-better • Typically 50% or lower than NB	• Price for maximal value between floor and ceiling • Typically 15%–50% price differential with NB	• Pricing independent of NB but lower • Dynamic, individualized
Price promotion	• No price promotion	• Frequent, shallow discount in select categories • More defensive than proactive	• Proactive/personalized price discounting
Non-price promotion	• No promotion • Some shelf facing	• Some Display/Feature • Product sampling	• Smartphone apps • Social media • Digital banners • Recommendation systems • Voice activated promotions
Distribution	• Restricted to own brick-and-mortar retail space	• Own retail networks	• Digitizing the private brand • Taking the brand to other retailers • Taking the brand global

consumers to sign up and join a virtual party on the site to share and connect over the network. Kroger is thus clearly emphasizing PL benefits that go far beyond the price or quality angle, even in recession-like times. Moreover, the campaign clearly illustrates how a combination of sophisticated marketing and social media tools work together to promote and lift PLs above and beyond the value proposition. If anything, the trust and confidence gained during the COVID-19 crisis can be leveraged to build and direct the PL range towards a smart brand proposition. As businesses slowly reopen, consumers will see more inspiration and excitement from their retailers, which can translate into the marketing of their smart PLs as both businesses and consumers adjust to the new normal.

Conclusion

Over the past several decades, against a backdrop of continued economic expansion, PLs have steadily gained market share from NBs. This trend has been driven by a multitude of factors, including consumers' improved perception of the quality of store brands despite their lower price (the value proposition), retailers' increasingly sophisticated PL portfolios offering a point of differentiation, and decreased loyalty to NBs among younger shoppers. Clearly, retailers' journey taking their PLs from economy labels to value brands has been successful. We applaud the retailers for this accomplishment with respect to their private labels. Given this success, there is a natural tendency for retail-

Table 2
Broad questions for future research on smart PL strategy.

Product portfolio	- How should retailers rebalance their portfolio beyond price tiers as consumer attitudes toward spending are shifting beyond price to include multiple dimensions of value, such as transparency, health, and alignment with personal beliefs? - How can retailers take their smart SB beyond typical PL stronghold categories? - How can crowdsource-like activities be implemented successfully in private brand portfolios, especially for D2C players? - Can exclusivity and integration arrangements with NB manufacturers help or hinder PL programs? - Are digital retailers overextending their PL program by offering endless assortment?
Product positioning	- Can private brands be portrayed as social brands given their commercial objectives and value proposition?
Product packaging	- How should PL packaging change to reflect non-price attribute while maintaining value positioning?
Pricing	- How far can retailers allow dynamic pricing to deviate from the intended price gap? Is deviating always truly beneficial, especially in the long run?
Promotion	- How can retailers engage in third party partnerships to enhance experiential component of PLs in the store? - How can private brands use and build experiential elements in the store to generate more awareness and ultimately more brand equity? - What types of social media platforms are effective for PL marketing? Can influencers/PL consumers become reliable private brand ambassadors? What, if any, are the potential dark sides of social media PL campaigns?
Place	- Can traditional retailers venture successfully into the hard discount realm and build well-perceived private labels for their hard discount formats? - Which emerging markets would become more PL prone in the future? Should these markets be served in the same way as developed markets?

ers to maintain the status quo and continue to market value PLs. We beg to differ. As Greek philosopher Heraclitus once said, change is the only constant in life! Complacency may lull retailers into believing they have the magic PL formula in the form of value PLs for attracting customers. But customers' attitude and behavior are changing, and so are competitors' branding and marketing, accelerated by rapid innovation in technology. Companies must keep running and innovating, just to stay in the same place, and this dictum holds as much for retailers as for other establishments. The unfathomable COVID-19 pandemic has only precipitated retail disruption and the need for adaptation. Retailers must embrace new technology, adopt new ways of thinking, and, in the process, develop new strategies for their private label program that we call smart PL, just to sustain themselves.

This thought piece motivates the need for change in a retailer's PL attitude and the drivers behind the change. Based on those drivers, these authors propose how private labels should evolve from economy brands and value brands to the futuristic smart brands. Table 1 summarizes the marketing mix elements of this transformation. Major U.S. retailers like Amazon, Kroger, Walmart, Target, and some European retailers like Tesco are already pursuing some of the prescribed marketing elements in their PL program. Sam's Club for instance calls their Members Mark store brands as private brands as opposed to private labels to reflect the elevated smart/sophisticated nature of these umbrella branded portfolio of products.

Transforming from value PL to tiered PL to smart PL is not without challenges. In contemplating the move to smart store brands, retailers with less money than the likes of Amazon and Walmart will naturally be concerned about the appropriateness of investing in smart PL strategy at a time when their very sustenance or profitable existence are being put to test. We think the solution is in the problem. While we do not know how long the effect or the after-effects of COVID-19 will last, we do know many of the changes in consumer and competitor behavior are here to stay, and PLs must evolve with it. At the same time, we do not subscribe to the view that PLs should become another national brand. They should tread lightly and straddle the fence, so to speak, by not abandoning the value proposition while also projecting the PL offerings as desirable brands, as opposed to acceptable alternatives. This task is easier said than done, and retailers must be smart about their development of such a strategy with limited investments at their disposal.

How do retailers implement a smart brand strategy? We are very much in the nascent phase of this era. So far, we have only witnessed the tip of the iceberg. There are more questions than answers. Throughout this paper, we have sprinkled several questions and ideas for future research for academics and practitioners. Table 2 summarizes the key questions for future research on private labels. Working together with practitioners, academics especially, can provide the insights needed for retailers to navigate through this uncharted territory, which we believe has tremendous upside potential.

References

Akcura, M. Tolga, Ian Clark Sinapuelas and Hui-Ming Deanna Wang (2019), "Effects of Multitier Private Labels on Marketing National Brands," *Journal of Product & Brand Management*,,

Aylwad, Lawrence (2019), *How Kroger's private brands fit in with new identity,* (accessed October 2, 2020). https://storebrands.com/how-krogers-private-brands-fit-new-identity

Ailawadi, Kusum L., K. Pauwels and J.B.E. Steenkamp (2008), "Private-Label Use and Store Loyalty," *Journal of Marketing,* 72 (6), 19–30.

Amaldoss, Wilfred, Preyas S. Desai and Woochoel Shin (2015), "Keyword Search Advertising and First-Page Bid Estimates: A Strategic Analysis," *Management Science,* 61 (3), 507–19.

Barnhart, Brent (2018), *How to define an actionable social media ROI for your business,* (accessed April 26, 2020). https://sproutsocial.com/insights/social-media-roi/

Barsky, Robert B., Mark Bergen, Shantanu Dutta and Daniel Levy (2003), "What Can the Price Gap Between Branded and Private-Label Products Tell us About Markups?," in *Scanner Data and Price Indexes* University of Chicago Press.165–228.

Bell, David, Santiago Gallino and Antonio Moreno (2015), "Showrooms and Information Provision in Omni-Channel Retail," *Production and Operations Management,* 24 (3), 360–2.

Bell, David R., Santiago Gallino and Antonio Moreno (2018), "Offline Showrooms in Omnichannel Retail: Demand and Operational Benefits," *Management Science,* 64 (4), 1629–51.

Blattberg, Robert C. and Kenneth J. Wisniewski (1989), "Price-Induced Patterns of Competition," *Marketing Science,* 8 (4), 291–309.

Brennan, Caitlin (2017), *Why You Need Social Media for Demand Generation,* (accessed April 26, 2020). https://www.falcon.io/insights-hub/topics/social-selling/why-you-need-to-use-social-for-demand-generation/

Brown, Bruce (2019), *Amazon brings back home milk delivery with its Happy Belly brand,* (accessed April 26, 2020). https://www.digitaltrends.com/home/amazon-happy-belly-sells-milk/

Choi, S Chan. and Anne T. Coughlan (2006), "Private Label Positioning: Quality versus Feature Differentiation from the National Brand," *Journal of Retailing,* 82 (2), 79–93.

Chu, Junhong, Marta Arce-Urriza, José-Javier J. Cebollada-Calvo and Pradeep K. Chintagunta (2010), "An Empirical Analysis of Shopping Behavior Across Online and Offline Channels for Grocery Products: The Moderating Effects of Household and Product Characteristics," *Journal of Interactive Marketing,* 24 (4), 251–68.

Cotterill, Ronald W., William P. Putsis Jr and Ravi Dhar (2000), "Assessing the Competitive Interaction Between Private Labels and National Brands," *The Journal of Business,* 73 (1), 109–37.

Danaher, Peter J., Isaac W. Wilson and Robert A. Davis (2003), "A Comparison of Online and Offline Consumer Brand Loyalty," *Marketing Science,* 22 (4), 461–76.

Dargahi, Rambod and Aidin Namin (2020), "Making More in Crowdsourcing Contests: A Choice Model of Idea Generation and Feedback Type," *Journal of Marketing Communications,*, http://dx.doi.org/10.1080/13527266.2020.1748094 published online

Dargahi, Rambod, Aidin Namin and Seth C. Ketron (2020), "Co-production or DIY: An Analytical Model of Consumer Choice and Social Preferences," *Journal of Product and Brand Management,*, http://dx.doi.org/10.1108/JPBM-09-2019-2565 published online

Dass, Mayukh and Piyush Kumar (2012), "Assessing Category Vulnerability Across Retail Product Assortments," *International Journal of Retail & Distribution Management,* 40 (1), 64–81. http://dx.doi.org/10.1108/09590551211193603

Degeratu, Alexandru M., Arvind Rangaswamy and Jianan Wu (2000), "Consumer Choice Behavior in Online and Traditional Supermarkets: The Effects of Brand Name, Price, and Other Search Attributes," *International Journal of research in Marketing,* 17 (1), 55–78.

Dekimpe, Marnik G., Inge Geyskens and Katrijn Gielens (2019), "Using Technology to Bring Online Convenience to Offline Shopping," *Marketing Letters,*, 1–5.

Deleersnyder, Barbara, Marnik G. Dekimpe, Jan-Benedict E.M. Steenkamp and O. Koll (2007), "Win–Win Strategies at Discount Stores," *Journal of Retailing and Consumer Services,* 14, 309–18.

Donegan, Priscilla (1989), *Private Label is Alive and Well,* Progressive Grocer.61–7. February.

Emmer, Marc (2018), *95 Percent of New Products Fail. Here Are 6 Steps to Make Sure Yours Don't,* (accessed April 27, 2020). https://www.inc.com/marc-emmer/95-percent-of-new-products-fail-here-are-6-steps-to-make-sure-yours-dont.html

Fitzell, Philip (1992), *Private Label Marketing in the 1990s,* Global Book Productions.

Gázquez-Abad, Juan Carlos, Francisco J. Martínez-López, Juan Antonio Mondéjar-Jiménez and Irene Esteban-Millat (2015), "Mixed Assortments *vs*. Store Brand-only Assortments: The Impact of Assortment Composition and Consumer Characteristics on Store Loyalty," *Revista Española de Investigación de Marketing ESIC,* 19 (1), 24–45. http://dx.doi.org/10.1016/j.reimke.2014.11.001

Gerstner, Lisa (2017), *How Retailers Track Customers Online and Offline,* (accessed April 26, 2020). https://www.kiplinger.com/article/spending/T062-C000-S002-how-retailers-track-customers-online-and-offline.html

Geyskens, Inge, Katrijn Gielens and Els Gijsbrechts (2010), "Proliferating Private-Label Portfolios: How Introducing Economy and premium Private Labels Influences Brand Choice," *Journal of Marketing Research,* 47 (5), 791–807.

Gielens, Katrijn (2012), "New Products: The Antidote to Private Label Growth?," *Journal of Marketing Research,* 49 (3), 408–23.

Gielens, Katrijn, Els Gijsbrechts and Marnik G. Dekimpe (2014), "Gains and Losses of Exclusivity in Grocery Retailing," *International Journal of Research in Marketing,* 31 (3), 239–52.

Gielens, Katrijn and Jan-Benedict E.M. Steenkamp (2019), "Branding in the Era Of Digital (dis) Intermediation," *International Journal of Research in Marketing,* 36 (3), 367–84.

Gilliland, Nikki (2019), *14 examples of augmented reality brand experiences,* (accessed April 26, 2020). https://econsultancy.com/14-examples-augmented-reality-brand-marketing-experiences/

González-Benito, Óscar, Mercedes Martos-Partal and Sonia San Martín (2015), "Brands as Substitutes for the Need for Touch in Online Shopping," *Journal of Retailing and Consumer Services,* 27, 121–5.

Howland, Daphne (2017), "Study: Amazon Tops in Consumer Trust and 'Joy'," *Retail Drive,* 14.

Hoch, Stephen and Leonard Lodish (1998), *Store Brands and Category Management,* Working paper, Wharton School, University of Pennsylvania.

Ho-Dac, Nga N., Stephen J. Carson and William L. Moore (2013), "The Effects of Positive and Negative Online Customer Reviews: Do Brand Strength and Category Maturity Matter?," *Journal of Marketing,* 77 (6), 37–53.

Hoch, Stephen J. and Shumeet A. Banerjee (1993), "When do Private Labels Succeed?," *Sloan Management Review,* 34 (4), 57–60.

Hill, Kashmir (2012), *How Target Figured Out a Teen Girl was Pregnant before Her Father Did,* Forbes Online. February 16.

IRI Special Report (2018), *Private label in Western Economies,* June 2018.

Isidore, Chris (2018), *How the once-proud Kenmore brand ended up on the scrap heap,* (accessed September 4, 2020). https://money.cnn.com/2018/09/01/news/companies/sears-kenmore/index.html

Kahn, Barbara E. (2018), *The Shopping Revolution: How Successful Retailers Win Customers in an Era of Endless Disruption,* Philadelphia, PA: Wharton School Press.

Kahn, Barbara E., Jeffrey J. Inman and Peter C. Verhoef (2018), "Introduction to Special Issue: Consumer Response to the Evolving Retailing Landscape," *Journal of the Association for Consumer Research,* 3 (3), 255–9.

Karray, Salma and Guiomar Martín-Herrán (2009), "A Dynamic Model for Advertising and Pricing Competition Between National and Store Brands," *European Journal of Operational Research,* 193 (2), 451–67.

Keller, Kristopher O., Inge Geyskens and Marnik Dekimpe (2020), "Opening the Umbrella: The Effect of Rebranding Multiple Category Specific Private-Label Brands to One Umbrella Brand," *Journal of Marketing Research,* 57 (4), 677–94.

Kowalkowski, Christian, Heiko Gebauer and Rogelio Oliva (2017), "Service Growth in Product Firms: Past, Present, and Future," *Industrial Marketing Management,* 60, 82–8.

Kumar, Kavita (2019), *Target to replace Archer Farms, Simply Balanced with new flagship food brand,* (accessed October 2, 2020). https://www.dailyitem.com/business/target-to-replace-archer-farms-simply-balanced-with-new-flagship-food-brand/article_e3eaf5d1-3f22-592b-a97e-11fe28f35483.html

Lamey, Lien, Barbara Deleersnyder, Marnik G. Dekimpe and Jan-Benedict E.M. Steenkamp (2007), "How Business Cycles Contribute to Private-Label Success: Evidence from the United States and Europe," *Journal of Marketing,* 71 (1), 1–15.

Loza, Cyndi (2019), *Walgreens Stages Private Label House Party,* (accessed April 26, 2020). https://consumergoods.com/walgreens-stages-private-label-house-party

Marketplace Pulse (2019), *Marketplaces Year in Review 2019,* (accessed April 26, 2020). https://www.marketplacepulse.com/marketplaces-year-in-review-2019

Mattioli, Dana (2020), "Amazon Scooped up Data from its Own Sellers to Launch Competing Products," *The Wall Street Journal,* (April).

Martos-Partal, Mercedes, Oscar González-Benito and Mariana Fustinoni-Venturini (2015), "Motivational Profiling of Store Brand Shoppers: Differences Across Quality Tiers," *Marketing Letters,* 26 (2), 187–200.

Mullen, Caitlin (2019), *Kirkland does big business for Costco,* (accessed October 2, 2020). https://www.bizjournals.com/bizwomen/news/latest-news/2019/01/kirkland-does-big-business-for-costco.html?page=all

Namin, Aidin and Yashar Dehdashti (2019), "A "Hidden" Side of Consumer Grocery Shopping Choice," *Journal of Retailing and Consumer Services,* 48, 16–27.

Namin, Aidin, Mitchell L. Hamilton and Andrew J. Rohm (2020), "Impact of Message Design on Banner Advertising Involvement and Effectiveness: An Empirical Investigation," *Journal of Marketing Communications,* 26 (2), 115–29.

Namin, Aidin, Brian T. Ratchford, Julian K. Saint Clair, M.M. Bui and M.L. Hamilton (2020), "Dine-in or Take-out: Modeling Millennials' Cooking Motivation and Choice," *Journal of Retailing and Consumer Services,* 53, 101981.

Newsroom (2019), *Introducing Pinterest Trends, showing the power of insights IRL,* (accessed April 26, 2020). https://newsroom.pinterest.com/en/post/introducing-pinterest-trends-showing-the-power-of-insights-irl

Nielsen Report (2019), *The Rise and Rise again of Private Label,* (accessed April 26, 2020). https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/global-private-label-report.pdf

——— (2019), *The rise of premium private label and its impact on discount retailers,* (accessed April 26, 2020). https://www.nielsen.com/us/en/insights/article/2019/the-rise-of-premium-private-label-and-its-impact-on-discount-retailers/

Nies, Salome and Martin Natter (2012), "Does Private Label Quality Influence Consumers' Decision on Where to Shop?," *Psychology & Marketing,* 29 (4), 279–92.

Ochwat, Dan (2020), *ALDI, Albertsons shine down the liquor aisle,* (accessed October 2, 2020). https://storebrands.com/aldi-albertsons-shine-down-liquor-aisle

Olsen, Mitchell C., Rebecca J. Slotegraaf and Sandeep R. Chandukala (2014), "Green Claims and Message Frames: How Green New Products Change Brand Attitude," *Journal of Marketing,* 78 (5), 119–37.

Pauwels, Koen and Shuba Srinivasan (2009), "Pricing of National Brands versus Store Brands: Market Power Components, findings and Research Opportunities," *Handbook of Pricing Research in Marketing,* 258.

PLMA Report (2020), *The store brands story,* (accessed April 26, 2020). https://www.plma.com/storeBrands/facts2020.html

Powel, Chris (2020), *Grocery Retailers Emerge as Most Trusted Brands During COVID-19 Crisis,* April 28. (accessed June 10, 2020). Canadian Grocer. http://www.canadiangrocer.com/top-stories/grocery-retailers-emerge-as-most-trusted-brands-during-covid-19-crisis-94537

Raju, Jagmohan S., Raj Sethuraman and Sanjay K. Dhar (1995), "The Introduction and Performance of Store Brands," *Management science,* 41 (6), 957–78.

Rao, Ram C. (1991), "Pricing and Promotions in Asymmetric Duopolies," *Marketing Science,* 10 (2), 131–44.

Redman, Russell (2020), *Amazon, Costco Have 'Most Favorable' COVID-19 Response, Shoppers Say,* May 22. (accessed June 10, 2020). Supermarket News. https://www.supermarketnews.com/issues-trends/amazon-costco-have-most-favorable-covid-19-response-shoppers-say

Roggeveen, Anne L. and Raj Sethuraman (2020a), "How the COVID Pandemic May Change the World of Retailing," *Journal of Retailing,* 96 (2), 169–71.

Roggeveen, Anne L. and Raj Sethuraman (2020b), "Customer Interfacing Retail Technologies in 2020 & Beyond," *Journal of Retailing,* 96 (3), 299–309.

Sayman, Serdar, Stephen J. Hoch and Jagmohan S. Raju (2002), "Positioning of Store Brands," *Marketing Science,* 21 (4), 378–97.

Sethuraman, Raj (1992), *The Effect of Marketplace Factors on Private Label Penetration in Grocery Products,* Marketing Science Institute Working Paper.92–128.

——— (2004), *Positioning Store Brands Against National Brands: Get Close or Keep a Distance?,* Working Paper, Southern Methodist University.

——— (2006), *Private Label Marketing Strategies in Packaged Goods: Management Beliefs and Research Insights,* Marketing Science Institute Working Paper.06–108.

——— (2009), "Assessing the External Validity of Analytical Results from National Brand and Store Brand Competition Models," *Marketing Science,* 28 (4), 759–81.

——— (2018), "Consumer Preference Distributions and Corresponding Store Brand Strategies: A Compilation," in *Handbook of Research on Retailing* Edward Elgar Publishing.

Sethuraman, Raj and A. Parasuraman (2005), "Succeeding in the Big Middle through Technology," *Journal of Retailing,* 81 (2), 107–11.

Sethuraman, Raj and K. Gielens (2014), "Determinants of Store Brand Share," *Journal of Retailing,* 90 (2), 141–53.

Sharma, Vivek (2019), *Marketing to Gen Z: death of brand loyalty?,* (accessed April 27, 2020). https://www.mediapost.com/publications/article/331541/marketing-to-gen-z-death-of-brand-loyalty.html

Soltani, Ashkan (2015), *Privacy trade-offs in retail tracking,* (accessed April 26, 2020). https://www.ftc.gov/news-events/blogs/techftc/2015/04/privacy-trade-offs-retail-tracking

Steenkamp, Jan-Benedict E.M. (2018), "Brands and Retailers Under Attack from Hard Discounters," in *Handbook of Research on Retailing* Edward Elgar Publishing.

Stern, Louis W. (1966), "The New World of Private Brands," *California Management Review,* 8 (3), 43–50.

Ter Braak, Anne, Barbara Deleersnyder, Inge Geyskens and Marnik G. Dekimpe (2013), "Does Private-Label Production by National-Brand Manufacturers Create Discounter Goodwill?," *International Journal of Research in Marketing,* 30 (4), 343–57.

Thakker, Krishna (2020), *Private Labels Sales Outpace National Brands in Q1,* April 28. (accessed June 10, 2020). GroceryDive. https://www.grocerydive.com/news/private-label-sales-outpace-national-brands-in-q1/576889/

Underwood, Robert L., Noreen M. Klein and Raymond R. Burke (2001), "Packaging Communication: Attentional Effects of Product Imagery," *Journal of Product & Brand Management,*.

Van der Bel, Dirk, Anne Marie van Hoorn and Hans Pieters (2013), *Informatie en opsporing: handboek informatieverwerving,-verwerking en-verstrekking ten behoeve van de opsporingspraktijk,* Studiecentrum rechtspleging.

Vimari, Susan (2018), *The Evolution of Private Label in a Transforming Marketplace,* (accessed April 26, 2020). https://www.iriworldwide.com/IRI/media/Library/Publications/Q3-2018-Private-Label-Trends.pdf

Wilcox, Christine (2020), *Albertsons Companies unveils new vision for Plated as it joins lineup of popular Own Brands,* (accessed April 26, 2020). https://www.albertsonscompanies.com/newsroom/11-12-19-albertsons-companies-unveils-new-vision-for-plated.html