

Developing a private label brand essay sample

[Business](#), [Customers](#)



Introduction

A private label brand refers to a brand sponsored by a specific dealer, retailer, or merchant as opposed from a brand bearing the name of a producer or manufacturer. Private labels are developed to compete with branded goods by offering cheaper prices and more features than the national brands. With the tough economic times and most commodities becoming expensive, consumers continue to shrink their budget. Statistics show that most consumers are turning to store brands as an alternative to national brands. Perrey and Spillecke (34) asserts that store brands brought in about \$90 billion of revenue last year in the U. S. presenting about 17% of the total market share. This statistic indicates that private label brands are becoming the way to go for shoppers. This paper describes the development of a new line of private product labels introduced to compete with branded products.

Why this category was selected to create a private label

The category chosen in this case for the private label is low fat canned foods category. Most people that are often busy in their working lives often prefer canned foods because they can readily consume them at that state.

Therefore, most stores stock this product and have private labels for canned foods. Statistics indicate that canned foods yield much revenue for most supermarkets. Therefore, stores that stock these products have greater chances of increasing their sales margin.

This category of canned foods is common for busy working people and those people that go out camping or mountaineering. Therefore, it best targets this

group, which is growing in the current population. This category was also selected to create the private label because it consists of low fat. This feature is unique from the rest of the private labels in different stores and therefore, it is likely to catch the attention of most shoppers (Corstjens and Lal 5). Health professionals associate high fat foods with diseases such as high blood pressure and heart diseases. These diseases are becoming a major concern for people and thus most are conscious of the kind of products they consume. Introducing a low fat product that not only meets consumers' needs for ready product but also checks on their health is a great marketing strategy. This store is likely to increase its profit margin and build a strong reputation from the choice of that category.

Ways in which the private label goods could create greater value

The private label of low fat canned foods will offer greater value to consumers because the goods will be cheaper than others in the market will. It will be possible to offer lower prices because the production of the goods will be in-house thus eliminating advertising and marketing expenses. The store will not have to deal with rogue manufacturers and intermediaries thus eliminating extra costs associated with dishonesty. Therefore, since production and marketing costs will be greatly reduced, the store will be able to offer low prices (Lincoln and Thomassen 67). These lower prices will entice consumers and create greater value unlike other branded goods.

Quality of the private label products will add value for consumers compared to competing branded goods. These products will offer different flavors and ingredients that most canned food manufacturers ignore. Since canned foods

are meant for direct consumption, quality is paramount. Therefore, the products will comprise of fresh items and fewer preservatives to ensure quality and minimize the risk of health disorders.

Low fat canned foods will offer greater value for consumers than competing manufacturer's products. Most consumers are conscious of their health and therefore, offering a low fat product means the store is meeting the preferences of the consumers. The low fat products will earn the store a good reputation from consumers because of considering their health.

Competing products rarely consider health in dealing canned foods.

However, these products being ready to eat should provide a full package to the consumer including their health.

The private label products will match other product of the store by communicating the importance of low fatty foods. This feature will create greater value for consumers than competing products because customers will not only be consuming ready products but also healthy products (Kumar and Steenkamp 86). The result of such products is brand loyalty and a positive reputation for the store.

The product name and reasons for selecting it

The product name will be smart diet. This name is designed to communicate the importance of full diet. The diet is also smart meaning that it promotes the health of consumers that use the products. It indicates that clients are able to get a full package of the balanced diet under one item. The container containing the canned food does not provide just one section of the diet but holistic diet. In addition, the diet provides health benefits to consumers by

offering low fat. The product name symbolizes the image of the store, which involves promoting not only a balanced diet, but also a smart healthy diet. This name is catchy and entices consumers to try the product.

In addition, the name is effective because it will be targeting busy people and those that go out for camping. The packaging of the product will be different from that of other competing branded goods because the product will be in sizeable containers (Ailawadi et al 16). The container will have the name written in bright letters. Mountain climbers will be on the face of the containers carrying some of the products from the private label. These features give the label a unique face, which most companies ignore when designing a name.

Another reason for selecting the name of the private label is that it is simple to understand as it uses simple English terms that people are conversant with. Manufacturers make the mistake of using complex brand names that people find difficult to pronounce. This particular brand name is convenient for consumers and it reminds them of the importance of healthy balanced diets.

What the consumer gains by purchasing the private label product

The consumers will benefit from a complete balanced diet all in one product. When a person purchases canned food, it means that this person does not cook and thus depends on that canned food only. Therefore, if the canned food provides all the components for a balanced diet and offers low fat foods, it is a gain for the consumer. The consumer does not have to worry about

getting other products to make a balanced diet. Additionally, the consumer does not to worry about the health effects of that food because it offers low fat. Besides, the products are cheaper compared to national branded products, thus saving the consumer money (Kumar and Steenkamp 156). The composition of these features gives the consumer a holistic meal from one point.

The private label products will comprise of canned beef, beans vegetables, pasta, chicken and fruits among others. Most consumers prefer these items and thus providing each component of the balanced diet at one point will be effective in meeting client's needs. Therefore, clients will not have to worry about a complete diet or increasing their body fat because these products take care of that.

Creating brand loyalty with a private label brand

Unlike national brands that are sold everywhere, private label brands are specific to a particular chain store (Corstjens and Lal 7). Therefore, it is easier for retailers to create brand loyalty with these items. Private label brands are becoming common because of the tough economic times that consumers are experiencing. Private label brands offer distinct features in terms of quality and lower prices. These features make them attractive to costumers unlike branded national goods that are expensive. Consumers now have a different perception of private label brands because of their quality and lower prices that allow consumers to save some amount. Retailers can gain noteworthy advantage over competitors by capitalizing on

the shift to consumer perception and offer high quality products, which foster brand loyalty.

Conclusion

Private label brands are gaining favor because of their lower prices and high quality. The product label brand under consideration in this case is low fat canned foods. This product creates greater value for consumers than competing manufacturer's brand products because it is cheaper and has additional qualities. The product offers a complete balanced diet that consumers can get from one point. In addition, it provides assurance to the health of consumers by containing low amounts of fat. In the end, the store benefits from increased sales margin and it creates brand loyalty with the private label brand.

Works cited

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