



Retailing for every moment conversion

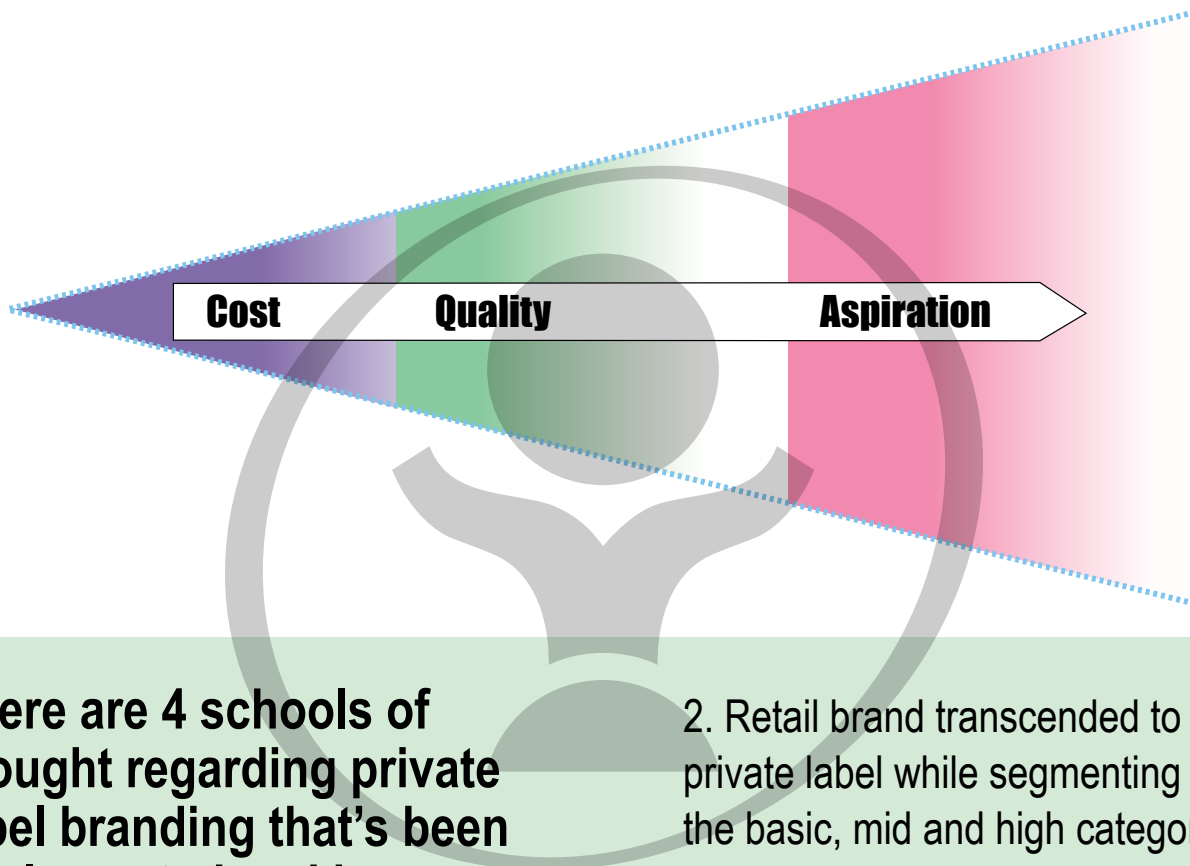
It has historically been proved that the biggest source of income and profitability in the retail business is private label.

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Organized retail in developed countries has, in the last 30 years, strategized to add value to shoppers by providing private label products at 20 to 30% lower price than national brands.

Shoppers there have been educated to expect multiple category products in the retail with only a few brands. As it's difficult to advertise the numerous private label products, their first priority is to make private label into totally self selling objects on the shelf.

The products should implicitly connect to shoppers with a high balance of cost, quality and aspiration while being of lower price than any national brand.



There are 4 schools of thought regarding private label branding that's been implemented and has shown results:

1. Retail brand transcended to private label for basic category products, eg. Carrefour. A few other brands address premium or high value category products.

2. Retail brand transcended to private label while segmenting the basic, mid and high category products with sub category branding, eg. Tesco

3. Retail brand transcends to all categories, eg. Walmart

4. Private label kept totally isolated from the retail brand, eg. Intermarche in France

In the 1970s and 1980s, a few retails created private label brands in every category to look like national brands. Without proper communication these were considered fake and could not succeed. That's why this chapter is totally buried, it cannot come back.

Cross category brand architecture for private label

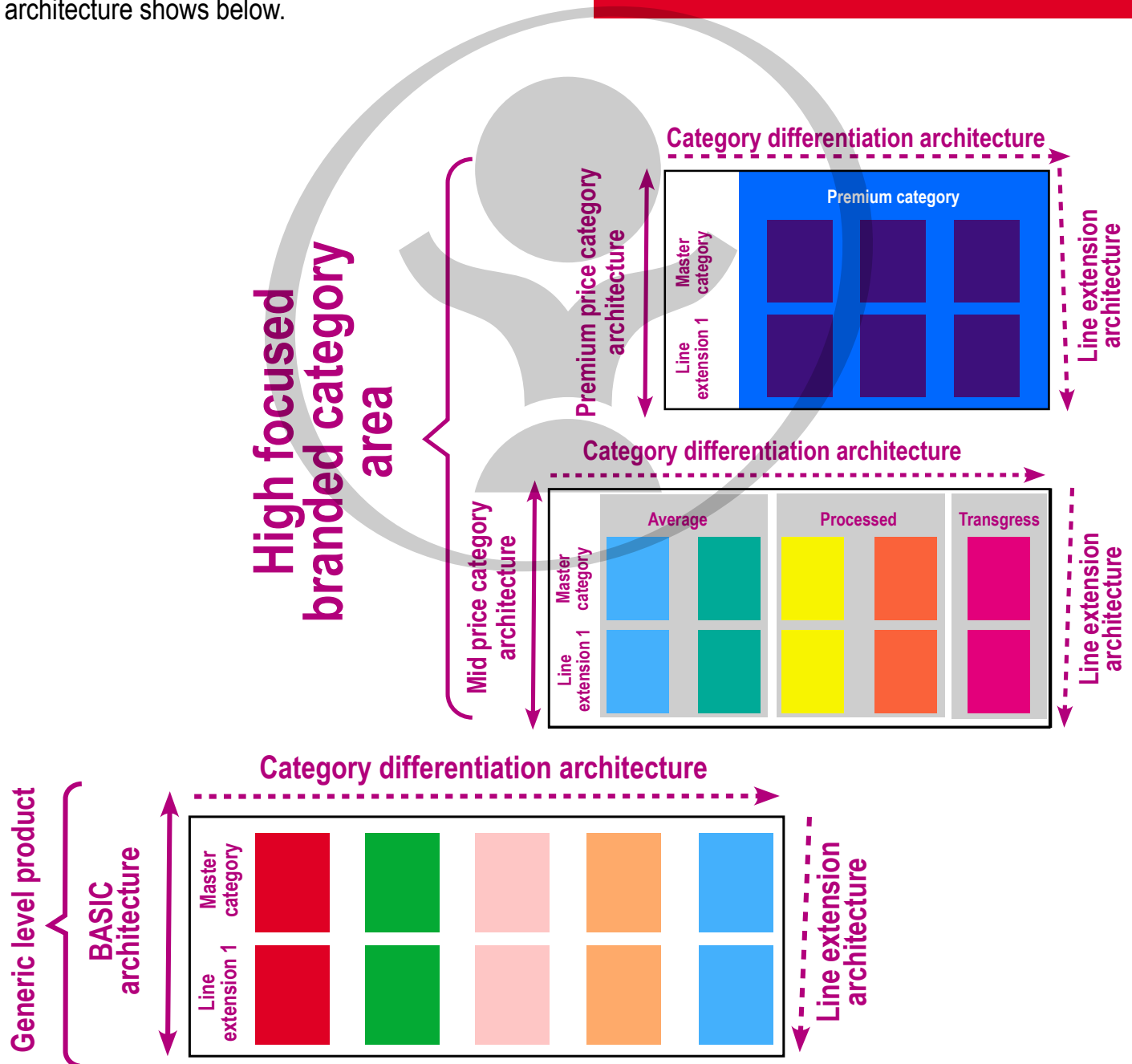
The 4 ways of handling private label that reciprocate success is mentioned in 1 to 4 above.

A large number of categories can easily be fixed under one brand, but a minimum of 3 layers has to be created for the generic level product, branded category product and the exclusive branded category product.

Ideally the 3 levels should have their own very distinctive structural packaging as the illustrative architecture shows below.

There will always be two types of architecture in private label: Basic and category differentiation. The main attraction to be created here is the tangible benefit the shopper can intercept at the moment of purchase.

It's best to avoid copying any national brand as it confuses the shopper at the store. Doing so would make the private label appear like a counterfeit brand. A retail brand has the responsibility of protecting shopper value.



The retail has to simultaneously invite shoppers for the store's multiple choice of national or regional brands, as well as its private label as the shopper's alternative choice, of course not counterfeit choice.

Shining example of low price to high price food category private label for Reliance Fresh



A private label brand cannot be stretched as much as you want, it's usage depends on the type of store. High competence categories such as electronics, telecommunication, durable appliances, jewellery, fashion accessories need to have different private labels in the same store.

But a lot hinges on the store's image. In the case of Harrod's in London, any product that gets the Harrod's stamp receives its authenticity and high premium value.

A manufacturing company's brand is highly focused on the category, and the manufacturer can choose a distribution system for where he wants to sell his products.

But private label is captive sales only. Private label can apply an ingenious extendible architecture differentiating among a range of categories, quality levels, and variety inside each category.

This allows private label to control numerous, quality driven products with discipline and

flexibility for easy understanding so as to create an impact of being the high aspirational alternative to national brands.

Three examples of private label strategy and execution by Shining Consulting



Private label at Reliance Fresh stores categorizes different hierarchy of products from base to premium value



Private label Via driving the cosmetic category for Intermarche in France



Retail brand Monoprix extended as private label across categories

Branding is totally different for a manufacturing company and private label.



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