



Title: Private label competition: the perspective of Swedish branded goods manufacturers

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Abstract:

Purpose – This paper aims to gain a better understanding of how Swedish branded goods manufacturers (BGMs) deal with the increased usage of private labels.

Design/methodology/approach – The approach takes the form of answering the three research questions of this study: how private labels are viewed by BGMs on the Swedish market; how Swedish BGMs strategically respond to the increases in private labels; and how the benefits and drawbacks of these strategic responses are perceived by Swedish BGMs. A contrasting multiple case study of four Swedish companies in the fast-moving consumer goods (FMCG) industry was used.

Findings – The perceived advantages of private labels are connected to their overall control of the market in which they operate, whereas the advantages of BGMs are seen to be linked to product development and superior brand reputation. BGMs respond to private labels by taking them seriously and striving to increase the perceived distance of their brands from private labels in the eyes of the consumers. The overall benefit of these strategies is perceived to be preparedness for increased private label competition, while the drawbacks vary between companies.

Research limitations/implications – In addition to empirical testing based on previous research on private label competition in a new setting, the study also presents suggestions for future research and the implications of the findings for managers.

Practical implications – Findings indicate that BGMs should take the emergence of private labels seriously, while at the same time striving to maintain good business relationships with the retailers.

Originality/value – The study provides insights into the competitive situation between private labels and the manufacturer brands in the Swedish FMCG market.

Keywords: Brand management, Competitive strategy, Fast moving consumer goods, Labelling, Retailing, Sweden

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