

PRIVATE LABEL HAS CHANGED

A Micro-Presentation
By Eric Kingsbury

~~**PRIVATE LABEL**~~
EXCLUSIVE BRANDS

PRIVATE LABEL HAS CHANGED



GENERIC

- No logo
- No frills
- Cheap alternative
- Quality irrelevant
- No aspirations to compete with national brands
- No brand loyalty sought or developed



PRIVATE LABEL

- Endorsed by store
- Value positioning
- Low-cost alternative
- Basic quality
- Little aspiration to compete with national brands
- No specific consumer lifestyle target
- Loyalty sought to the master store brand, not to product brand



EXCLUSIVE BRAND

- Stand-alone branding
- Value and lifestyle positioning
- Value alternative
- Quality important
- Aspirations to compete with national brands
- Targeted to specific consumers
- Loyalty sought to the exclusive brand itself
- Sophisticated line and brand architecture strategies

PRIVATE LABEL HAS CHANGED

BECAUSE THE LANDSCAPE HAS CHANGED

- Mass merchandisers have entered the grocery category (e.g., WalMart, Target, Costco).
- National brands are readily available in channels outside grocery (often at lower prices).
- A new breed of lifestyle- and value-based grocers have established themselves (e.g., Whole Foods, Fresh&Easy)
- Consumers are increasingly brand aware and seek out brands based more on their lifestyle dimensions than on value alone.

PRIVATE LABEL HAS CHANGED

AND THE STRATEGIC OPPORTUNITY IS NOW

The opportunity now exists to

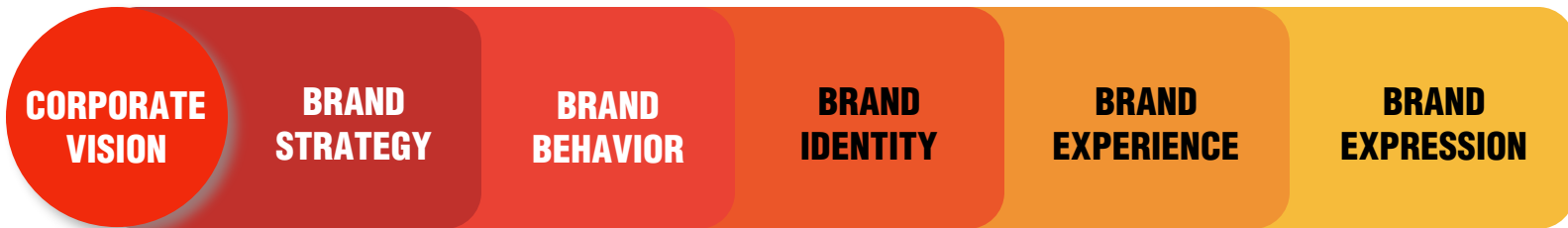
- Develop exclusive brands that rival national brands in quality, brand sophistication and consumer relevance.
- Build consumer loyalty to our exclusive brands (and not just our store brand) and therefore retain loyal store visitors.
- Design effectively rationalized brand architectures that build and leverage the equity of exclusive brands.
- Use our CRM investments to promote exclusive brands.

WE NEED TO BUILD EXCLUSIVE PRODUCT BRANDS THAT:

- 1) CONNECT OUR BRAND VISION WITH CONSUMER PREFERENCES**
- 2) DELIVER SUPERIOR VALUE THROUGH DIFFERENTIATION**
- 3) BUILD RETAIL BRAND LOYALTY THROUGH EXCLUSIVITY**

THE CHART ON THE NEXT SLIDE SHOWS HOW IT ALL CONNECTS

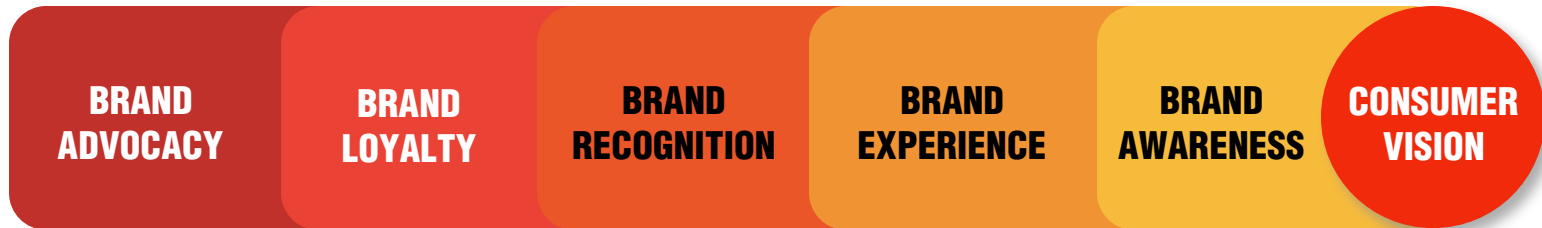
BRAND ALIGNMENT + CONSUMER ENGAGEMENT



IF WE CAN BUILD ALIGNMENT INTERNALLY →

<i>Mission</i>	<i>Promise</i>	<i>Leadership</i>	<i>Visual ID</i>	<i>Product</i>	<i>Advertising</i>	<i>Needs</i>
<i>Vision</i>	<i>Perceptions</i>	<i>Employees</i>	<i>Verbal ID</i>	<i>Environmental</i>	<i>Marketing</i>	<i>Values</i>
<i>Values</i>	<i>Architecture</i>	<i>Culture</i>	<i>Look & Feel</i>	<i>Packaging</i>	<i>PR</i>	<i>Preferences</i>

← **WE CAN DEEPEN ENGAGEMENT EXTERNALLY**



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