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***Supplier inferences to enhance private label perceptions***

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## Supplier Inferences to Enhance Private Label Perceptions

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### **Abstract**

In large part due to the expertise of the many manufacturer brands that are private label suppliers, the objective quality gap between private labels and leading manufacturer brands is small-to-none in many cases. The current research examines how consumer beliefs about the manufacturer brand origins of private labels may enhance their subjective appeal, by testing the effectiveness of two retailer-controlled tactics that create specification similarity and sourcing inferences regarding private labels, and the degree to which these inferences close perceptual gaps between private labels and targeted manufacture brands. Both the private label copycat packaging and invitation to compare to the manufacturer brand tactics are found to create such inferences and significantly narrow perceptual gaps, while enhancing retailer attitude.

Keywords: Private label, manufacturer brand, consumer inference, product supplier

The *Macmillan Dictionary* defines “equate” as “to be the same as something else” and is also the brand name Walmart uses for hundreds of its private label health and beauty products. Not only does Walmart use the Equate name to suggest parity, they also use in-store communications to tell customers which manufacturer brand they should compare with. For example, the Equate Ibuprofen bottle says to “compare with Advil active ingredient” while Equate Hemorrhoid Cream suggests a comparison with market leader Preparation H. This type of manufacturer brand targeting by retailers is an increasingly common tactic for convincing consumers that there is often little or no difference in specification and quality between the brands (Shannon and Mandhachitara, 2005; Sprott and Shimp, 2004; Steenkamp, van Heerde and Geyskens 2010).

Retailers seek an efficient method of communicating the quality improvements of their private labels, because matching the expensive brand building support of manufacturer brands would jeopardize their ability to offer competitive pricing and achieve high margins (Sprott and Shimp, 2004). The targeting of leading manufacturer brands is a possible mechanism for cost-effectively promoting private label quality that has received little attention in the literature. Such tactics may enhance private label evaluations by creating consumer inferences about a leading manufacturer brand as the private label supplier, whether they are the actual source or not (Toporowski and Zielke, 2006; Verhoef, Nijssen and Sloot, 2002).

This research tests two retailer-controlled tactics that “out” the leading manufacturer brand as the implied private label supplier. Both the copycat packaging and invitation to compare tactics are found to create inferences that private label products are the same in specification and supplied by the leading manufacturer brand, which in turn also reduces the perceptual gaps between them and creates improved attitudes towards the retailer. This finding

also suggests that retailer efforts to “out” manufacturer brand suppliers are a potential danger to the brand equity of targeted manufacturer brands.

### **Literature Review**

Building a strong brand is dependent on creating unique, positive, and strong associations and personality traits that will provide differentiation from other brands (Aaker 1997; Dawar, 2005; Keller, 1993). Consumers use strong brands as a quality heuristic, particularly in cases when quality is difficult to evaluate before purchase (Erdem and Swait, 1998; Rao et al., 1999). The fact that the world’s strongest manufacturer brands have such widely recognized positive reputations is typically due to their decades of heavy investment in product innovation, advertising, and widespread distribution. This brand strength is also a major reason that manufacturer brands are frequently perceived to offer quality advantages that make them worth their higher price versus private labels.

Leading manufacturer brands can achieve even higher financial returns on their brand equity investments when retailers replace high quality, but less prominent, manufacturer brands with private labels, because such situations more clearly segment the market (Choi and Coughlan 2006; Dhar and Hoch 1997). When private label quality is perceived as inferior, the value-oriented and/or economically disadvantaged customer segments will tend to buy the cheaper private label alternative, while the more risk averse and/or brand focused and/or economically well-off customer segments will buy the more expensive manufacturer brand (Shannon and Mandhachitara, 2005). In other words, the introduction of private labels at the expense of low equity manufacturer brands provides the highest equity brands with a larger share of the quality-seeking segment.

Consumer perceptions of inferior private label quality, however, may not support the brand building and financial goals of retailers because high quality private labels can provide a number of benefits including: 1) the ability to charge higher prices and increase margins on private labels, 2) opportunities to increase loyalty and reduce price competition with other retailers through the offering of high quality brands not available elsewhere, 3) brand building synergies between the retail brand and private label from increased exposure and positive experiences with the brand, 4) provision for increased brand/assortment choices for consumers, and 5) the ability to negotiate better wholesale prices with manufacturer brand suppliers (Ailawadi and Keller, 2004; Garretson et al., 2002; Pauwels and Srinivsan, 2004; Sayman, Hoch, and Raju, 2002; Sprott and Shimp, 2004). At least in part, these retailer motivations explain the general movement towards higher quality/premium private label products that frequently close the objective quality gap with manufacturer brands.

This higher quality trend is in many cases attributable to the technical and production expertise of the many manufacturer brands such as Lexmark, Heinz, Hershey's, Kraft, Campbell's Soup, General Foods, and Pillsbury that quietly produce private labels as a means to take share from other manufacturer brands, utilize excess manufacturing capacity, and build closer relationships with major retailers (Dunne and Narasimhan, 1999; Kumar and Steenkamp 2007; Ward et al., 2002). Recent research suggests that consumer beliefs about real or perceived manufacturer brand sourcing of private labels is a key factor in their quality beliefs about private label products (Steenkamp et al., 2010). This finding is also supported by evidence from the co-branding/brand alliance literature that finds the quality and status signalled by a higher-class brand may become associated with its lower-class brand "twin" through the process of

information integration or spreading activation (Olson, 2008; Rhoem and Tybout, 2006; Simonin and Ruth, 1998; Vaidyanathan and Aggarwal, 2000).

On the opposite side, elimination of the subjective quality gap might occur via negative spill-over towards the real or perceived manufacturer brand supplier of private labels by signalling that the supplier's brand is less unique, lower in quality, and less worthy of price premiums (Olson, 2008; Rhoem and Tybout, 2006; Steenkamp et al., 2010). For retailers hoping to bring consumer subjective evaluations up to the same level as their private label's objective quality, these findings suggest that they should seek to create linkages in the minds of consumers between their brand and leading manufacturer brands.

Conversely, manufacturers desiring to limit their brand's associations with private labels may choose to not supply private labels and/or include in their supply contracts prohibitions against the retailer providing consumers with private label sourcing information. The outcome of a 1990's court case suggests, however, that these precautions may not be adequate safeguards against private label promoting tactics such as copycat packaging and invitations to compare, which do not require the cooperation of the manufacturer brand. Unilever lost its case against a retail chain whose private label skin cream closely copied the packaging of their market leader Vaseline, because the court ruled that the offending package's invitation to compare with the targeted Vaseline brand would prevent consumers from being confused (Choi and Coughlan, 2006). Although Unilever's lawsuit illustrates their concern about these two retailer controlled tactics, relatively little research has examined the degree to which they create linkages and potentially close perceptual gaps between private labels and the targeted manufacturer brands, which is the topic of the next two sections.

**Copycat Private Label Packaging:**

One of the early prominent cases of copycat private labels involves the UK based Sainsbury's 1994 introduction of Classic Cola, which closely resembled market leader Coca-Cola. This copycat introduction resulted in an almost immediate five fold increase in Sainsbury's private label cola sales, most of which came at Coke's expense (Rafiq and Collins 1996). Retailers defend the practice of closely copying the brand names and packaging of leading manufacturer brands because private labels that look substantially different from the market leader will not be processed as a potential alternative for purchase consideration (Kapferer, 1995; Rafiq and Collins, 1996). Retailers also argue that consumers suffer little harm if the quality of the copycat private label is disappointing, because they can simply revert to the superior manufacturer brand (Kapferer, 1995).

Packaging distinctions between the private label and manufacturer brand are the single most important explanatory factor in explaining the perceived quality gap between the brands, and a key driver in consumer willingness to pay a price premium for the manufacturer brand (Steenkamp et al., 2010). Research also shows copycat tactics increase the frequency of consumer misidentification of private labels as manufacturer brands while increasing consumer evaluations of the copier (Ailwadi and Keller, 2004; Rafiq and Collins 1996). These copycat outcomes are most often attributed to stimulus generalization, when the packaging/branding similarity leads to the transfer of positive brand associations from the copied to the copier, and/or consumer confusion, when habitual manufacturer brand shoppers mistakenly grab the copycat sitting next to their usual brand on the shelf (Steenkamp, et al., 2010).

Although the effects of stimulus generalization and consumer confusion require only low level consumer cognition, the Unilever lawsuit against the Vaseline copycatting retailer was

based primarily on management fears about higher-level cognitions that would lead consumers to infer that the similar packaging meant Vaseline was the provider of the high quality private label (Choi and Coughlan, 2006). Such fears may be justified by research that finds consumers clearly recognizing manufacturer brands as the target of copycat private labels (Sayman et al. 2002), and by attribution theory that predicts consumers will attempt to infer an explanation for such targeting (Garretson, Fisher, and Burton, 2002). Although no previous research examines whether copycat tactics result in inferences about the quality and sourcing of private labels, possible attributions for the packaging similarity could include the feared inferences that the two brands are made by the same firm and/or they share similar/same specifications and quality, and supports the following hypotheses:

H1<sub>a</sub>: Private label packaging that closely resembles the leading manufacturer brand relate positively to inferences that the two brands are more similar in specification. H1<sub>b</sub>: Private label packaging that closely resembles the leading manufacturer brand relate positively to inferences that the brand leader is the source of the private label.

Perceptions of specification similarity and common sourcing with manufacturer brands have been found to be important drivers of private label quality perceptions (Steenkamp et al., 2010). Assuming that copycat packaging does activate these hypothesized inferences, they may also serve as a diagnostic link between the private label and leading manufacturer brand that provides the cognitive justification for reducing the perceptual gaps between them and for improved retailer attitudes (Lei et al., 2008; Roehm and Tybout, 2006). This leads to the following predictions:

H1<sub>c</sub>: Private label packaging that closely resembles the leading manufacturer brand reduces the brand personality gap between a private label and a leading manufacturer brand (i.e.

the scale rating difference between the private label and manufacturer brand is reduced). H1<sub>d</sub>: Private label packaging that closely resembles the leading manufacturer brand reduces the attitude gap between the private label and leading manufacturer brand. H1<sub>e</sub>: Private label packaging that closely resembles the leading manufacturer brand creates more favorable attitudes towards the retailer brand.

### **Invitations to Compare Private Labels with Manufacturer Brands:**

While copycatting is widely used, the tactic does bring an increased risk of lawsuits from targeted manufacturers seeking to protect their brand equity. A legally safer and increasingly popular alternative among major retailers such as Target, Dollar General and Walmart, utilizes package labelling, shelf-tags, and other in-store communication to invite consumers to compare private label alternatives with leading manufacturer brands. In contrast to the copycatting effects that at least partly rely on low-level cognitive processes such as stimulus generalization, the effectiveness of the comparison invitation tactic will likely requires consumers to use higher-level cognitions.

This outcome may be one reason that retailers utilizing this tactic frequently employ explicit comparison invitations such as “compare the ingredients with ...”, which is often followed by a rhetorical question such as “why pay more?” Rhetorical questions are effective because they increase cognitive processing (Burnkrant and Howard, 1984; Petty et al., 1981), particularly when the message is strong and involvement is low (Ahuwalia and Burnkrant, 2004). This added processing is therefore more likely and more necessary in fast moving consumer goods where private labels have made their biggest inroads, since these are the types of products that most consumers purchase using very little thought and effort (Sprott and Shimp, 2004).

Attribution theory predicts that consumers will try to infer the retailer's rationale for inviting comparison to the leading manufacturer brand by providing such explanations as; "they would not do this if they were not the same" and/or "the retailer might be telling me they are from the same supplier".

Consumers might be more suggestible to such positive private label attributions due to other factors such as shelf location and media coverage. For example, a recent edition of *Consumer Reports* notes that many manufacturer brands also produce private label products and that objective quality differences are often small or non-existent (Steenkamp et al., 2010). Retailers typically also make comparisons easier for customers by placing private labels next to the targeted manufacturer brands on the shelf (Grill 2010), which may also enhance the credibility of the invitation to compare, even if the consumer does not make the effort to examine the ingredient labels (Friestad and Wright, 1994; Pechman, 1996). Although no prior research establishes whether the invitations to compare create inferences about the specification similarity and manufacturer brand sourcing of private labels, the common methods of implementing the tactic suggest that such inferences are likely:

H2a: Messages inviting comparisons between a private label and the leading manufacturer brand relate positively to inferences that the two brands are more similar in specification. H2<sub>b</sub>: Messages inviting comparisons between a private label and the leading manufacturer brand relate positively to inferences that the brand leader is the source of the private label.

As long as a limited portion of information is perceived as diagnostic, research finds consumers do not need complete information to infer linkages between brands that allow spillover to occur between them (Roehm and Tybout, 2006). Assuming the invitation to

compare does create the hypothesized inferences, the tactic is also expected to serve as a cognitive mechanism for closing perceptual gaps between the private label and the targeted manufacturer brand and improving the retailer brand attitude:

H2<sub>c</sub>: Messages inviting comparisons between a private label and the leading manufacturer brand reduce the brand personality gap between the private label and leading manufacturer brand. H2<sub>d</sub>: Messages inviting comparisons between a private label and the leading manufacturer brand reduce the attitude gap between the private label and leading manufacturer brand. H2<sub>e</sub>: Messages inviting comparisons between a private label and the leading manufacturer brand create more favorable attitudes towards the retailer brand.

### **Method**

H1 and H2 are tested with private label cola and shampoo targeting the market leading manufacturer brands Coca-Cola and Pantene. The retailer selected is a leading full-service supermarket chain in the Scandinavian market (Meny), and neither of the private label test categories was available at the retailer prior to the data collection, eliminating personal experience with the private labels as an alternative explanation for the results. To avoid the legally questionable copycat tactic of creating a retailer sub-brand that is similar to the targeted manufacturer brand, the experimental private labels are also given the Meny name (Rafiq and Collins, 1996).

Respondents were 243 Norwegian citizens (mean age = 41, range = 18 to 77, 66% female) recruited in Oslo area shopping malls. Respondents were approached and randomly placed into either the cola or shampoo test group and then asked filter questions to determine if they regularly purchased the product and whether they were familiar with Meny stores. Only

respondents with the necessary experience and agreeable to “answering a few questions about advertising” were randomly shown 1 of 3 full-color stimuli “advertisements” for either cola or shampoo (see figure 1 for cola example – the shampoo example was identical in wording and manipulations). The use of the 30% price discount figure in the stimuli text is consistent with the typical price difference between private labels and leading manufacturer brands (Ailawadi et al., 2001; Sayman et al., 2002).

Figure 1 here.

After viewing the stimuli, respondents were asked to fill out a questionnaire that included 7-point scales measuring specification and sourcing inferences, brand personality, and attitude towards the private label, retailer brand (i.e. Meny), and targeted manufacturer brand (see bottom of Table 1 for listing of measures and sources). Brand personality and attitude gap score calculations follow the method of Erdem, Swait, and Valenzuela (2006), where private label ratings are subtracted from the manufacturer brand ratings on the same measures. Cronbach’s Alpha for all multi-item constructs including the overall brand personality and attitude indexes ranged from .76 to .98.

To ensure that the use of scale items to measure inference would not create self-generated validity problems (Feldman and Lynch, 1988), a qualitative pre-test was conducted with 20 randomly recruited people similar to those in the main study. Each person was shown one stimuli ad that contained either the copycat packaging or the comparison invitation with rhetorical question. Each respondent was then asked “what comes to mind after seeing this ad?” All 20 respondents noted that the retailer was clearly trying to show that the quality of the private

label was comparable or identical to the leading manufacturer brand. Four out of 10 copycat respondents and 6 out of 10 comparison invitation respondents also suggested that the private label product was perhaps made by the manufacturer brand since they appear to be similar. The 10 respondents that did not mention the manufacturer brand as a potential supplier were then asked if they thought that the private label might be made by the manufacturer brand. Eight out of the 10 agreed a common manufacturing source was possible or highly likely. These results suggest that the tested tactics are capable of generating the predicted inferences.

To ensure that randomization created equality among the groups, respondents were also asked questions about their involvement and knowledge of the test product categories (i.e. “Soft drinks are important to me”, “I consider myself knowledgeable about shampoo”). No significant differences were found between the groups on product category knowledge and involvement, age, and gender ( $p > .1$ ).

### **Results**

Table 1 shows that the group seeing the copycat private label cola is significantly ( $p < .05$ ) more likely than the control group to: H1<sub>a</sub>) think the two brands are identical in specification (2.69 vs. 3.90), H1<sub>b</sub>) think Coke is the producer of the private label (2.90 vs. 3.74), H1<sub>c</sub>) has a smaller overall brand personality gap (2.21 vs. .36), and H1<sub>d</sub>) smaller overall attitude gap (2.14 vs. .95). The tactic also enhances attitudes towards the retailer (3.30 vs. 4.27), supporting H1<sub>e</sub>. Rating comparisons between the control and copycat groups on each cola brand finds the reason for the gap reduction is a significantly improved rating for the private label on all personality and attitude measures, and significantly lower Coca-Cola evaluations on the personality and affect attitude measures, but not significantly lower conative or overall attitude ratings.

Results for the shampoo respondents also support the hypothesis as the group seeing the copycat private label shampoo is significantly ( $p < .05$ ) more likely than the control group to: H1<sub>a</sub>) think the two brands are identical in specification (3.00 vs. 3.89), H1<sub>b</sub>) think Pantene is the producer of the private label (3.18 vs. 3.68), H1<sub>c</sub>) have smaller gaps on overall brand personality (1.69 vs. .03), and H1<sub>d</sub>) overall brand attitude (1.87 vs. .42). This tactic in the shampoo context also supports H1<sub>e</sub> by significantly enhancing attitudes towards the retailer (4.03 vs. 4.88). Rating comparisons between the control and copycat groups on each shampoo brand finds the reason for the gap reduction is a significantly improved rating for the private label, and significantly lower Pantene rating on all personality and attitude measures.

Table 1 here.

This pattern of results is largely repeated with H2, as the comparison invitation group has significantly ( $p < .05$ ): H2<sub>a</sub>) higher beliefs about the specification similarity (2.69 vs. 4.81), H2<sub>b</sub>) private label sourcing (2.90 vs. 4.72), H2<sub>c</sub>) a significantly smaller personality gap (overall personality gap 2.21 vs. -.88), and H2<sub>d</sub>) attitude gap between the private label and manufacturer brand (overall attitude gap 2.14 vs. -.012). Attitude towards the retailer is also significantly enhanced from 3.30 to 4.64, supporting H2<sub>e</sub>. As with the H1 results, the gap reduction is based on significantly improved ratings for the private label cola on all personality and attitude measures, and significantly lower Coca-Cola evaluations on the personality and affect attitude measures, but not significantly lower conative or overall attitude ratings. H2 is again supported in the shampoo context with significantly higher beliefs about: H2<sub>a</sub>) specification similarity (3.00

vs. 4.78), H2<sub>b</sub>) common sourcing (3.18 vs. 4.65), H2<sub>c</sub>) smaller personality gaps (1.69 vs. -1.68), and H2<sub>d</sub>) attitude gaps (1.87 vs. -.89).

The findings support H2<sub>e</sub> by the enhanced retailer attitude (3.43 vs. 4.71). Again, the reason for the gap reduction followed the same pattern as the H1 results with significantly improved ratings for the private label shampoo, and significantly lower ratings for Pantene on all personality and attitude measures. Although differences between the tactics are not hypothesized, the effects of the comparison invitation are also significantly ( $p < .05$ ) stronger than the copycat condition on all inference, personality and attitude measures.

### **Discussion**

Although retailers frequently use copycat packaging and comparison invitations to enhance private label perceptions, the effectiveness of these tactics has received little attention in the literature. The results indicate both tactics create inferences that the private label is sourced from and physically identical to the leading manufacturer brand, although the invitation to make a direct comparison of ingredients and price through the use of a rhetorical question is somewhat more effective. Both tactics also significantly reduce attitudinal and brand personality gaps between the two brands and enhance consumer attitudes towards the retailer.

#### **Retailer Implications:**

The results suggest that either of the tested tactics are likely to be cost effective for retailers hoping to improve consumer evaluations of their private labels, with two major provisions: 1) they need to assess the possible costs of defending copycat tactics from lawsuits brought by targeted manufacturer brands, and 2) they need to examine the effects of the tactics tested here on the overall profitability of the product category, which should include their potential for reduced price competition with other retailers (Ailawadi, Neslin, and Gedenk,

2001), and the financial value the positive private label feedback can provide to the retailer's overall reputation (Grewal, Krishnan, Baker, and Borin, 1998).

### **Manufacturer Brand Implications:**

Although manufacturers might attempt to defend their brand equity by refusing to supply private labels and/or bringing legal action against copycatting retailers, these types of actions are likely to be seen as unfriendly by increasingly powerful retail chains (Steenkamp et al. 2010). Alternatively, manufacturers might follow two less belligerent pathways to defending their brands from being successfully targeted by high quality private labels.

Pathway 1 is based on ensuring that customers receive superior taste, durability, convenience, variety, etc. from the manufacturer brand so that they can easily experience the difference if they mistakenly buy the copycat private label, or purposely buy one in response to a "compare and save" invitation. If the manufacturer brand is clearly superior to the competing private label, the tactics tested here will not be financially damaging because the less satisfactory experience will lead most consumers back to the targeted manufacture brand for subsequent purchases. Since popular advantages will likely be copied, manufacturer brands that follow pathway 1 will need to constantly innovate to maintain meaningful advantages in value, quality, and performance that can be effectively communicated to consumers (Hoch, 1996; Quelch and Harding, 1996; Steenkamp et al. 2010; Verhoef et al., 2002).

Pathway 2 is based on understanding the private label economics from the retailer's perspective and working to ensure that retailer profits are healthier from the sale of their manufacturer brand versus private labels. Although margins are frequently higher for private labels, their typically lower retail prices, loss of trade allowances, and added retailer borne costs for delivery and warehousing may not always make them more profitable for the retailer

(Corstjens and Lal 2000). If the manufacturer can educate the retailer about the superior profits derived from selling their brand, then the retailer's self interest will not be served by targeting the brand with the private label promoting tactics tested here.

### **Limitations and Future Research:**

The use of two product categories and a Norwegian sample limit the generalizability of the findings here, although the results generally correspond with other brand research in differing contexts (i.e. Olson 2008; Steenkamp et al. 2010). Furthermore, the sizeable perceptual gap reductions caused by the tactics tested here should also not be assumed in cases involving low/no reputation retailers. Although the current research used a well-known and respected retail brand, other research suggests that positioning private labels against leading manufacturer brands is unlikely to be effective unless the claims are credible to consumers (Ailawadi and Keller, 2004; Sayman et al., 2002). Future research, therefore, might test the tactics using other product categories, other geographic locations, and in low/no reputation retailer contexts.

The tactics that this study investigates also assume that private labels will benefit from their association with leading manufacturer brands, because the manufacturer brand is believed to offer superior quality by a large portion of consumers. In some cases, however, private labels have successfully used super-premium positioning strategies that lead consumers to believe they are superior to manufacturer brands (i.e. Loblaw's President's Choice in Canada, Mark's & Spencer in the UK) (Ailawadi and Keller 2004; Corstjens and Lal 2000; Sayman et al., 2002; Steenkamp et al. 2010). Future research might examine if the tactics tested here could be reversed to benefit the manufacturer brand supplier of these premium private labels, particularly in cases where the private labels are priced at similar levels to the manufacturer brand and/or the supplier is not the leading manufacturer brand.

### **Conclusion**

The improvements to private label and retailer attitudes found here are likely to be temporary if actual private label product experiences do not live up to the promise inferred by the use of copycat packaging and comparison invitations. On the opposite side, manufacturer brand managers also need to be aware of the fragile nature of brand equity that is based primarily on intangibles such as image, because such brands will be increasingly tempting targets for retailer controlled tactics that can lead customers to believe that the emperor has no clothes.

Manufacturer brands should therefore expect continued downward pressure on margins unless the product delivers the promised brand benefits through tangibly superior product quality and/or value.

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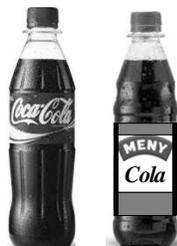
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Figure 1

Control Stimuli




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**MENY** gives you the option of buying your favorite brands such as Coca-Cola or saving an average of 30% with high quality Meny store brands

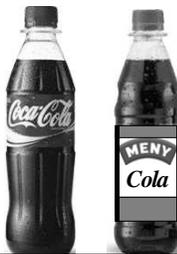
Package Similarity Stimuli




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**MENY** gives you the option of buying your favorite brands such as Coca-Cola or saving an average of 30% with high quality Meny store brands

Comparison Invitation Stimuli




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Compare with Coca-Cola and Save!  
Compare the ingredients of **MENY** Cola with Coca-Cola. If you cannot see or taste the difference, why pay 30% more?"

Table 1

**Section 1: Cola**

Group:	1	2	Control	Oneway
Similarity of PL Package to MB:	High	Low*	Low	ANOVA
Explicit Request to Compare PL with MB:	No*	Yes	No	F / t (2-t)
n =	(42)	(43)	(42)	

**Inferences: (1)**


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PL Cola Identical to Coke Belief	3.90 (c)	4.81 (c)	2.69	32.67 / .000
PL Cola Made by Coke Belief	3.74 (c)	4.72 (c)	2.90	26.51 / .000

**Gaps between Coke & Private Label Cola and Retailer Attitude: (2)**


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Affect Attitude Gap (3)	0.45 (c > <)	-0.72 (c > <)	2.05	55.55 / .000
Conative Attitude Gap (3)	1.45 (c >)	0.49 (c >)	2.24	19.22 / .000
Overall Attitude Gap (5)	0.95 (c >)	-0.12 (c >)	2.14	44.27 / .000
Uniqueness Gap (4)	0.17 (c > <)	-1.21 (c > <)	1.98	72.26 / .000
Honesty Gap (4)	0.26 (c > <)	-1.11 (c > <)	1.98	93.25 / .000
Successfulness Gap (4)	0.64 (c > <)	-0.30 (c > <)	2.69	76.04 / .000
Overall Personality Gap (5)	0.36 (c > <)	-0.88 (c > <)	2.21	105.07 / .000
Retailer PL Attitude (6)	4.27 (c)	4.64 (c)	3.30	24.24 / .000

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**Section 2: Shampoo**

Group:	1	2	Control	Oneway
Similarity of PL Package to MB:	High	Low*	Low	ANOVA
Explicit Request to Compare PL with MB:	No*	Yes	No	F / t (2-t)
n =	(38)	(40)	(38)	

**Inferences: (1)**

PL Shampoo Identical to Pantene Belief	3.89 (c)	4.78 (c)	3.00	31.96 / .000
PL Shampoo Made by Pantene Belief	3.68	4.65 (c)	3.18	19.97 / .000

**Gaps between Pantene & Private Label Shampoo and Retailer Attitude: (2)**

Affect Attitude Gap (3)	0.42 (c > <)	-0.63 (c > <)	1.92	57.35 / .000
Conative Attitude Gap (3)	0.16 (c > <)	-1.15 (c > <)	1.82	47.64 / .000
Overall Attitude Gap (5)	0.29 (c > <)	-0.89 (c > <)	1.87	58.79 / .000
Uniqueness Gap (4)	0.05 (c > <)	-1.67 (c > <)	1.45	49.97 / .000
Honesty Gap (4)	-0.08 (c > <)	-1.92 (c > <)	1.74	126.33 / .000
Successfulness Gap (4)	0.11 (c > <)	-1.45 (c > <)	1.89	75.59 / .000
Overall Personality Gap (5)	0.03 (c > <)	-1.68 (c > <)	1.69	103.74 / .000
Retailer PL Attitude (6)	4.20 (c)	4.71 (c)	3.43	19.05 / .000

Notes: Table abbreviations and symbols: MB = Manufacturer Brand, PL = Private Label; (c) next to column mean value indicates that Scheffe post-hoc tests results were significant between mean value in current column and control group ( $p < .05$ ). (>) indicate the gap was reduced due to significant improvement in private label rating ( $p < .05$ ), (<) indicate the gap was reduced due to significant reduction in national brand rating ( $p < .05$ ).

- (1) All inference items use 7-point “Disagree ← → Agree” scale. Specification inference item: “I believe that Meny Cola/Shampoo is identical in specification and ingredients to Coca-Cola/Pantene Shampoo.” Source inference item: “I believe that Meny Cola/Shampoo is produced by the manufacturer of Coca-Cola/Pantene.”
- (2) Gaps are measured by subtracting the private label score from the manufacturer brand score on the same measure(s). For example, if Coke is rated a 6 on uniqueness, and Meny Cola is rated a 4, the gap is 2.

- (3) All attitude measures adopted from Simonin and Ruth (1998) use 7-point semantic scales covering all the test brands (i.e. “my feelings towards Meny Cola are”: Affect items; “unfavorable  $\leftrightarrow$  favorable”, “negative  $\leftrightarrow$  positive”, Conative; “never buy  $\leftrightarrow$  definitely buy”).
- (4) Brand personality items adopted from Aaker (1997) “not unique  $\leftrightarrow$  unique”, “dishonest  $\leftrightarrow$  honest”, “unsuccessful  $\leftrightarrow$  successful”.
- (5) Overall measures of attitude and brand personality are an index based on the average across the multiple measures from note 3 and 4 respectively.
- (6) Retail brand attitude uses an index based on the average across same measures from note 3 above.