Chapter 1

Private Label Management: Insights and Research Directions

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ABSTRACT

The aim of this paper is to review empirical and theoretical academic research about Private Label products (PLs) and to suggest directions for future research. The review focuses on the period of greatest scientific output (2000-2014) and consults all the international publications on marketing ranked by the Academic Journal Quality Guide. This work has yielded a large selection of articles (270) on PL. The paper’s summary of PL research permit a better understanding of the nature of PL and suggests themes for future research. Emerging areas of research were found to be: consumer perceptions of PL and their related behaviour; price and price promotion; channel relationships and quality; with innovation, segmentation and shelf space the least frequently studied. Most studies used analysed consumer data to focus on the grocery sector data. Finally, the study identifies gaps (such as the lack of focus on private label services) and suggests directions for future PL research.

INTRODUCTION

In this article, “Private Label” (PL) refers to brands owned by retailers rather than manufacturers (Frank & Boyd, 1965), although the definition of PL is not uniform in retail marketing textbooks (Burt & Davies, 2010). The first PL product dates back to the nineteenth century (Herstein & Gamliel, 2004). According to the Social Science Citation Index (SSCI) the first article on PL was published in the 60s (i.e. Bonwich, 1962). From 1962 to 1989 fewer than 12 articles appeared on the subject, and just 42 published between 1990 and 1999. Since 2000, interest in PL has increased, with 270 cited articles in print to 2014, of which 46.3% were published in 2010-2014. This increase may be partly due to growth in the number of relevant journals and in the number of issues per volume. However, the growth in PL
research mirrors the increase in PL market share across different countries. The market share for PL has grown significantly across Europe, reaching more than 40% in countries as: Switzerland, Spain, United Kingdom, Germany, Belgium and Portugal (Private Label Manufacturers Association, 2013). PL market share is almost 18% in the United States (Nielsen, 2011).

Nevertheless, few PL literature review studies have been conducted to identify emerging themes in both PL theory and practice. These reviews cover certain time periods and use single databases that examine a limited number of articles: Hyman, Kopf and Lee (2010) searched in the Business Source Premier database and revealed 73 articles published since 1990; Manikandan (2012) used less than 30 papers to discuss PL theory building; Burt and Davies (2010) reviewed research themes in retail branding without specifying the number of articles. Additionally, some authors have conducted meta-analysis on particular private label aspects: impact of price presentation on perceived savings – 20 articles (Krishna, Briesch, Lehmann, & Yuan, 2002); NB and PL competition models – 44 articles (Sethuraman, 2009); factors influencing consumer behaviour towards store brand – 48 articles (Fan, Qian, & Huang, 2012); determinants of store brand share – 54 articles (Sethuraman & Gielens, 2014).

This study focuses on 2000 to 2014, the period of greatest PL publication output. It includes a full list of international publications on marketing ranked by the Academic Journal Quality Guide (AJQG) (Association of Business Schools [ABS], 2010). This yielded a large selection of PL articles. The aim of this study is to review this academic body of literature in order to:

1. Identify the principal areas of investigation and existing gaps;
2. Examine the state of this research domain through the most relevant contributions; and
3. Suggest future lines of research to broaden our understanding of PL.

The study is structured as follows: first, methodology is discussed; second, indicators of publication activity and journal impact are considered; third, the main areas of research are linked to key contributions, using a co-word analysis. Then the studies’ research techniques are analysed. Finally, future research, conclusions and limitations of the study are discussed.

**METHOD**

The choice of journal articles as a unit of assessment is because academics acknowledge them as the most advanced and current knowledge base, to be used when reviewing management literature (e.g. Brown & Dant, 2009; Leone, Robinson, Bragge & Somervuori, 2012). The AJQG uses *five sources of evidence* (ABS, 2010, p. 1). It is recognised as one of the top classification lists (Harzing, 2014). It includes all those that are indexed in other journal rankings, like the Journal Citation Report (JCR) of the Social Science Citation Index (SSCI).

The articles referred to here were identified using specific key words: private label, private brand, store brand, own-brand and retail brand. 270 articles\(^1\) were found in 33 out of the 54 marketing journals listed by AJQG. The key words appeared in the title, abstract or article key words. However, due to the diversity of use of brand terms (Schutte, 1969), a decision was made as to whether the article was relevant to this research. For example, some authors used ‘retail brand’ as a synonym for ‘private brand’ (e.g. Binninger, 2008; Burt, 2000; Burt & Davies, 2010), while others referred to ‘retail brand’ or “store