Chapter 6

Spanish Food Private Labels: In Search of a Differential Positioning

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ABSTRACT

Although they were devised as a low price positioning choice for consumers concerned by food products prices, recently most private labels have developed a specific differential positioning, some of them priming quality, some priming other non-price related factors. A few of these factors can be best related to certain brands. However, the majority of the Spanish food brands still have some shared attributes which, when concurring, can be used as predictors of PL purchasing. Based on the research data from a survey, the authors reconstruct what happened with PL from the years before the recession to the present time. The influence of the crisis on the private label positioning is also examined.

INTRODUCTION

Private labels (henceforth PL) have enjoyed considerable marketing success in many countries throughout the world, including Spain. It is hard to find other cases where the breakthrough and growth have been so significant.

This purpose of this chapter is double fold: on the one hand, to assess the evolution in the positioning of selected food PL in Spain, determining whether these brands have evolved homogeneously or whether each one has evolved differently, to a distinctive positioning as compared to other PL. On the other hand, to investigate whether there are common positioning features of these PL that would enable a model capable of explaining purchase proneness and enabling a level of predictive power. The influence of the crisis on the positioning of PL will also be examined.

The academic literature revision suggests two research approaches: one that aims to identify objectively measurable parameters—such as quality or price, and another that, acknowledging the difficulty to isolate these parameters from the unpredictable nature of human reasoning and behaviour, focuses on...
them as perceived factors, such as quality perception, price perception, etc. (Ailawadi & Keller, 2004; Wicks & Roethlein, 2009; Zeithaml, 1988). In this second approach, positioning becomes crucial in PL analysis. Specific attention is given to experiential factors as potential modifiers of the consumer perception of quality and price of the products and the stores. So do risks, considered as background factors potentially determinant in purchase behaviour, but which stay neutral when they are mildly or simply not perceived by consumers. The unknown actual influence of the unconscious aspects of the human behaviour on product purchase (Fitzsimons et al., 2002) is considered a limitation of this subject research, while opening, at the same time, an intriguing glance into new, future research.

The inconclusive approach from objective parameters shows the suitability of a positioning approach to the research of PL, based on consumer perception of those factors that academic literature has identified as the most relevant in PL consumer purchase behaviour. This approach is the one that we will follow in this chapter.

BACKGROUND

There is a considerable volume of academic literature focusing on perceptions when undertaking the study of Private Labels. It is widely accepted that the value of a brand transcends the value of the products that it covers and identifies (Shocker & Srinivasan, 1979), and that using products recreates feelings and emotions in the consumers’ mind, becoming a means of self-expression and for creating self-identity (Aaker & Mc.Loughlin, 2007; Richins, 1994). Marketing actions taken on price, price promotion, store image or advertising may alter the consumers’ brand value (Yoo et al., 2000). As with any other brand, all PL are increasingly imbued with emotion and ‘imagery’, more than just the functional logic attached to PL in the previous generation (Kumar et al., 2007). Attributes to explain consumer proneness to purchasing PL are often considered in the academic literature from the perception point of view (Ailawadi & Keller, 2004; Wicks & Roethlein, 2009; Zeithaml, 1988). Even risk analysis has been approached from the consumers’ perception of the risks themselves and the alimentary safety (Verbeke, 2005).

For many authors, consumers base their purchase decisions on the benefits that they can potentially obtain, either functional (savings, intrinsic quality) or hedonic (leisure, entertainment, pleasure…). While the first type of benefits do not seem to have conclusive relevance in PL purchasing, the second type relevance is significant, particularly those factors derived from PL promotions, entertainment related factors, exploration and expression factors, etc. (Ailawadi et al., 2001; Chandon et al., 2000). Promotions can strengthen the assimilation of PL to National Brands and make consumers aware of their importance in their needs and lifestyle (Goldsmith et al., 2010).

Intrinsic factors are, admittedly by some authors, difficult for consumers to evaluate. When a consumer experiences difficulties to evaluate a product for its intrinsic features, he/she tends to use extrinsic factors such as price, the brand image, etc., inferring from them the quality of the product (DelVecchio, 1999; Sethuraman & Cole, 1999). Extrinsic factors, such as variation in perceived quality, perceived risk and value for money, have an influence on the proneness to purchase PL (Richardson et al., 1994). Of the wide range of attributes found in the literary review as being used in the PL analysis, some of them are either inconclusive in proneness to purchasing PL or their relevance is not accepted by the majority of the authors that have analyzed them, hence they are not considered in the present research. Some others are mostly accepted as relevant in determining proneness to PL purchasing and, therefore, have been considered in this chapter. In the case of experiential factors, it is widely accepted that Purchase
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