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Investigating manufacturer brand strategies to navigate the development of private label in Swedish grocery retail

by

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Abstract

Title: Investigating manufacturer brand strategies to navigate the development of private label in Swedish grocery retail

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Thesis Purpose: The objective of this research paper is to identify the techniques employed by manufacturing brands and assess their practicality in the context of transforming private label development.

Methodology: This study, which is based on a qualitative and exploratory methodology, takes an abductive approach to exploring the nuances of manufacturing brands. It embraces the core concepts of social constructivist epistemology and a relativistic ontological stance.

Theoretical Perspective: Hoch´s Strategic Framework lays the foundation for this study. Additional theories such as the history of private brands and B2B relationships strengthen the research further.

Empirical Data: Ten semi-structured interviews and observational studies conducted in groceries stores serve as the empirical material. The information is presented in accordance with the six strategies of Hoch's Strategic Framework and the themes that have been identified.

Findings/Conclusions: The report emphasizes how the Swedish grocery retail sector has changed since Hoch's 1996 framework, highlighting the necessity for manufacturing brands (MB) to alter their tactics in order to compete with private labels' (PL) growing market share. The study indicates that traditional tactics, such as me-too products, are less successful when PL gains shelf distinction; this highlights the significance of promotional activities and branding for MB in order to stand out.

Practical Implications: According to the research, managers in the grocery retail industry ought to prioritize strategic decisions the greatest attention. It emphasizes the value of current strategies like branding and B2B connections while dismissing outdated strategies. In order to strategically distinguish brands, the created framework suggests focusing on branding, promotions, and B2B connections. Efficient planning based on market competitiveness is vital.

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Finally, as colleagues, we would like to convey our sincere gratitude to one another for the steadfast support and companionship that got us through times of uncertainty and doubt. This thesis has been built around our combined efforts, resiliency, and dedication, which have fostered a collaborative and team-oriented spirit that has enhanced our expertise and led to results that have surpassed our expectations. We have risen to the obstacles of the last few months as a team, developing a friendship that goes beyond the classroom and making memories that will last long after this thesis is finished.

Ebba Blomberg

Ellen Persson

Lund, 31st of May

Glossary

Strategy	Strategy is an organization's long-term objectives and plan for achieving them.
Private Label	Goods that a retailer owns, and sells are referred to as "private labels" in the retail industry. Retailers typically hire third-party producers to manufacture these products.
Manufacturer Brand	Manufacturer brands in food retail are products associated with a particular manufacturer. These goods typically use the same logo, colors, fonts, and design elements as the company's own branding.

Table of content

1. Introduction

/The introductory chapter provides an overview of the study by first presenting a background of the rivalry between private labels and manufacturer brands in the Swedish grocery retail sector, followed by an explanation of the development of private labels. Afterward, the formulation of the research problem will be highlighted in a problem discussion based on existing research, leading to the development of research questions and the purpose of the report. The chapter proceeds to identify delimitations and furthermore clarify the study's practical and theoretical contribution. The chapter concludes with an outline of the report's structure. /

1.1 Background

In the dynamic retail landscape, the rivalry between manufacturer brands (MB) and private labels (PL) in the grocery retail industry has gained prominence (Chimhundu, McNeill & Hamlin, 2015). While previously being dominated by MB, private labels, often known as store brands, are experiencing an upturn in the grocery retail business and are changing the status quo (Anselmsson & Johansson, 2014). Therefore, there is a shift of the structure in the Swedish grocery retail sector which possibly will change the market share dominance in the future of the retail sector.

PLand MB have been, and continue to be, in rivalry over market shares and control in the grocery retail industry (Fuduric, Varga, Horvat & Skare, 2022). However, how the synergy between the two kinds of brands impacts the retail grocery store sector is still up for discussion. Recently PL has reached a market share of nearly 40% in some European countries (Gielens, Ma, Namin, Sethuraman, Smith, Bachtel, Jervis, 2021), and according to Svensk Dagligvaruhandel (2024) PL have a global market share of 21% in the global market.

Since the three major players (ICA, Axfood & COOP) have the majority of the market, it creates a debate whether the control they possess is becoming a threat for MB (Axfood, 2021). The power of retailers in the market is magnified as their PL are rising in relevancy in the market and establishing extensive growth (Cuneo, Milberg, Fenech & Benavente, 2015). Currently PL has gained 29.3% of the Swedish grocery retail market (Statistikmyndigheten, 2022).

In the past, the progression of PL seemed to be of no great threat to MB given their separate strategies. Previously, PL were considered to have lower quality and their strategy seemed to largely focus on replication of MB, instead of innovation of their own (Gielens et al., 2021). However, in the later years, this has changed, and the segments and strategies of PL have become more heterogeneous (Ma & Siebert, 2024). Examples of such PL established by the major players are Ica Selection, Änglamark and Garant, as these target different segments and attributes. In this way, it can be argued that PL are moving from a strategy focused on value to differentiation (Svensk Dagligvaruhandel, 2024).

As PL gained control and market shares in the grocery retail sector, strategies were developed by MB to mitigate this threat. One of the first frameworks developed was Hoch's Strategic framework, established in 1996 (Hoch, 1996). This specific framework has been prominent in both theoretical and practical settings throughout the years. Since then, many theoretical contributions have been constructed upon a similar mindset (Carlsson & Kikas, 2002). Meanwhile, other frameworks have been developed but there is still a gap in how to navigate to the heterogeneity of PL and the changing consumer preferences in today's market. Given the immense growth of PL, raising with 19% in 18 years (Statistikmyndigheten, 2022) the Swedish grocery retail is at a completely new standpoint. The question hence remains whether current research, such as Hoch's, is still applicable for MB, or if a new perspective of it is necessary.

1.2 Research problem

Previous researchers and professionals have argued on the implications of PL in the market (Emilson, 2023), consumer behavior and attitudes (McNeill & Wyeth, 2011). However, an important aspect of the matter is how the market rivalry between PL´s and MB's will affect the strategies of MB. Currently there are established frameworks such as Hoch strategic framework (Hoch, 1996), yet the relevancy of these in today's market is still unexplored.

The existing body of literature on strategies used by MB emerged already in the late 1990's (Hoch, 1996, Quelch & Harding, 1996, Hillecke & Butscher, 1997). The main focus in this literature was to develop strategies for MB due to the recent rise of PL. However, this focus oversees the current challenges faced by MB in today's grocery retail market- hence the question arises whether these strategies are still relevant.

Most of the research in the field has mostly focused on building on the early strategies formed by Hoch, 1996, Quelch & Harding, 1996, & Hillecke & Butscher, 1997. Other researchers have focused on branding matters (Kapferer, 2008; Melin, 2011; Larsson, 2001; Rubio, Oubina & Villasenor, 2014; Davcik & Sharma, 2015) and marketing activities (Soberman & Parker, 2004; Steenkamp, Heerde, and Geyskens, 2010; Connor & Peterson, 1992; Axarloglou, 2003). However, previous work has lacked the ability to combine the new angles and simultaneously reinvent the fundamental strategies from early days (Hoch, 1996, Quelch & Harding, 1996, Hillecke & Butscher, 1997). Hence not providing insights adjusted to the development of PL and the market.

Despite the growing body of literature on MB strategies towards PL, there remains a gap in research regarding the current Swedish grocery retail sector, encapsulating today's rivalry market. There are particularly limited studies providing manufacturer brands with a current holistic view of the strategic implications of today's challenges in the market, along with an updated framework applicable today. Nowadays, PL does not simply focus on being a budget alternative but differentiates themselves across the whole segment. Hence, it is crucial to understand how this development affects the applied strategies of manufacturer brands. Attempts have been made to reassess existing frameworks (Johansson & Anselmsson, 2014) as well as inventing new strategies (Jost, 2014). However, the development following these bodies of work calls for an updated investigation. It is important to recognize that the Swedish grocery market is ever evolving and constantly changing, and 10 years have passed since the latest research on this topic. Furthermore, PL have gained increased market control and heterogeneity (Statistikmyndigheten, 2022). Due to this, the present literature does not fully capture the advancements and growing perspectives regarding appropriate strategies, and therefore lacks accuracy.

1.3 Purpose and Reseach Question

The purpose of this thesis is to identify strategies of manufacturing brands towards private labels. The aim is to assess whether the strategies provided in research are still relevant, due to the development of private labels brands. In order to achieve the purpose and aim of the thesis, the following research question is formulated:

RQ1: *How are manufacturing brand strategies towards private labels affected by the development of private label in the Swedish grocery retail sector*

1.4 Delimitations

This research paper will mainly focus on the rivalry among the MB vs PL. The scope of the study will focus on the impact of private labels growth and the adaptation made by the MB in the Swedish grocery retail sector. Furthermore, the intention is to capture the entirety of the grocery retail across all categories. By using the term grocery retail, it is possible to include a diverse set of products and avoid limitations to gain a holistic view of the market. The research will focus specifically on examining Hoch's Strategic Framework (1996) to investigate how MB are affected by the rise of PL and how they should respond efficiently to stay competitive.

1.5 Intended contributions

The researcher's main goal in this research project is to explore the strategic decisions undergone by MB towards PL, with a focus on the impact on the rivalry between PL and MB. Through a thorough analysis of the MB operating in the Swedish grocery market, the authors hope to gain important insights into how the MB develop strategies in order to battle the rise of PL and the changing demand. Furthermore, the study attempts to advance Hoch's strategic framework (1996) by including new viewpoints and enhancing its relevance to the current state of market conditions. The study intends to provide a thorough knowledge of the complex relationships among market players and their influence on strategic choices by solving these targets. This will establish a solid basis for both theoretical inquiry and practical use in the field of business strategy.

1.6 Outline of the research

Introduction	*The introductory chapter provides an overview of the study by first presenting a background of the rivalry between private labels and manufacturer brands and the Swedish grocery retail, followed by an explanation of the development of private labels. Afterward, the formulation of the research problem will be highlighted in a problem discussion based on existing research, leading to the development of*

	research questions and the purpose of the report. The chapter proceeds to identify delimitations and furthermore clarify the study's practical and theoretical contribution. The chapter concludes with an outline of the report's structure.

Literature Review	*This section will present an introduction of the grocery retail market in Sweden and a theoretical framework. Furthermore, it delves into the literature to ensure that the paper uses relevant sources and theories. First off, it presents the background and rise of private label brands and the history of manufacturing brands. Second, other strategies are presented into three main categories such as Price-, quality- and portfolio adjustments. Finally, the Hoch´s strategic framework is presented including all 6 tactics.*

Methodology	*The qualitative method used in the study is explained in the methodology section to provide the reader a complete grasp of how the empirical data was collected. The methodological strategy is introduced, the selected procedure and approach are explained, the selection criteria are covered, and the steps for preparing and analyzing the collected data are set out in detail. The part concludes by examining several methodological facets, including constraints, ethical positions, and the general quality of the study.*

Analysis of Empirical Findings	*This chapter provides and evaluates the appropriate empirical evidence within the themes that were determined upon gathering the material. The empirical data is structure following our created themes, stemming from the data analysis. The analysis discusses manufacturing brands strategies towards private labels.*

Discussion	*This chapter will present the findings together with the theoretical framework. The extended figure of Hoch's Strategic framework (1996) lays the foundation for the discussion, regarding manufacturing brands' strategies towards private labels. The six main strategies listed in the theoretical framework serve as the foundation for the discussion along with debate regarding the development of PL.*

Conclusion	*In line with the exploratory methodology of this study, the final chapter reviews the research topics and draws attention to new developments in*

	the field. Moreover, limits of this specific study and recommendations for further research are provided, after which theoretical and practical consequences are addressed.

2. Methodology

/ The qualitative method used in the study is explained in the methodology section to provide the reader a complete grasp of how the empirical data was collected. The methodological strategy is introduced, the selected procedure and approach are explained, the selection criteria are covered, and the steps for preparing and analyzing the collected data are set out in detail. The part concludes by examining several methodological facets, including constraints, ethical positions, and the general quality of the study. /

2.1 Research philosophy

To comprehend the methodology utilized in this research it is crucial to first take into account the philosophical underpinnings that motivated the researcher's approach. Researchers work and the methods they use to conduct it are greatly influenced by their preconceptions and beliefs (Bryman, Bell & Harley (2019). The two fundamental philosophical ideas of ontology and epistemology were particularly pertinent to the author's inquiry.

The authors believe when studying the strategies of MB there is no single truth. As the aim is to study the underlying motivations and strategies rather than metrics and execution in terms of numbers, which would have most likely resulted from a realist view (i.e. one truth), the authors recognize that there are several truths. The researchers consider that each MB has a different perspective of how the strategies should be applied in the grocery retail sector. Depending on where on the spectrum (figure 1) the companies exist, the information revealed will be affected and therefore the study will gather different conclusions. Furthermore, each individual within the selected companies will have a different internal standpoint and perspective on the phenomena. For example, previous encounters and relationships towards PL's. As a result, the study is grounded in a relativism perspective (Easterby-Smith, Thorpe & Jackson, 2015), and we acknowledge that the truth will depend on the perspective of each individual.

The study's epistemology was the subject of reflection in the next phase. Epistemological assumptions are closely related to the ontological approach, and the choice of relativism therefore lays the foundation for the selected social constructionism approach (Esterby-Smith et al, 2021). However, unlike ontology, epistemology regards perceptions as the most suitable way of inquiring into the world (Esterby-Smith et al, 2021). In line with the relativism standpoint that there are multiple truths or realities, a social constructionism approach was deemed most appropriate by the authors. Social constructionism similarly expresses that reality is determined by people rather than by objective measures, and in order to understand the world, one must explore and make sense of their experience (Easterby-Smith et al, 2021). The researcher's focal point was to examine the specific company's attitude and strategies towards the rivalry between MB and PL. Simultaneously, patterns and differences are detected among the data collected. The researchers believe that conclusions on whether the selected strategies are appropriate come from in-depth research. As suggested by Easterby-Smith et al. (2015) the study is using triangulation to gather several viewpoints from multiple angles.

2.2 Research approach

According to Bryman, Bell, and Harley (2019), it can be challenging to classify a study as completely deductive or inductive as these methods are often combined. The data collection plan used a deductive methodology at first, but as the frame of the research was formed, the authors wished to delve deeper into the participants input. Most notably, the intention went from not purely testing the accuracy of Hoch´s Strategic framework (Hoch, 1996), but to understand and explore if the strategies of manufacturer brands had changed, extending from the framework. This became particularly apparent in the data collection, when the interview questions were formed. In this stage, both questions regarding Hoch’s Strategic framework (Hoch, 1996), and more generalized questions were needed in order to fully grasp the research. This is due to the development of PL’s position in the market, causing the need to research the matter in the current time. As the authors intend to both acknowledge Hoch's strategic framework, as well as add new angles to the theory, it aligns with Dubois & Gadde’s (2014) studies on the methodology. Hence, the selected approach for this study is abductive.

This strategy performed successfully because it prevented the research from being overly restricted by an empirical or theoretical framework. This held true in the entirety of the thesis to exemplify the conceptual framework was partly based on the theory used, but simultaneously were heavily influenced by the data collected. Moreover, the results had a heavy focus on the empirical data, but the themes were greatly influenced by the selected theory. This becomes apparent in chapter 2.6, where the data analysis was partly based on Hoch's Strategic framework (1996), but simultaneously drew insights from the inductive research as the authors formulated interview questions to maintain open for new insights. This was later translated into chapter 4. Herein, a key finding suggests that the rivalry between PL and MB will change the grocery market when PL increases in the market. Arguably, the shift in the position of PL rising from 8% to 29% (Statistikmyndigheten, 2022) may force MB to alter new strategies. Doing so, the goal was to expand upon Hoch´s (1996) Strategic framework, using it for more than just grasping manufacturers brands strategies but also to enhance and comprehend if the framework from late 19th century is this applicable and accurate within the grocery market in Sweden. Reflection and current, well-founded, and insightful interpretations were produced by alternating between gathering empirical data and applying theory (Dubious & Gadde, 2002). Hence, the theoretical framework was expanded according to the findings, further on resulting in the revised framework presented in figure 4, including the results contributed from the empirical analysis.

2.3 Reseach design

The aim of research design is to organize research activities, including data collection, in a way that is most beneficial for accomplishing study objectives (Easterby-Smith, Thorpe & Jackson, 2015). The techniques of qualitative research were considered appropriate for this study since they are designed to clarify, analyze, and interpret social phenomena with the goal of comprehending the opinions of individuals (Easterby-Smith, Thorpe & Jackson, 2015). Connecting to the paper's purpose being to understand if the strategies of MB towards PL presented by Hoch (1996) are still relevant in today's rivalry, a qualitative study was applied. Quantitative methods focus on numerical data than on qualitative insights, therefore this approach would have merely falsified or confirmed Hoch's framework (1996) instead of understanding, providing new insights and developing the framework further. The exploratory and reflective aspects of qualitative research, which fit well with the research question, give additional credibility to the suitability of this approach (Easterby-Smith, Thorpe & Jackson, 2015; Rennstam & Wästerfors, 2018). Using a qualitative research methodology made it easier to investigate new aspects of the topic and setting that had not been thoroughly investigated before. In line with the research carried out by Easterby-Smith, Thorpe, and Jackson (2015), this study adopted an exploratory approach, aiming to investigate a relatively unexplored area of the current retail industry relating to the rivalry between manufacturer brands and private label. Within this scope, there were already gaps in research that needed to be filled, and the research provided answers, in the conclusion and implications section (see chapter 6). For example, in Chapter 5 the study shed new light on how strategies of MB currently work in the Swedish grocery retail industry when competing against PL in the market.

Triangulation is the method used to obtain detailed data. Because triangulation entails looking for evidence from several angles, sources, and techniques, it increases confidence in conclusions (Patton, 1999; Carter, Lukosius, Dicenso, Blythe & Neville, 2014). The study utilizes triangulation of sources as the authors have gathered data from two different methods: semi-structured interviews and observational studies. In the semi-structured interviews one aspect of the triangulation was obtained. Here, the primary data was of great importance and the researchers were able to delve deeper into the strategies of MB against PL. Further, combining primary data with observational studies made it possible to confirm whether the stated strategies were applied and used in the market. By considering both aspects of data collection, more comprehensive and verified results can be developed.

2.4 Sampling Technique

The authors utilized a non-probability sampling procedure with a purposive sampling approach to create the sample. By using the approach recommended by Easterby-Smith, Thorpe, and Jackson (2015), the authors were able to make sure that each participant fulfilled the predetermined requirements. The criteria that need to be fulfilled are that the company need to operate in the Swedish grocery market. The authors intentionally picked companies from a spectrum of operational size in terms of turnover in order to guarantee diversity within the sample and represent the entirety of the Swedish grocery retail market. The spectrum was established on two main aspects: turnover from the past year (see figure 1) and that the categories in which the companies operate represent the whole grocery retail sector. This aspect was selected to distinguish the companies and get insights into the entirety of the Swedish market. Furthermore, this grants viewpoints from a various set of perspectives which broaden the results and provide accurate conclusions.

In terms of sampling size, the authors made an initial estimate of the number of insights required. Subsequently, this was changed based on the discovery of the theoretical saturation point. The end result consisted of 10 participants that were interviewed.

This study's main source of primary data is derived from professionals in the field who have an extensive knowledge about strategies, product development and business development in the grocery retail sector. The participants specifically interviewed are professionals within the field, with titles such as VP of NRM strategy, Managing Director, and Sales & Marketing Director (For a full list, see table 1). A specific criterion for the professional participants was an extensive knowledge of strategic decisions, well-informed information about the products and operative in the grocery market and hence have an overview of private labels. The sample was drawn from a range of categories and sizes, however not all of the grocery retail could be represented. One aspect that is noteworthy is that none of the participating companies operate in categories where PL are especially weak, such as coffee, soda, and snacks. After conducting a few interviews, the researchers were in need of more insights, and therefore made use of the snowballing method to get more in-depth data from certain companies. When interviewing Corp1 general insights were given, however in order to dig deeper into the company and get more precise strategies, a second interview was conducted with a sub brand of the corporation, referred to as Corp 2.

Table 1. Interview Participants

Date	Name	Location	Job title	Time
26/3	Corp1	Online	VP NRM Strategy	47 Min
12/4	Corp2	Online	Category Brand Manager	57 Min
9/4	Corp 3	Online	Marketing & Sales Director	1h
2/4	Corp 4	Online	Sales & Marketing Director	45 Min
9/4	Corp5	Online	Product Manager	1h
23/4	Corp 6	Online	Sales Manager	44 Min

12/4	Corp 7	Online	Customer & Product manager	45 Min
8/4	Corp 8	Online	CEO	1h
2/4	Corp 9	Online	Managing Director	1h
12/4	Corp 10	Online	Product & Marketing manager	55 Min

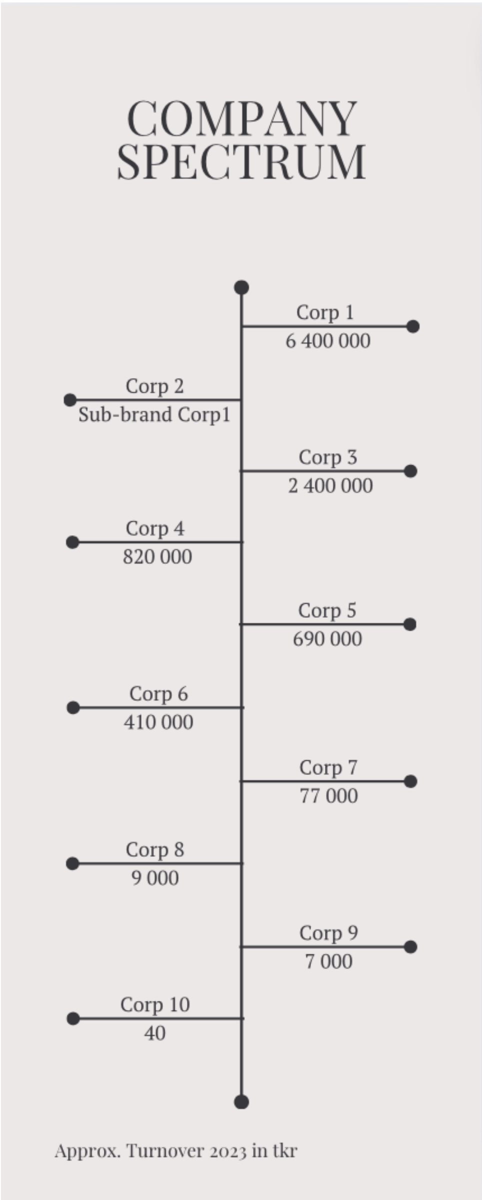

Figure 1: Company Spectrum

2.5 Data collection

Primary data is information that has been gathered from an original source (Collis & Hussey, 2014) and is the intended type of data that will be collected in this thesis. A multi-method data collection has been used to fully address the study inquiries. This entails using a variety of data collection approaches in an effort to fully understand the phenomenon of study (Davis, Golicic & Boerstler, 2011). According to Esteves and Pastor (2003), using multiple approaches broadens the scope of the study and improves the inclusion of contextual aspects that are commonly missed when using just one method. Semi-structured interviews and observations were the chosen methods integrated in this study. Using this approach, multiple viewpoints on a given occurrence can be produced (Morgan, 1997; Stewart, 2007; Easterby-Smith, Thorpe & Jackson, 2015). The application of semi-structured interviews with professionals within the field was deemed valuable in revealing manufacturing strategies, whereas the observations resulted in deeper insights beyond the strategy. Thus, the observations allowed for verification of the interview to provide more credible results. The information obtained through the combined use of the two approaches provided a comprehensive and multidimensional understanding of the research topic. Given the constantly changing nature of the subject topic, a comprehensive review of published scientific literature covering a number of years was undertaken to provide theoretical support for the analysis. Through the incorporation of well-established ideas and concepts from extant literature, the research is strengthened with a strong theoretical framework while also being sensitive to current perspectives.

2.5.1 Semi-structured interviews

According to Knox & Burkard (2009), semi-structured interviews allow for flexibility and creativity while still obtaining all of the information from the participants. Given that this research article follows the social constructionism paradigm, the interview's objective should be to gain insight into the consumers' perceptions (Collis & Hussey, 2014). In light of this, 10 interviews were conducted. The key objective of qualitative interviewing is to obtain as much as possible regarding the respondent's perspective and the underlying causes of the situation (Easterby-Smith, Thorpe & Jackson, 2015). As the authors are using an abductive approach the interviews also had two goals which were underlying in the structure building. Hoch's framework (1996) was to be deductively tested, alongside with the aim of finding new insights on how MB operates against PL in today's market. The interviews were held online with use of the digital tool Microsoft´s Teams, due to the distance between the authors and the participants. Considering its simplicity and flexibility, while still offering interpretations of body language and other visual ques, the tool was still deemed suitable. Digital interviews were considered a helpful supplementary tool (Gruber, Szmigin, Reppel & Voss, 2008), which allowed the authors to collect adequate information for the study.

Moreover, Bryman, Bell & Harley (2019) state that the authors have two options when conducting qualitative interviews, either semi-structured or unstructured interviews. For two reasons, the authors concluded that semi-structured interviews were the most suitable choice. To begin with, it is more beneficial if two researchers do the interviews. Second, it provides the freedom to follow a predetermined format while also enabling the integration of additional questions as needed. Moreover, a semi-structured approach allows for both deductive testing of the selected theory, and an inductive approach to gain new findings.

Furthermore, by allowing the conversation to progress naturally depending on participants' responses and possibly investigate new directions or themes, this strategy gives participants a sense of ownership in guiding the discussion (Bryman, Bell & Harley, 2019). However, the interviewees also applied closed-ended questions. The primary objective of the included closed-ended questions was to collect participant demographics, such as name, role and company. The researcher adopted Easterby-Smith, Thorpe, and Jackson's (2015) non-directive methodology in order to gain a deeper understanding of the participants viewpoint. This method included asking "why?" inquiries, looking for concrete examples, and climbing up and down strategies. As highlighted by Bryman, Bell, and Harley (2019), interviews should promote a full comprehension of the participants' views on their social surroundings, requiring a flexible approach. To provide sufficient data collection to satisfy our research queries, the authors arranged topics and questions flexibly when creating the interview guide (see appendix 1). Moreover, during the interviews the participants had a tendency to generalize their response to marketing strategies as a whole instead of focusing on strategic decisions regarding PL specifically. To mitigate this, the interviewers frequently reminded the participants to remain to stick to the focused area of research. This was to make a distinction between MB general marketing strategies and those applied towards PL.

Further, to reduce any tension and build trust, the authors presented themselves and the topic of the interview at the beginning. One interviewer acted as the moderator and asked questions, with the other taking charge of recording and stepping in to ask follow-up questions as needed. All interviews took place in the participants' native language Swedish, which helped them feel comfortable and encouraged open communication (Stewart, 2007).

The purpose of the questions was to gather data regarding various parts of the theory by indirectly relating to manufacturing brand´s strategies and how it has changed regarding the rivalry among private brands and manufacturing brands. The interviewers selected 25 questions that were relevant to the research objective. These types of questions were designed to encourage honest sharing of experiences, feelings, and reflections by participants. The authors included follow-up questions like "How do you experience...?" and "What are your thoughts?" To obtain additional viewpoints from the participants. Additionally, the authors used the Hoch´s strategic framework (1996) primary components, as well as having an open approach to get more insight into the company, aligning with the abductive research approach. The questions that were created had an indirect link to each element of the theory, which allowed the researchers to make assumptions regarding the approaches taken by manufacturing companies in relation to private label businesses.

2.5.2 Observational studies

According to Rosenbaum, 2020, observational studies are designed to appear as straightforward tests. Therefore, in this case the researchers will observe the strategies discussed in the interviews in the grocery retail stores. Hence, the examination will occur in the stores, inspecting if the applied strategies of the manufacturing brands are true when it comes to the shelves in the stores. Moreover, all observational studies were conducted in store. The study was applied on the three main retailers in the area of Lund, such as ICA, Coop and Hemköp. The authors searched in different category aisles for confirmation of the mentioned strategies and whether they aligned with the participants responses. The main strategies that were possible to study in store were price points, innovation and design. Observations showed that, for example, product portfolios were visible on the shelf. The authors saw multiple products marked with “new recipe” and “limited edition”, which implies an innovation and design focus in store. Furthermore, although price is difficult to assess at a point in time, the authors witnessed a heterogeneity within the PL products. There was also a significantly smaller price difference between PL and MB in generic categories, compared to refined products. With these examples the authors could see if branding, marketing and business strategies were applied and seen by consumers in the store. This also became apparent in the designs of the products. The authors observed that brand heritage ajd brand identity heavily influenced design and visuals.

This approach was chosen because it allows for more accurate and niched results. Hereby, the key objectives of observational studies of the research are to obtain a deeper understanding of the data result from the conducted semi-structured interviews. Several qualitative approaches together create the possibility of more thorough explanations (Morgan, Pullon, McDonald, McKinlay & Gray, 2017). Moreover, this methodology reveals perspectives that are not achievable with alternative methods of gathering data; interviewees may not even be aware of the underlying frameworks, procedures, and behaviors that are revealed (Furlong, 2010).

2.6 Data analysis

To analyze the audio recordings of the semi-structured interviews the transcripts were investigated in Swedish, and later translated into English codes and themes. The authors used the sorting, condensing, and analyzing method proposed by Rennstam and Wästerfors (2018) as the fundamental concepts driving an analytical approach in order to methodically arrange and categorize the collected data.

According to Rennstam and Wästerfors (2018), sorting is an essential step in the data analysis process that helps to avoid the confusion that comes with working with unstructured qualitative data. Through the recognition of relevant themes and the assessment of the raw data's applicability to the study, this approach enabled a more thorough understanding of the data. Furthermore, by classifying empirical data into groups, sorting simplified the analytical process and created the framework for interpreting results (Rennstam & Wästerfors, 2018). To effectively categorize the content, the sorting method involved recognizing reoccurring keywords or expressions (see Table 2). The identified themes were based on both inductive and deductive approaches. The inductive subject revealed topics such as marketing, branding, B2B relationships and the current- and future view of PL from the MB's view. The deductive theme however circulated exclusively around Hoch's 6 strategies in the strategic framework (Hoch, 1996).

In order to guarantee the creation of new understandings, the authors made an effort to avoid duplicating the classifications made by other studies and instead concentrate on producing new information, including examining the influence of returns. To ensure precise meanings and full integration of the relevant information points, the material also went through many rounds of recategorization. The mentioned themes were identified using keywords related to each topic. For example, when identifying “branding strategies” concepts such as “heritage, associations, loyalty, and community were frequently mentioned in relation to branding matters.

The following stage of the analytic process, called "reducing," entails refining large datasets to find the most relevant information for the study and putting the material that has been selected aside. Because it is impractical to include all of the recorded information, this strategy addresses the difficulty of portrayal while also helping to obtain a clearer picture of the data. The reduction process can be difficult and challenging because researchers are unable to identify only beneficial material (Rennstam & Wästerfors, 2018). Following the instructions of Rennstam and Wästerfors (2018), the researcher used an exploratory reduction approach with the goal of presenting a logical representation of the phenomena in accordance with the study's aims. Moreover, using this strategy required finding sections that clarified the categories in order to successfully portray the phenomenon (see table 2). In order to group and find patterns data that were expressed multiple times in a similar context were deemed the most important, and hence critical to assess. The highlighted quotes were picked as key points for analysis as they were judged to be a sign of the data, able to strengthen arguments, and in line with research goals. After reducing the amount of data, only relevant and crucial information was left, which was then arranged and classified into themes.

The third stage, which the researchers refer to as "arguing," is arguing about the compiled and streamlined content. In order to maintain the credibility of the study's results and avoid diminishing their worth, Rennstam and Wästerfors (2018) stress the need for clearly communicating the findings' significance. This step discusses and attempts to mitigate credibility problems by offering justifications for the findings' applicability. Throughout the discussion and analysis, the findings were regularly investigated and put against each other. This was done in order to justify the relevance of the data and state the significance of it. Moreover, the results were analyzed according to the spread of participants, taking into account and highlighting the differences depending on their characteristics. In particular, this procedure improves comprehension, giving the results context and understanding (Weick, 1995). According to Weick (1995), this analytical sense-making process is created through narratives and interaction, which makes it appropriate for evaluating phenomena. This kind of sensemaking in research includes narrative construction that provides insights and meaning, pattern recognition, and data interpretation. Furthermore, because the researchers were constantly interacting with the data as it was sorted and reduced, theorizing was made easier, which made it possible to identify concepts and themes that would guarantee that the goals of the study were met, and that the research's contribution was clearly defined.

Table 2: Data analysis and reduction

Theme	**Subcategory**	**Code**
Hoch's Strategic Framework	Strategy 1: Wait and see	- Proactive approach - Stay in the forefront of innovation - Assess the risk of PL
	Strategy 2: Increasing distance by offering more value for money	- Product design - Quality & locally produced - Environmentally responsible
	Strategy 3: Increasing distance by launching new/improved products	- Innovate the category - Innovating through taste, quality and product portfolio - Cautious innovation through trend and data analysis
	Strategy 4: Reducing the price gap	- Damage brand image - Longer supply chain= higher costs - Quality cost
	Strategy 5: Me too products	- Cannibalization - Brand alignment
	Strategy 6: Producing private labels	- Love-hate relationship - Foster long-term relationships - Pros=volume, knowledge and growth - Cons=dependency, uncertainties and transactional based

Other Strategies	Branding	- Increased importance of branding - Brand heritage - Loyalty
	Promotional activities	- Traditional promotional activities - Community building - In-store marketing
	Relationship with-and control of the retailers	- Controlled market - Relationship building - Dependency of retailer
Thoughts on PL	Strategies adjusted to category, market share & size	- Size influences flexibility - Development of PL in category
	The current ideas of PL	- Most PL are simply copying MB - PL advantage in innovation due to data and shorter supply chain - PL can´t compete with strong brands, marketing & design
	The future of PL	- PL will grow and become stronger - Hopefully a shift in consumer preferences - MB should drive modernity, relevance and value creation

See full coding scheme in appendix 3

2.7 Limitations

This study's limited focus on the Swedish market represents one of its limitations; as a result, the findings may not be as applicable to other countries or contexts. Similar to other qualitative investigations, there are certain limitations on how broadly the findings may be applied. Following a relativist ontology, this study recognizes that there is no such thing as a single truth and that viewpoints can change over time and between areas. Additionally, it can be difficult to generalize results to a broader population when using non-probability sampling (Easterby-Smith, Thorpe & Jackson, 2015). However, the study's uniqueness and contextual depth enable an in-depth understanding of the studied phenomenon, providing insightful information that may help direct future studies in similar contexts.

Another limitation arising from the method of data collection selected is the constraint on the sample, leading to the risk of a low number of interviews in the representation of organizations in the field. Merely 10 companies are studied, which is far from the whole industry, therefore a generalization has to be done of the Swedish market and the results may therefore not be accurate according to all companies operating in the market. Furthermore, since only experts in the industry are considered to take part in the study, it may pose a threat to how well it reflects that reality. With this, there is also a certain limitation as the result is based on these few participants' opinions. As they are presenting their views as competitors to PL their opinions are at risk of being biased. Moreover, even with anonymity being granted, there is no guarantee that the companies do not choose to only present selected data of their companies to present a good view of the company.

2.8 Methodology Review

2.8.1 Quality of data

It is vital to ensure that the study is reliable and credible when conducting research. This may be accomplished by analyzing the papers' quality and critically examining the analysis and application methods used (Collis & Hussey. 2014). The authors will assess confirmability, dependability, transferability, and credibility below in light of Lincoln & Guba´s (1985) recommendations. In contrast to quantitative research, where validity and reliability phrases are often used, qualitative research is evaluated differently (Bryman, Bell & Harley, 2019). Instead, the notion of trustworthiness functions as the foundation for evaluating the quality of the research, offering substitutes that are equivalent to some of the quantitative criteria (Bryman et al, 2019). A fifth condition for this research is that researchers of qualitative studies usually address the use of reflexivity as an indicator of the studies quality and degree of transparency (Alvesson, Hardy & Harley, 2008).

2.8.2 Dependability

Dependability seeks to demonstrate the reliability of the research. It places a strong emphasis on preserving all research records and papers and ensuring they are easily accessible (Bryman et al, 2019). To ensure this, both an audio recording and a written transcript were kept during the research process. These files were safely stored to enhance dependability. Dependability can also be ensured by allowing the reader to follow the procedure and workflow (Thomas & Magilvy, 2011). This was obtained by having an extensive methods section where all areas of data collection, analysis and decisions are clearly stated. The sections were focused on linking literature to the workflow to always ensure an understanding of why decisions were taken and the influence they had on the research.

2.8.3 Credibility

If the research was carried out in a way that allowed the analysis to be correctly identified and disclosed (Collis & Hussey, 2014), as well as adhering to best practices and accurately presenting respondents data (Bryman et al, 2019), one can maintain credibility.

To ensure this, transcript and a final draft of the study was presented to participants upon finalizing the paper in which they were able to approve. This allowed for a precise representation of their subjective perception and hence mirror their reality accurately. Furthermore, similarities and patterns across interviews were identified to provide a comprehensive result where conclusions were drawn from individual transcripts, as well as shining light on alternative realities standing out from the line. Lastly both authors were present in all data collection and analysis was made in group to provide bias and increasing aligned perceptions. This can also heighten credibility according to Collis & Hussey (2014).

Moreover, Collis & Hussey (2014), states that triangulation by using different data collection techniques enhances credibility. Not only does this prevent bias, but also allows to create a more reliable result. The authors ensured to utilize this by using two separate methods: semi-structured interviews and observational studies. In this specific research the semi-structured interviews acted as the empirical data, while the observational studies verified the results.

2.8.4 Transferability

Transferability refers to if the research can be applied from one research to another (Thomas & Magilvy, 2011) and therefore allows for generalization of the findings (Collis & Hussey, 2014). Although a conceptual framework has been crafted from this study which can be used in other research as well, the transferability of the research is rather limited in other areas. Because of the interpretivist nature of research where the authors delved deep into the Swedish grocery retail, the study is rather limited to this area. However, an extensive section of methods and managerial implications allows transferability by further research in other retail areas and other geographical settings on competition and strategic decisions in retail. Furthermore, by including theories throughout the analysis, the study's interpretations are largely guided by theoretical perspectives, which the arguments and conclusions are based on or elaborated upon. Accordingly, the authors provide the reader with deep insights, facilitating transferability.

2.8.5 Confirmability

Confirmability in research is prioritized by confirmability. Researchers should reduce the impact of their personal views and opinions on data interpretation, even though achieving full impartiality may be difficult (Bryman et al, 2019). To sustain confirmability, a conscious effort was made to exclude personal bias to keep the results as objective as possible. Furthermore, all results underwent an extensive data analysis where themes and codes were prioritized to limit personal preferences. In addition to this, an interview guide was followed in data collection to avoid personal opinions and leading questions. The advice by Thomas & Magilvy (2011) were also followed, where it is suggested for the researchers to follow rather than lead the interview to avoid any potential skewing. This was ensured through semi-structured interviews with open-ended questions. Additionally, the authors had no personal connections to any of the participants, which ensured an objective result.

2.8.6 Reflexivity

Finally, reflexivity measures the research´s quality, which Olmos-Vega et al. (2023, p.1) define as "a set of continuous, collaborative and multifaceted practices through which researchers self-consciously critique, appraise, and evaluate how their subjectivity and context influence the research processes". This definition emphasizes how crucial it is for researchers to be conscious of any biases and prejudices that could affect how they conduct their analyses. The technique of "reflexive writing", which entails journaling and recording the research process, is used to guarantee reflexivity. This required the authors to routinely debrief data results and results with the supervisor, journal all supervisor meetings, and reflect on our writing and conclusions throughout the process

2.9 Ethical considerations

Research ethics assesses the moral foundation and principles upon which the code of conduct is built (Collis & Hussey, 2014). The authors decided to adhere to Bryman & Bell´s (2007) ethical principles in order to guarantee that a moral course was taken. This literature initially states that no participants should be subjected to harm in any way, hence the authors made an effort to ensure no physical or psychological harm was exposed. This was ensured by having an open conversation with the participants where the time, place and format of the interview was agreed on mutually. Thus, safety and trust were established for all interviewees.

Other considerations mentioned by Bryman & Bell (2007) are the matters of consent and privacy- related issues. To remain ethical in this sense these guidelines were followed throughout the writing process. For example, prior to each interview, a consent form was sent out stating how the respondent's information would be handled regarding GDPR and data use. The participants were also offered anonymity along with the knowledge that the interview was voluntary and that the participant was allowed to opt out or refrain from answering questions. Moreover, consent was given to record and transcribe the interview both visually and in written. This allowance was provided through a consent form sent out before the interview (see appendix 2). These precautions enabled the authors to create codenames for each company to keep their integrity. It also heightened the ability for the participants to converse freely about strategic choices without concern for competition in the market.

Furthermore Bryman & Bell (2007) states the importance of unbiases and transparency in the research process. This was obtained through two main considerations. Firstly, none of the participants has any personal relationship to any of the authors, ensuring that an objectivity of data collection was maintained. Secondly, this objective data was unbiased in the presentation due to the rigid coding process of the data analysis. Throughout the research process the authors also strictly followed the principle made by Bell, Bryman & Harley (2018), stating that the data collected should only be utilized to the intended research in which the participants agreed to participate in. The participants were made aware that their contributions would be archived and safely stored, inaccessible for anyone unauthorized.

2.10 Construction of frame of reference

When constructing the frame of reference for this research a systematic approach was taken. This was decided to ensure that the research remained objective and transparent throughout the construction of the frame (Easterby-Smith et al., 2021). As a result of this, the majority of the selected data for the literature review was obtained from peer reviewed academic articles. These were searched for in databases such as Scopus, Google Scholar, ResearchGate and SAGE Journals.

When searching for literature the authors took a trawling approach, meaning the authors inspected a wide range of literature (Easterby- Smith et al., 2021) before delving deeper into what was found to be the most appropriate research. This was done with the intention of getting a holistic view and a solid foundation of the topic in order to fully grasp the previous research, and not risk leaving any perspectives unaccounted for. The trawling approach caused the authors to initially mainly focus on title, abstract and overall relevance. If the study was deemed appropriate, a deeper investigation was made. When searching for literature, the main criteria were based on relevancy, accuracy, and dependability. Moreover, in order to get a comprehensive overview of the development of the topic, filtering based on years was used.

Keywords such as “Hoch´s strategic framework”, “private label”, “manufacturing brands” and “grocery retail” were frequently used alone or in combination in order to generate results. The authors were also aware of the fact that both private labels and manufacturing brands have various synonyms, hence search queries would also include keywords such as “store brand”, “national brand” and “producer brand” in order to gain access to more literature.

3. Literature Review

/ This section will present an introduction of the grocery retail market in Sweden and a theoretical framework. Furthermore, it delves into the literature to ensure that the paper uses relevant sources and theories. First off, it presents the background and rise of private label brands and the history of manufacturing brands. Second, other strategies are presented into three main categories such as Price-, quality- and portfolio adjustments. Finally, the Hoch´s strategic framework is presented including all 6 tactics. /

3.1 Selection of theory

In the selection process of choosing a body of theory, the authors delved into two main areas: private labels and manufacturing brands. To understand the strategies applied, it was necessary to first fathom the development of PL, especially in the Swedish grocery market. Hence, the historical perspective was examined to get a grasp of the evolution of PL. This then allowed for a more comprehensive understanding of the strategies studied by the manufacturer. The theories in question were selected based on their relevancy to the retail industry. Other frameworks were considered, such as the retail mix (Nawawi, Rodhiah & Rahardjo, 2021) and Jost strategies (Jost, 2014), but as these regard strategies on a more general level, they were not deemed appropriate for the very niched sector that grocery retail is.

Furthermore, the theory chapter also brings up the B2B relationship between MB and retailers. This is to get the full picture of how all other strategies are affected by dependency between the two players. However, to keep the theory within the specific scope, the authors decided to not study it in general, but to keep it precise to the sector.

3.2 Private Label brands

Private labels, also named store brands, retailer brands or own labels, are defined as brands sold solely under a specific retailer brand and in those particular stores. A private label product is often manufactured by a third-party or a contract, and sold under a retailer's name (Dimitrieska, Koneska, Kozareva, Teofilovska, 2017). Initially PL were considered to be low quality substitutes for national brands, or manufacturing brands (Verstraeten, Heeremans, Geuens, Vermeir, 2023). However, more recently PL have become increasingly more heterogeneous, with segments ranging from low price and quality to premium price and quality (Ma & Siebert, 2024). Nowadays, PL are posing a real threat to MB and are among the strongest brands in the grocery retail market (Cuneo, Milberg, Palacios- Fenech, Benavente, 2015). According to (Findlay & Sparks, 2002), a PL is a product with added value that is created by or for a distributor in accordance with the distributor's standards. It is aimed at certain customers and presents a distinct, significant, and personal brand that clearly connects to the distributor. This definition acknowledges that PL are now positioned as providing added value rather than being inferior, less expensive substitutes for MB.

For retailers, distributing PL comes with a number of benefits, one of them being discussed in the book "The 5 Es of retailing" (Grewal, 2018) where it discusses that PL allows for an expansion and enhancement of their retail selection, while also building the shops reputation. The book also states that PL encourages the creation of powerful and alluring brand identities in order to excite consumers. Financially the retailers earn from producing and selling PL as they eliminate the double margin present in selling MB. This way, PL allows retailers to sell their products at a lower price, despite the quality not always being as low (Ma & Siebert, 2024).

PL have seen immense growth in the later years. They are currently present in more than 90% of consumer-packaged goods categories (Cuneo et al., 2015), and have reached a market share of nearly 40% in some European countries recently (Gielens et al, 2021). The growth is likely to keep staggering, given that PL are mostly bought by consumers with low purchasing power (Sgroi & Salamone, 2022), and the current events such as COVID-19 pandemic and inflation are resulting in economic uncertainty, hence limiting consumers financial state (Dimitrieska et al., 2017) This rapid growth has posed a great challenge against MB (Cuneo et al., 2015). The challenge consists of the pressure put on MB to lower their prices, as well as lost sales due to the rise of PL (Gielens, Dekimpe, Mukherjee & Tuli, 2023).

In Sweden particularly, the success of PL has also seen great growth, obtaining 29.3% of the Swedish grocery retail market (Statistikmyndigheten, 2022). PL in Sweden had its beginning in the late 1970´s, when the retailer Coop launched its very own PL; Blåvitt. Other main retailers followed suit, but just like the perception of PL overall, the brands were closely linked with low quality and low price (Carlsson & Kikas, 2002). However, in the 1990´s, there has been significant development in quality, and the brands marketing, posing a threat to MB in Sweden as it is allowed increasing shelf space by the retailers (Carlsson, Kikas, 2002). In the later years retailers have put efforts into differentiating their product portfolio to attain more offers to consumers. The way retailers have done this is through targeting specific added values, such as sustainability, found in Änglamark, or health, found in ICA Gott liv (Ossiansson & Fuentes, 2006). Another strategy used is placing products in different price segments, adhering to the perceived quality of the products. An example of this is the ICA Basic collection, targeting low prices, compared to ICA Selection, focusing on the highest quality, hence placing itself in the premium category (ICA, n.d)

3.2.1 The launch of private labels in the Swedish grocery market

Over time, the perspective on private labels has evolved (Braak, Dekimpe & Geyskens, 2013). In the article published by Laaksononen & Reynolds (1994), it explains the evolution of PL across 4 generations. The various generations are tools for targeting customers and are similar to PL marketing strategies. The four generations varied in terms of product choices, branding, and pricing. Firstly, first-generation private brands started out concentrating primarily on reducing the market prices of the original producers (Laaksononen & Reynolds, 1994; Terrvik, 2001). Reduced prices were the main factor driving sales, and quality suffered as a result. While competitive pricing remained important as the market moved into the second generation, there was additionally a movement toward building a greater link with the retailer. Although they still prioritized price, these second-generation items also attempted to marginally raise the bar on quality. Third-generation PL started to closely resemble items from established manufacturers, but at a reduced cost because of more efficient manufacturing techniques. They nevertheless attempted to enhance public impressions of private labels. Premium PL products were introduced in the fourth generation with the intention of improving the store's reputation and prominence in the marketplace. These goods put an emphasis on quality, often going above and beyond what the original producers offered (Laaksononen & Reynolds, 1994; Chimhundu, 2018). However, the author Burt (2000) stated that a PL product may exist in multiple generations simultaneously.

Furthermore, the concepts of PL items started to take shape in Sweden in the department store around the beginning of the 20th century. The main goal behind this development was to give customers more options on store shelves by presenting more reasonably priced alternatives. When ICA started selling its own coffee in the early 1920s, it established itself as a trend setter. Following that, ICA added more brands to its lineup in the 1980s and 1990s, including ICA Bagaren, and in the 1990s, it presented ICA Handlarnas own merchandise. In addition, the emphasis switched to developing areas of differentiation with a major focus on price competitiveness. In order to meet the wide range of demands of its customer base, ICA introduced a number of products in several categories in the 2000s, thereby broadening its offers (ICA, 2020).

In order to sell items at more reasonable costs, Coop launched their own brand, Blåvitt, in 1979, adopting strategies comparable to those of ICA. With the introduction of Coop Xtra in 2003, they increased the scope of products they offered in the low-cost segment. But to set themselves apart from other shops, Coop bought Änglamark, a more environmentally conscious brand. Customers' opinions in the early 1990s, expressing a need for a better and wider assortment of organic products, was the driving force behind this change (Coop, 2018)

Axfood Corporation had an extensive connection with Eldorado, its 1969-founded private label brand, stretching back to the early 2000s. Eldorado's popularity has been linked to its smart combination of competitive pricing, quality control, a large selection of items, imaginative packaging designs, and focused marketing strategies meant to boost client interaction (Axfood, 2019a).

Further, in 2009, Garant which is a part of Axfood, first introduced about fifty products, including pasta, chips, biscuits, and cured meats. Offering these items at a more affordable price point than industry leaders while upholding standards of quality that were either better than or on level with those offered by well-known brands was the goal. Garant has always placed a high priority on developing and enhancing its brand. Positive consumer feedback has been obtained as a result of offering premium products at reasonable costs, working with trustworthy suppliers, and introducing new products to the lineup (Axfood, 2019b)

Matriket, a Lidl company, is the most recent addition to the market of PL products, launched in 2023. The Matriket brand, which includes goods marked as "från sverige" (from Sweden), "kött från sverige" (meat from Sweden), and "Mjölk från sverige" (milk from Sweden), has taken the place of some of Lidl's former house brands. Svenskmärking AB's quality manager and acting CEO, Ulrika Norvell, emphasizes the importance of Swedish services that are value-added. She highlights that increasing Sweden's independence depends on consumers' desire to encourage Swedish farmers and food producers, especially in the difficult times we are currently facing (Lidl, 2023).

The competitive environment among retailers' PL product lines has changed over time, moving from emphasizing inexpensive substitutes to providing more unique and noteworthy items on the shop floor. This move toward unique development of products has significantly reduced the gap between PL and traditional MB.

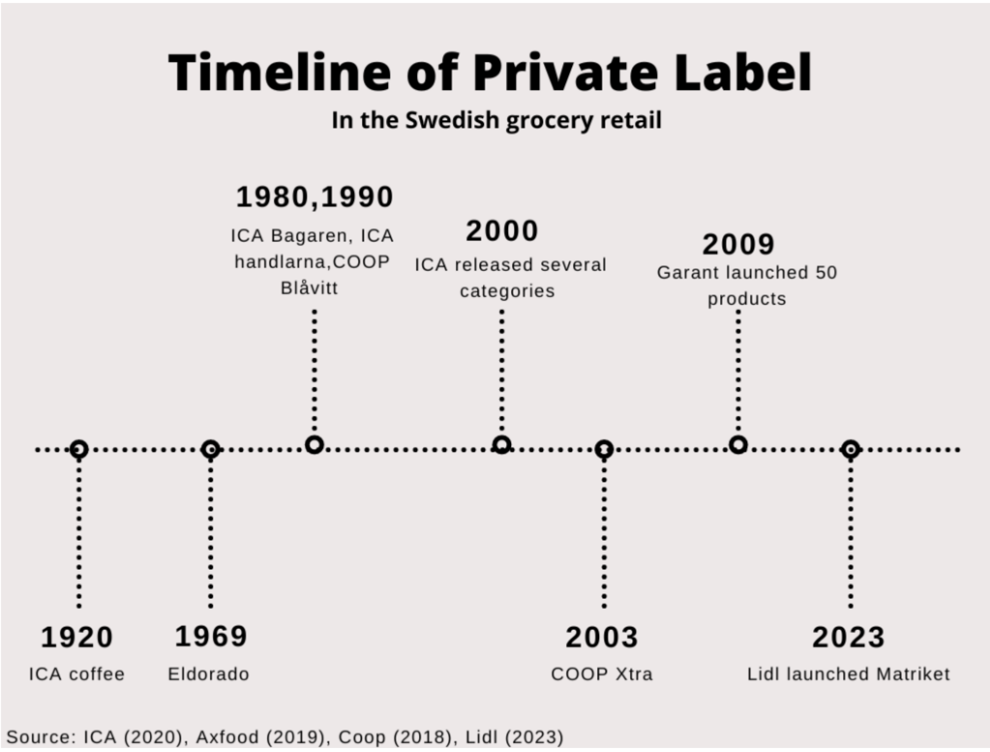

Figure 2 – Timeline of Private label history

3.3 Manufacturer brands

Manufacturer brands, also called national brands or producer brands, are like the name suggests, a brand that produces its own goods (Soberman & Parker, 2004) and are sold in many retail stores (Nenycz- Thiel, Sharp, Dawes & Romaniuk, 2010). Retailers have historically employed MB to attract customers' curiosity, encourage repeat business, and foster loyalty to stores (Ailawadi and Keller, 2004). MB has functioned similarly to component brands in that sense. Customers have been drawn to the store by the appealing leading brands at affordable prices. However, the majority of retailers sell manufacturer names that do not set each store apart, which is problematic in marketplaces where there is strong price rivalry. Previous research has, in advance, revealed that customers have the greatest confidence in the performance of the manufacturer's products and a lack of trust in the standard of substitutes; conversely, there is an inverse relationship between the risk of overpaying and the scenario at hand (Dunn et al., 1986). PL occupy some middle zone in these two areas (Mårtenson, 2007). However, the most prominent manufacturers are well known for their capacity to create premium brands. A study conducted by Richardson, Dick & Jain (1994) suggested that consumers, regardless of the product category, always found ingredients disclosed by MB to be of higher quality than those presented by PL. This leads to an advantage for MB in the competition against PL and quality is now a key driver for consumers to buy the brands. Recently however, the upgoing quality with PL is becoming a threat to MB, leading consumers to be more hesitant towards the products (Walsh, Shiu & Hassan, 2012). Other ways of differentiating themselves in the face of PL is though changes in prices or promotions (Liu &Wang, 2008).

3.4 Manufacturer - reseller B2B relationship

Retailers with their own PL brands are rivals that may affect the sales of MB, as well as important sales channels for manufacturers with national brands. Manufacturers have to develop strategies that safeguard the quality of their brand without jeopardizing the objectives of these merchants (Choi, 2016).

The first question in the field of industrial marketing studies was about how important brands are for manufacturing purchasing (Gordon, Calantone & Benedetto, 1993). Similarly, to consumer marketing studies (Keller, 2003), focus has been placed on examining brand attributes and how they relate to brand management. Research on the industrial buyer has identified characteristics such as "greater confidence in decision-making", "greater company status", and "greater competitive advantage" (Hutton, 1997; Michell, King & Reast., 2001).

However, there are significant differences between manufacturing purchasing and retail procurement. Whereas resellers acquire brands with the intention of reselling them right away, industrial buyers incorporate brand acquisition into their organization's manufacturing procedure. Reseller purchasing takes end-user demands into account in addition to organizational considerations. The competitive advantage, marketplace position, and financial success of the reseller organization are also more likely to be directly impacted by the acquisition of brands for resale. Furthermore, because of the volume and purchasing power of multiple resellers, a reseller's effectiveness has a big impact on the manufacturer's consumer appeal. The ability of manufacturers to implement end-customer marketing approaches via resellers is another difference between manufacturing purchasers and resellers (Glynn, Motion & Brodie, 2007).

The power dynamic has shifted from manufacturers to retailers as a result of these tensions (Hingley, 2005). Due to this shift, manufacturers now place a higher priority on key account management when interacting with retailers, believing the company can no longer rely as much on the "trade leverage" associated with their brand (Aaker, 1991). Research reveals that MB are important for retailers' bottom lines (Ailawadi, 2001), drawing customers into their stores and acting as "ingredient brands" (Ailawadi & Keller, 2004).

Furthermore, Quelch and Harding (1997) state that MB must nurture their trade relationships. It is suggested that they do this through education regarding the benefits of carrying MB and offer their consumer their valuable insights.

Furthermore, a conceptual framework developed by Glynn, Brodie & Motion, (2012) explains the benefits of MB to retailers. Research has identified four routes by which the brands of manufacturers contribute to the benefits of retailers. These channels include revenue advantages, manufacturer encouragement of retailers, and consumer and brand equity concerns. The study revealed that the retailer's perceptions of the MB were important. These perceptions included customer satisfaction with the product, seller belief in the supplier, retailer loyalty to the brand, retailer cooperation on brand-related difficulties, retailer dependence on the producer, and retailer review of the brand's success in the shop (Glynn et al., 2012). As a result, when developing strategies, MB must consider not only consumers but also retailer relationships (Glynn, 2010).

3.5 Manufacturer brand's strategies against private label

The strategies of MB against the rise of PL have been studied in literature. The most prominent framework in previous research is Hoch's Strategic framework, frequently cited in Lidefelt, Petersson & Svennerstad (2014), Chimhundu, McNeill & Hamlin (2015), Gouveia, Nunes & Braga (2018) and Anselmson & Johansson (2014). However there have been other strategies mentioned across the literature as well. One way of presenting the different strategies is by dividing them up into price-, quality- and portfolio adjustments, similar to how Jost (2014) states in his work. The different strategies discussed across literature will hence be presented in this manner to allow room for discussion and comparison. This will in turn aid the understanding of how MB have strategically acted through time. Strategies outside of these headlines are also included in order to gain a holistic view of all strategic approaches.

As the three frameworks developed by Hoch (1996) Quelch & Harding (1996), and Hillecke & Butscher (1997) were constructed close in time to each other, and when PL first started to become a real threat to MB (Dimitrieska, Koneska, Kozareva & Teofilovska, 2017), one can speculate if the more recent frameworks have changed, considering the development of the retail sector. Hence, newer strategic choices have been studied as well to get a broader view of the different strategies applied over time. This new perspective is aimed to help the authors build a theoretical foundation in order to interpret Hoch's strategic framework in recent times.

3.5.1 Jost Strategic options to respond to entry

3.5.1.1 Price adjustments

Hilleke & Butscher (1997) suggested that at the time, most MB in retail opted for one out of two of the following strategies to compete with low-price products: price lowering or no reaction. However, the former has been pointed out not only by Hillecke & Butscher (1997) but also by Hoch (1996) to not be optimal. The reasons behind this are that a price lowering strategy may harm the perception of the quality of the product (Stenkaamp, 1988) and generate great profit loss due to lower margins and contribution from those willing to pay the higher price (Hillecke & Butscher, 1997). Furthermore, price is a strategy that competitors may easily copy; hence Shaw, Dawson, and Blair (1992) foresee issues with using it to differentiate products.

Quelch and Harding (1997) takes another approach to price changes. They state that MB are encouraged to be aware of their price elasticity. If a brand knows its price elasticity curve, they can conduct smart pricing and maximize profit. In fact, PL sales are twice as sensitive to price increase as MB, giving the latter an upper hand in price strategy. Breman (2015) has presented strategies himself and touches on the concept of price adjustments in his framework. In the “Matching or coming close to low-cost competitors’ price levels” strategy, Berman (2015) suggests that MB use of it is effective in certain markets only. He states that this tactic is appropriate in markets where the following characteristic are present: a sizable and expanding group of customers that are price-sensitive, significant economies of scale, companies providing similar goods and services, and dropping prices that have the potential to significantly increase the size of the market for a good or service. This tactic also makes sense when a business is able to identify and minimize significant inefficiencies in marketing and production, as well as features that do not add value to the consumer.

Another aspect of price adjustments is the concern of retailer control. When deciding on price it is not only a matter of what the MB wants, but also what the retailer allows for (Choi, 2017). Price is also not a constant strategy, but changes depending on what category it is used in. Customers are willing to pay more in categories where the risk of the purchase is high, but rather spend less where the risk is low. In those instances where there is a high risk, customers rely on price as an indicator of higher quality, and hence more secure (Sinha & Batra, 1999).

3.5.1.2 Quality adjustments

The quality adjustment is highly correlated with Hoch’s strategy “new and improved”, focusing on innovation along with the “more value for money” strategy. According to Verhoef, Nijssen & Slot (2002) using the two strategies created by Hoch combined into one will be the most effective. Using this strategy will allow MB to expand the quality gap between them and PL, and will therefore create an advantage (Jost, 2014).

According to Davcik & Sharma, 2015) differentiation is perhaps the most effective strategy to prevent new entrants and compete with existing competitors. Not only does it allow the manufacturers to charge a higher price, but also makes the brand unique in the market. This has been a relatively easy task to complete in the rivalry against PL, however, as time proceeds, so does the development of PL. As private labels went from being seen as low-cost alternatives to having an innovative and differentiated strategy by themselves (Carlsson & Kikas, 2002), quality adjustments need to be made more consciously (Choi & Coughlan, 2006). Innovation in the grocery retail market can become apparent in various ways. When it is concerning quality specifically one often speaks about quality differentiation. This is defined as a variation in characteristics that will be valued by customers. To successfully compete with the PL, MB should focus on maximizing quality differentiation (Choi & Coughlan, 2006). Kumar & Steenkamp (2007) improving and highlighting the quality of a MB is a suiting alternative to reducing prices in the competition against PL brands, Steenkamp & Dekimpe (1997) goes as far as claiming it is the most effective strategy of all. In their work, Steenkamp, Heerde & Geyskens (2010) agree, and further state that product innovation does not need to be great, but rather that even minor innovations can contribute to the success of MB.

Moreover, Quelch & Harding (1996) emphasizes that not all categories operate the same way, hence neither should the strategies for a brand operating across the grocery retail. In categories where PL penetration is in its infancy the authors specifically recommend quality adjustments. The authors go on to state that value-added packaging does not only grab customers' attention on the shelf, but also makes the imitation process from PL harder and therefore more costly for the competitors.

3.5.1.3 Portfolio adjustments

Hillecke & Butscher (1997) critically discussed two strategies: “wait-and-see" and “price adjustments”. Because of their criticism toward the mentioned approaches, they suggested a third strategy called “the two-product category”. This strategy is a form of differentiation suggesting that a business using a two-product approach must complement its current higher-positioned brand product with a second, lower-positioned offering. The low-priced competitors are the direct focus of this second offering.

Its objective is to help the more expensive product keep its positioning by undermining the competitors' market position, forcing them out of the market, or even preventing them from entering it (Verhoef et al. 2002). The key factor of the two-product theory is that both products must be differentiated enough to avoid cannibalizing each other. This is suggested being achieved by a distinction of price, quality, and a decision of under what brand name the new product is to be sold (Hillecke & Butscher, 1997). Criticism has however been put forward against this kind of strategy by Quelch and Harding (1996), where the authors argue that cannibalization of the original product of the manufacturers brand is inevitable. Instead, the authors suggest spending more investments into other strategies. Moreover, the strategy can come with other challenges as well. For example, it is a costly approach as it requires more shelf space at the retailer (Verhoef et al. 2002). It also may lead to financial losses as it can force the MB to focus on this investment instead if innovation or take attention away from their original product line (Ritson, 2009)

Quelch & Harding (1996) also suggests keeping innovation steady, but wisely. A brand that desperately is trying to innovate through new lines and line extensions may do so to get positive effects, but often ends up with the opposite results. The authors mean that all the additional costs may not only dilute the core of the brand, but also confuse consumers and reduce the credibility and perceived expertise of the MB. However, MB should not fear innovation in itself. Eliasson & Hagström (2002) states that negligence of product R&D is one of the factors that has partially weakened manufacturer positions and allowed PL to largely overtake MB. Furthermore, it is proven in academic literature that innovation triggers growth and competitiveness in the retail sector (Bellini, Cardinali & Grandi, 2017; Pantano, Priporas & Dennis, 2018.

3.5.2 Other strategies

3.5.2.1 No reaction strategy

The “wait- and- see" approach is mentioned in Hoch’s strategic framework (1996). Since then, similar strategies have been developed by multiple academics in different angles. To fully grasp all the different interpretations of the strategy, the research is presented as a whole, outside of only Hoch´s interpretation.

One angle that was presented close in time to Hoch (1996) was the “no-reaction” strategy where MB simply takes no action to the low-price brands (Hillecke & Butscher, 1997). Here, Hillecke & Butscher (1997) have a negative outlook on the strategy. They forecast that the MB will eventually be perceived as high quality, but also high price in comparison to the rest of the market that take action, leading them to be put in a non-desirable niche. Interestingly, Hoch (1996) states the opposite, where he recommends a cautious approach instead of making hasty decisions that may waste investments and costs, a theory that Håkansson (2000) agrees with. Berman (2015) has a similar approach in the “waiting and watching” strategy to Hoch, where he agrees that too hectic changes may alert consumers but raises concerns that waiting too long may allow the PL to grow without any obstacles.

Another strategy presented by Berman (2015), the “Keeping a firm's current pricing strategy”, resembles the “watching and waiting” in many ways. Here it is however suggested that MB stand their ground and do not lower prices but remain where they are. Berman (2015) recommends this approach for established companies that have a strong brand and products that are highly unique or complex. Moreover, this strategy is recommended in segments where consumers are not highly price conscious. Quelch & Harding (1997) specifically recommend having a defensive strategy in categories where PL are already well established. They proceed to state that the focus lies on containment in such markets and MB should target cost saving in order to gain capital to reinvest in the brand eventually

3.5.2.2 Branding

A strategy that has been more frequently discussed in the later literature in regard to retail is the matter of branding. Kapferer (2008) states that there are many advantages and functions of branding. Among many, a brand is easily recognized by a consumer and knows what to expect in terms of quality, no matter the retailer. Melin (2011) states that branding, and brand identity specifically, has become increasingly important in a landscape where product features are similar. In this instance, a brand is the differentiating factor. A brand identity is a unique set of features combined that the company wants to communicate to the consumers (Bernstein, 1984). What comes out of this is a brand image, which is built on the associations consumers have with the company. In other words, brand identity is created by the company, while brand image is created by the consumers (Larsson, 2001). Because of this, communication between the two parts is of great importance (Ind, 1992). Aaker (1991) states that a strong brand can more efficiently launch or extend a new product, this is because of the customer loyalty that branding creates.

Quelch & Harding (1997) discusses branding in terms of brand equity. The suggested strategies are to invest more into brand equity to uphold the perceived superiority of the brand against private labels. The key is to stay true to the promise of the brand, through clear positioning and product improvements as this will increase the brand's price premium over competitors, resulting in PL having increased costs in order to stay relevant. It has further been mentioned by Davcik & Sharma (2015) where they state that a strong brand is related to the ability to charge a higher price. Furthermore, according to Rubio, Oubina & Villasenor (2014) besides the price, consumers base their perceived quality of the product based on the brand name. It also aids in the long-term relationships with customers as it creates a stronger link between the company and consumers and fosters loyalty (Juhl, Esbjerg, Grunet, Larsen & Brunso, 2006). Manufacturers must continue their brand-building initiatives, concentrating on consumer pleasure through measures like improving product quality or communicating product differentiation through advertising (Hoch,1996).

3.5.2.3 Promotional activities

Soberman & Parker, 2004 claims that MB often are associated with advertisements allowing for marketing of that brand. The authors even associate MB with advertised brands, and they call MB a "version of a national brand without the perceived quality enhancement provided by advertising". They argue that MB gets the premium and charge higher prices due to the advertisement. Similarly, (Connor & Peterson, 1992) states that the more advertised and more aggressive that advertising is, the higher the prices MB are able to charge and higher the gap between MB and PL.

Quelch & Harding (1996) highlight the importance of a sale's promotional activity. While the brands may not be able to highlight their price in comparison to PL, they can surely affect the shelf space, award retailers who carry large amounts of their products with rebates and offer coupons to households that are inclined to buy PL. The authors especially highlight the importance of promotional activities in categories where PL are in their infancy. Promotions aimed at trade accounts who express interest in PL might also be helpful, as could advertisements that highlight the benefits of the MB while cautioning consumers against imitators (Quelch & Harding, 1996).

In 2010, Steenkamp, Heerde & Geyskens conducted research on specifically price promotions and advertising in the rivalry against PL. They found evidence that marketing efforts concerning distinctive packaging and advertising plays a large role in enhancing quality gap perceptions. The results are especially true in countries with a more recent PL history, much like Sweden, as PL did not have their breakthrough until the late 1990's (Blom, n.d). The entrance of fourth generation PL were even more recent in Sweden compared to other countries (Sandelin & Thim, 2009).

Further evidence of the critical role advertising plays in raising consumers' perceived quality gap and willingness to pay is provided by Steenkamp, Heerde, and Geyskens (2010). This effect is seen in both mature PL countries and PL development countries. It's widely accepted that advertising works particularly well when combined with the introduction of new products. Therefore, it is concerning if businesses reduce their advertising and innovation efforts during recessionary periods, when MBs are already facing strain (Axarloglou 2003; Deleersnyder et al. 2009).

Steenkamp, Heerde & Geyskens (2010) however raise concerns about price promotions specifically. They mean that heavy price promotions cause consumers to focus primarily on price and dilute the perceived quality gap between PLs and MBs. Furthermore, price promotions do not only make consumers more price sensitive (e.g., Mela, Gupta, and Lehmann 1997), but they also decrease the will to pay for MBs over PLs. Thus, it is suggested to decrease the intensity of price promotions in order to increase the consumers will pay and perceive the quality of MB. There were contrasting findings for advertising and price promotions that show that a shift in promotion budgets from price promotions to advertising is necessary (Steenkamp, Heerde & Geyskens, 2010).

3.6 Hoch Strategic Framework

Retailers' empowering by private brands has brought about a transformative factor in the relationship between manufacturers and retailers. Retailers are no longer merely clients; they are now strong rivals. The six tactics for manufacturers to negotiate the difficult link between MB and PL are presented in the article "Manufacturer Brands against Private Brands: Hoch's strategic framework and the Swedish food retail sector" (Anselmsson & Johansson, 2014).

According to Anselmsson & Johansson (2014), one characteristic that sets PL apart from MB is that they are available in the store under a single name across a wide range of product categories, while MB are frequently advertised under various brand names even though their products are made by the same company. While other brands must negotiate with the retailer in order to attain top shelf placement and full transportation, PL are assured of these benefits without the need for expensive intermediaries (Anselmsson & Johansson, 2014).

Moreover, Hoch framework outlines the following six core tactics that MB could use when facing competition from PL: (1) Wait and see, (2) Increasing distance by launching a new/improved products, (3) Increase distance by offering more value for money, (4) reducing the price gap, (5) me-too products, or (6) producing private labels (Hoch, 1996). Hence, the overall scope of the business is one important consideration when choosing a strategy. According to Anselmsson & Johansson (2014), PL and smaller businesses are more price-sensitive than larger providers; as a result, the optimal approach for a corporation with a significant share of the market may not be the greatest for smaller firms.

When competing with PL, Hoch (1996) proposes that manufacturers use six techniques to strengthen their competitive advantage. All of these strategies can be used simultaneously but are not distinct from one another. The difference in price and quality between national MB and PL determines which strategy is most appropriate (Hoch, 1996).

3.6.1 Strategy 1: Wait and see

"Wait and see" is a careful initial attitude used by businesses facing rivalry from PL. Many businesses prefer this strategy over quickly adopting aggressive techniques, which could entail large expenses and investments in potentially inefficient technologies (Hoch, 1996). Fast judgments can be avoided by monitoring market changes after the launch of a PL, particularly in areas with short product life cycles (Hoch, 1996). Furthermore, Håkansson (2000) continues further to say that producers who operate in extremely unpredictable or uncertain markets should avoid taking quick or decisive action, especially if it means making large or long-term investments. Hence, since changes in PL shares in the market frequently have a negative correlation with disposable incomes of consumers levels, they may not necessarily call for quick action (Håkansson, 2000). According to this inverted relationship, PL shares diminish during recessions and rise during crises.

Moreover, Hoch (1996) claims that when wholesalers made large investments in advertising campaigns in the early 1990s, they observed two noteworthy phenomena. First of all, in lean economic times, buyers typically choose less expensive goods, which encourages wholesalers to advertise their PL products. Second, since budgets for advertising are usually allocated by manufacturers as a percentage of sales, marketing efforts are frequently scaled back during recessions as opposed to economic booms. Early in the 1990s, national manufacturers' marketing efforts were constrained due to a lack of marketing resources. These elements working together perhaps clarifies the reason during this time wholesalers and retailers increased their market shares. Taking a "wait and see" stance may be the best plan to follow when MB start to return to market dominance during financial crises (Hoch, 1996). Manufacturers who want to stay in the marketplace and grow should carefully consider their possibilities for investments in order to set themselves apart from the most prominent PL, hence taking a cautious approach (Hoch,1996).

3.6.2 Strategy 2: Increasing distance by giving more value for money

Furthermore, offering greater *value for money* involves activities such switching to eco-friendly materials to improve the customer experience and the perceived value of the product while keeping prices largely stable. The good's actual quality might not change but improving consumers' perceptions of improvement and additional value is what matters (Hoch, 1996). While Ashley (1998) broadens Hoch's framework by adding marketing as a way to increase product value, Quelch and Harding (1996) show that additional value can also include changes in the design of products. Furthermore, a company's packaging can give it a competitive edge because customers frequently link brands with the packaging. High profit margins for the business can result from introducing a new package that attracts new market segments or increases market shares (Keller,1998).

3.6.3 Strategy 3: Increasing distance by launching a new/improved product

Presenting an *innovative and/or improved product* is another way for producers to set themselves apart. This strategy is based on surpassing rivals via innovation, which was discovered to be the most common approach in research conducted by Verhoef et al.,2002. They claim that while innovation may minimize the influence of PL, this technique is especially important when a product has a short life cycle. Research indicates that the penetration of PL products and manufacturers' level of innovation are negatively correlated (Anselmsson & Johansson, 2009). Engaging in innovations, R&D, or other knowledge-driven abilities that increase the quality of current products or bring new ones is part of the approach of distancing through the introduction of new and improved products. Product quality was shown to be important to consumers in a study cited by Hoch (1996) referring to (Hoch & Banerji, 1993), indicating that the rivalry between MB and PL mostly centers on manufacturers' capacity to provide higher-quality items.

Bell, Davies, and Howard (1997) argue that a crucial element of success is the willingness of leading brands to allocate resources towards new product R&D; this is a point that is frequently ignored when stores create PL products. Product development is now crucial for the food retail industry to survive in a time of intense worldwide competition (Stewart-Knox & Michell, 2003). Stewart-Knox & Michell (2003) state that many businesses have streamlined their product development processes as a result of the fact that the majority of new products fail to achieve popularity in the highly competitive marketplace. The primary reason whether manufacturers positioned has diminished and PL have mostly succeeded MB is because they neglect product R&D (Eliasson & Hagström, 2002).

3.6.4 Strategy 4: Reducing the price gap

The approach simply seeks to *reduce the price* differences between PL offered by traders and MB. Manufacturers can choose to cut their own pricing or raise the selling price of private brands while maintaining prices of their own. Unlike the prior differentiation method, this technique concentrates on closing the gap (Hoch, 1996). Hoch claims that there is a big difference between larger manufacturers and smaller ones in the market. According to one study, industry leaders' sales remained mostly stable despite pricing differences, whereas smaller manufacturers were more negatively impacted. Thus, for market leaders, this approach may not be the best one (Hoch, 1996). Prices, nevertheless, could represent the best strategy for smaller manufacturers to remain competitive against larger manufacturers and PL, as their price sensitivity was comparable to the level of PL in Hoch's research.

Furthermore, food manufacturers, lowering costs might be a good way to compete, but it could also cause problems in their relationships with retailers or wholesalers, who may reject price cuts since it might negatively impact on their bottom line. Paying merchants for lost sales could be one strategy, but the manufacturer would have to assess the long-term financial viability of this strategy of action thoroughly (Hoch, 1996). Competition in prices, according to Verhoef, Nijssen, and Sloot (2002), can be harmful to the partnership of a store and a manufacturer.

Hence, MB should not be competing with PL only in price, as PL undoubtedly have a competitive edge in this area, as noted by Hoch (1996).

Shaw, Dawson, and Blair (1992) predict that it will be challenging to differentiate a product through pricing because rivals can easily imitate this kind of approach. Furthermore, it's critical to match the intended store image with the brand image. Actors in the grocery store sector are currently moving away from price competition and toward other competitive strategies (Bell, Davies & Howard, 1997).

3.6.5 Strategy 5: Me-too products

Value flanking is the term used when a manufacturer introduces a low-cost product or brand in an attempt to mimic the strategy of a PL. Protecting the initial MB is the goal of this approach, which entails releasing value flankers, or items with low prices and comparatively less good quality. This can be accomplished by preventing PL from entering new markets or by forcing them out of existing ones. By using this strategy, the manufacturer can prevent price rivalry that might compromise both its own and the revenue margins of the retailer or wholesaler, while also protecting the reputation of the original item.

Hoch (1996) nevertheless points out some disadvantages of adding value flankers. A potential issue is that the business's earnings shares may be negatively impacted if the new product cannibalizes the market share of the original manufacturing product. This danger is especially important for product categories where there are not many differences in quality between products. Furthermore, marketing costs must be taken into account while launching and building a new product that might capture market share. When a manufacturer enters low-cost product marketplaces, there's also a chance that they could damage the reputation of the original product's brand. In summary, this approach needs to be carefully considered before being implemented because it may result in resource waste and harm consumers' perceptions of the initial MB (Quelch and Harding, 1996).

3.6.6 Strategy 6: Producing private brands

Hoch (1996) discusses a manufacturer who *produces goods under private brands for retailers* and distributors. This is the sixth method. PL are typically less expensive for manufacturers to make than their very own MB for two primary reasons: either the good being sold is of low-quality or reduced quality raw materials are used, or the producer may eliminate distribution and promotional expenses. The advantages increase if a private brand produced by a firm is not directly competing with the company's products (Hoch, 1996).

According to a Swedish study (Håkansson, 2000), 40% of national manufacturers created PL for retailers. Reducing extra capacity for manufacturing and store demand to obtain sales of their own manufacturer items were the most often stated reasons for taking this action. Large multinational corporations seemed to be the main critics. Retailers that are having trouble locating manufacturers who are prepared to produce under such a contract seem to be few in number, and in the scenario where no manufacturer in Sweden is willing, there are plenty of options to work with European firms that specialize in producing private brands under such contracts.

Verhoef, Nijssen, and Sloot (2002) state that firms typically consider three primary criteria when deciding whether to produce PL: economic, relationship-based, and competitive motives. Increasing profit margins or expanding production capacity are two examples of economic rewards. Good relationships with retailers or wholesalers are the focus of relationship-based incentives, whereas acquiring a share of the market from rival manufacturers or reacting to their entry into the private brand production space are examples of competitive motives (Verhoef, Nijssen, and Sloot, 2002).

Quelch and Harding (1996) express concerns about the advantages of producers of PL. They contend that the manufacturing of goods under private labels may progressively penetrate markets wherein their own brands are powerless, creating uncertainty and upsetting the company's overarching business plan. This might result in a situation similar to executions, whereby PL goods dominate those of the original producer, possibly bringing about severe financial consequences (Quelch and Harding, 1996). The writers also claim that there is no proof of how producing under a PL could help a manufacturer's own brand or improve their connection with a retailer.

Other comparable studies, nevertheless, have produced differing findings, indicating that private brands strengthen and strengthen the partnerships between manufacturers and retailers (Anselmsson & Johansson, 2014). Although many examples show that private brand development may give rise to benefits in such interactions, the final result ultimately relies on the item in question and competitive setting.

3.7 Summary of theory

After doing a thorough examination of the literature, the authors found a clear gap regarding the current strategies used in today's market. As Hoch strategic framework (1996) is one of the most prominent in literature, it was deemed appropriate to develop. However, this framework is outdated and there is a very limited number of studies that have been done research on the framework. Nevertheless, this research did not focus on qualitative aspects of research, and therefore only assessed how the existing strategies were applied. While the aim of this study is to originate from Hoch's Strategic Framework (1996), the intent is to discover new insights as well as understanding the strategies on a deeper level.

To investigate the changes that are occurring in the manufacturing brand strategy sector, a conceptual framework was created which gives the research direction as well as structure in order to achieve this goal. This conceptual framework has added two new strategies: *Branding* and *Promotional activities* based on the collected theory. Furthermore, the authors found that B2B relationships influence all 8 suggested strategies and has therefore been added as a main concern. The intent with the data collection is to examine whether the framework is accurate and applicable in today's grocery market in Sweden.

Figure 3: Theoretical Framework of Manufacturer Brand Strategies Towards Private Label

4. Results & analysis of empirical findings

/ This chapter provides and evaluates the appropriate empirical evidence within the themes that were determined upon gathering the material. The empirical data is structure following our created themes, stemming from the data analysis. The analysis discusses manufacturing brands strategies towards private labels. /

4.1 Manufacturing brand´s view of Private labels

Although manufacturing brands are concerned about the increase of PL in the market, the findings indicate that the current ideas of PL are positive when it comes to some brands, such as Garant, that successfully differentiated themselves on the shelves. A commonly discussed barrier for the manufacturers is the data advantages of PL when it comes to the high degree of innovation. It is not a secret that PL has access to all data, which makes it easier to be in the forefront of innovation. However, the interviewees express the uniqueness of being a manufacturer in the eyes of consumers. PL can´t compete with the strong brands that are established in the category for a long time. Corp2 specifically mentioned that PL has not been successful in all categories, such as soft drinks, for example, because it is such large, strong brands that dominate the shelves.

On the contrary, the participants experience that PL has an advantage when it comes to brand associations, because the store brand is often well known among the consumers. The Manufacturers explains that private labels are a major competitor. Especially when it comes to innovation,

Corp7 - stated *"we experience that PL imitates our innovations"*.

Moreover, when it comes to today's market and the economic crisis, the interviewees explained that it was a perfect timing for PL brands to establish a low-price brand on the market, to compete against MB, which has created the high rivalry in the grocery retail market in Sweden.

4.2 Hoch´s Strategic Framework

4.2.1 Strategy 1: Wait & See

The wait and see approach were originally set out by Hoch (1996) when PL had another place in the grocery retail sector. When the term was coined, the strategy was highly dependent on the uncertainty whether or not PL would become a real threat, and in what manner they would evolve to be. Other literature earlier presented in this work has been operating under similar circumstances, hence when the data of this report was collected the authors revealed a mismatch between reality and theory. As reoccurring discussion in the data was found regarding to what extent private labels are a threat in the current market.

Corp 7: *"At the end of the day, we have to accept that private labels exist. Then it rather becomes a matter of asking ourselves what they can do? And what can we do that they can't?... "We always consider private labels in our strategies, that is a must"*

This shows that PL still seem to be aware of PL and do, in fact, have an impact on how strategies of MB are formed. However, the degree to how companies assessed the risk and therefore let PL impact their strategies differed. Corp 8, for example, showed little consideration of PL in their strategy, stating:

"Our strategic decisions towards private labels are quite diffuse, so far, we have (private label brand) as a threat, but they are so bad at what they are doing so they are not really a threat. Therefore, I have chosen not to act against it in my strategies"

A commonality was also found in the viewpoint of what differentiated MB from PL was the degree of innovation provided to the grocery retail sector. While PL were heavily mentioned, the strategy of innovation seemed to surpass in terms of importance. All the companies except for Corp 3 were consciously discussing their proactive approach when asked about the "wait & see" approach. The companies declared that by being proactive, the threat of PL was minimized.

Corp 7: *"We want to be at the forefront of innovation; therefore, we focus a lot on developing new flavors and products, this gives us a head start against PL"*

When further discussed what implications being proactive had, the companies repeatedly fell back into the discussion of innovation. The companies often stressed the responsibility they had to drive change, as their view on PL indicates that manufacturer brands are the only ones doing so.

Corp 4: *"We've seen in some segments where private labels attain too large a market share- the segment dies after some time since nobody is driving the innovation, that's not what they do. "*

"Corp 2 as company should be more proactive in these matters, and these stuffs have been a hot topic for a long time now, but give our big size, things move slow in the company unfortunately"

However, these repeated statements once again make it clear that many of the companies do not truly take a "wait & see" approach, but rather see PL as an established threat. Even if the interviewees did not explicitly state whether they followed said approach, it became clear that it was not followed in the same manner as Hoch (1996) once intended. This was a rather interesting finding, which the authors will discuss further in section 5

4.2.2 Strategy 2: Increasing distance by offering more value for money

It is not a secret that there are advantages and opportunities by offering, for example design, quality and locally produced products, will increase value for money. Despite this, both taste and responsibility of sustainable choices were found to be an important factor in raising the value of the products. This theme relates to the strategy of increasing distance by launching new products. While some participants indicated that taste and quality are the most important factors when it comes to differentiation, others found that locally produced products and the design of the product were crucial. Moreover, certain participants may be focusing to achieve the mark *"Äkta vara"* or *"Från Sverige"* to increase the value. This stamp will shop the consumers that the product is made from locally produced ingredients, which make the company protect all their producers in the entire chain, to increase the value even more.

These statements were confirmed by the authors when observational studies were conducted in store. Here it becomes apparent that the participating MB had a great focus on quality value creation mediated through mentioned quality marks and messaging on the packaging. However, the authors noticed a small gap in communication regarding new improvements of the products where the educational message was lacking for consumers when trying to convey the improved product. Meanwhile, the impressive design of the products overall made an impression of higher quality.

However, an intriguing and surprising finding requires investigating the dual meaning of quality as a strong factor when it comes to increasing distance by offering more value for money.

Corp2 stated that: *"when we drive the category forward, quality becomes the most important aspect for us"*.

While this suggests that to drive the category innovation must be done, by producing products with high quality, PL do the revised strategy, with a plain design, poor quality and low price point. Due to this, the responsibility of MB is to always increase the value of the category by in all aspects creating high standard products in both design, quality, and locally produced products.

4.2.3 Strategy 3: Increasing distance by launching new/ improved products

When discussing the numerous categories, all companies but Corp 3 had an extremely heavy focus on innovation. While the participants differed slightly regarding their view on how and what to innovate, the common denominator was that it seemed to be of huge importance. For many of the company's innovations were engraved deeply into their culture and business model. Corp 9 frequently mentioned that the CEO of the company himself was highly involved in the innovation process. Similarly, Corp 7 testified that innovation was a natural part of all strategic decisions. This was made apparent in observational studies as well. The results showed that generally speaking MB had a larger product portfolio on the shelf where more flavors and differentiation was displayed. Furthermore, MB gave an impression of being modern and innovative through limited editions and exhilarating flavor combinations. However, looking at the spectrum of companies, there was a pattern in store. The MB operating in a more refined category seemingly had a larger grade of innovation, while companies such as Corp 3 that are operating in a generic category were less differentiated in comparison.

When discussing more in depth how innovation was done across the companies, both differences and similarities occurred. Most companies frequently mentioned an increased product portfolio as their main way of creating value through innovation. This was obtained both through new product lines, new taste and quality updates to existing products. Corp 7 specifically mentioned that one of their intentions in launching new products was to encourage purchases of multiple items from the same brand. The logic behind this is to gain the same benefits as retailers having price promotions on multiple aligning products but attaining it through innovation instead. As MB don't have the same control over campaigns, this is seen as a good alternative to capture more consumers into the brand.

Corp 10: *"Of course we look a numbers, but that is not really what drive our innovation per se, but rather the intuition of what do we want to see on the shelfs representing our brand?*

Corp 7: *"We have innovated some complementing products to create the possibility of multiple item purchases from our brand. That way the consumer can feel that they get a higher value from our products"*

Corp 1 made it clear however that although a great effort was put into innovation, the strategic choices behind this are not purely made because of the rise of PL, but rather as a result of shifting consumer preferences and fluctuating economic times.

Other ways of innovating that Corp 1, 9, 5, 3 and 6 all mentioned, was innovation in the form of design of the products. The companies mentioned that design not only helped convey their branding and consumer associations with the brand, but also ensured that the products would stay relevant when new competitors entered their category. As the shelves in the store are becoming more crowded, and each category is increasingly filled with PL, the MB in this study seem to be very much aware of what they need to do in order to keep their place.

"Corp 8: *"If you want to be exposed on the shelf there must be new stuff going on"*

Corp 9 highlighted that this is specifically true for smaller companies. As PL require shelf space, it is not the big players with strong brands that are at risk of losing their space, but it is rather the new and smaller companies that are facing a bigger threat.

Being one of these smaller and novel companies, Corp 10 are just entering the shelves of the major retailers, therefore have a different approach to innovation and PL. However, they see the entering of PL as an opportunity and a compass to where to expand their product portfolio. In that sense, even though PL overall are a major threat to MB, it can also be leveraged to their advantage.

Corp 10: *"If there is a private label version of a specific product, it is a sign that it is successful. We determine our innovations this way, but try to raise the quality on our own product (from the PL)"*

Other guiding strategies that were mentioned frequently across the interviewees in order to determine how to innovate where the analysis of data. Corp 5 specifically mentioned that there is a considerable team working solely on studying consumer data and predicting trends across the globe. This is also similar to the approach Corp 3 has. Even if they explicitly admitted to not being an innovating company, there is substantial effort to study trends in order to stay updated and relevant. This further aligns with statements made by Corp 4 and Corp 7 where they state that innovation is important and closely related to their business, but it should be developed under careful consideration and evaluation. Both companies testified of previous unsuccessful launches that were not profitable. As a result, the companies try to assess their innovations carefully before launching furthermore.

Corp 7: "*We have innovated a lot, but not everything flies. For example, we've tried to launch certain flavor that did not sell, and so from now on we try to stay innovative, but we are more careful about what types of new innovations make it all the way"*

4.2.4 Strategy 4: Reducing the price-gap

The findings further revealed that there is a concern regarding the price in the market. Furthermore, the retail sector is controlled by 3 major corporations in Sweden which makes it difficult for the MB to regulate the price point to consumers only to the grocery retailers. The participants highlighted the supply chain management part when it comes to reducing the price gap.

Corp3: *"Transportation creates a big gap between PL & MB because private label has a shorter chain".*

Which indicates that PL can apply a lower price in the end. Despite this, multiple MB agreed that a price reduction would change their brand image. Instead, increasing the value of quality was of favor, rather than reducing the price to diminish the gap between PL and MB. Moreover, Corp 6 argued that a price reduction now would prevent a price increase later on. Therefore, it is not profitable in the long term.

Corp 6: *"Profitability is the most important, if we pressure prices and act on prices now, we cannot come back and raise them later"*

Further,

Corp4 stated: *"We don't want to be associated with low quality - we will be around for several more generations".*

The respondents in this study emphasized that the perceived image from the price point of the products impacts their price strategy. In this case, lower the price will not guarantee higher sales, and therefore MB can´t compete with PL low price points. Multiple interviewees stated that even if you shrink the price, the value of the products will not increase. On the other hand, quality was discussed in this strategy as well, where

Corp4 stated *"quality is the most important, if it costs more, it tastes better".*

This indicates that MB focus is rather on the quality and taste than to reduce the gap to get closer to PL. The premium price point will make the product taste even better and achieve a higher value for the end customers.

4.2.5 Strategy 5: Me-too products

Generally, the participants of this study were rather negatively inclined to this kind of approach. They also often compared this one to the former approach "reducing the price gap" and stated clearly that me-too products were a less desired strategy.

Corp 9: *"We would rather lower the price on the whole existing assortment than launching a budget alternative"*

The most occurring concern from the companies is the same that has been stated by literature (Hoch, 1996; Quelch & Harding, 1996), being that the me-too product is at risk of cannibalizing on the existing products of the brand. In theory it could be successful in order to compete with PL, but the risk is too high and Corp 7 states the following:

"The advantage is that you become your own PL, but since PL already exists that spot is already taken in the shelf"

Corp 7 resonates that the shelf needs an assortment of different ranges, and all companies have their set place on the shelf. They go on with discussing that PL are perceived as affordable because MB are seen as expensive, and if this balance is disrupted both PL and MB would be unsuccessful as a result.

Corp 9 has tried out having products of different price points in the past, and did not have a good experience with it, hence the product line was cancelled. There was however speculation and discussion from the participants whether multiple product lines of different price points would be more successful in larger categories or if it was made by a stronger brand. This way, consumers would be more aware of the differences between the product lines and the different lines would have space enough to fill a gap in the shelf. This is exactly what was done by Corp 2, where a me-too product was launched to displace PL from the shelf. This initiative was successful, which could be pointed towards that in certain exceptions, me-too could be prosperous.

When talking to the biggest company (Corp1) of the study however, they too had a negative mindset about me-too products. Instead, they focused on renovating existing products in order to meet changing consumer preferences, something that Corp 6 agreed with.

Corp 1: "We e*stablish products that have been around for a long time, i.e. more renovations of existing brands than launching new ones"*

Corp 4 however does not see eye–to- eye on this approach and argues that shrinkflation, and similar approaches, will only end up deceiving the consumers and in the long run end up hurting the relationships with them. Instead, they suggest launching new products with other, more affordable, ingredients in order to convey a lower price alternative in their regular assortment. Corp 9 had a similar thought process, but simultaneously raises caution that this could also lead to cannibalization on other products, even if it is not a direct replica of the other products.

Another main concern that the participants agreed on was that a launch of me-too products could potentially harm the brand and vision of the company. Given that the brands have set their original products at a set price point, this is aligning with their brand management. Furthermore, Corp 8 highlighted that their niche in the market is based on organic products, something that could not be profitably attained with a me-too product. Corp 5 agrees and states that they would not compromise on fair pay- and working conditions, quality, or taste in order to earn more money through a lower price point alternative.

Corp 5: *"We believe that fair pay and responsibility is too important for it to be possible to launch a cheaper alternative. Besides, you can never get an equal quality for a lower price"*

4.2.6 Strategy 6: Producing Private Labels

Manufacturers' attitudes towards producing PL are a love-hate relationship. When the participants were asked to express their thoughts of producing PL, it did not take long for the individuals to either raise the pros or cons of the process, depending on the company were involved within the production or not.

First of all, the cons of producing PL are the low margins and the uncertainty relationships with customers.

Corp 1 expressed: *"nothing we are advocating, then again it is this volume game that you just want to sell but not make anything from"*

Which indicates that the only goal with production of PL is the money. Further, the empirical findings showed that the companies' values were a crucial factor when it comes to this process.

Corp 5 explained that they "*would never make products that don't match our values, not even for other brands"*.

Hereby, the importance here is to make sure to not out compete themselves, and therefore choose who they produce for carefully. If the company considers producing for other brands, the cons is the relationship of being dependent on the consumer and their requirements. If you lose a contract, the effect can spill over and create imbalance regarding price and production.

Second, the pros with the production of PL were a highly discussed topic, because of the high volume and more effective production series. Furthermore, the relationship you create while producing for your competitors will give access to more information and shared knowledge. Due to the fact that you are a trustworthy manufacturer, it will create credibility for the manufacturers when producing for other brands. Despite this, the only concern raised was to be clear and restrictive when it comes to differentiating between MB and PL. Corp 1 describes the pros as:

"The advantage is that in certain categories you can dominate completely because we have all the positions."

Continuing on the same track, Corp 9 expressed that:

"*It does not inhibit innovation but provides control over customer expectations and quality. The more you know how to run the brand, the more you dare to innovate to stay ahead"*

Which in this case, Corp 9 also state that:

"We want to attract more consumers into the category, then we want the category as a whole to be good".

This shows that producing PL is a love-hate relationship between the manufacturing brands participating in the study. The conversations shed light on the complex dynamics that come into play when discussing the topic of producing PL brands to competitors. The differing opinions and reactions presented in their exchange not only reveal the influence of relationships with their close competitors, but also the companies' ground values. Corp1 observations regarding the pros of dominating a specific category show a positive viewpoint and openness towards producing for others.

4.3 Branding

The importance of branding was frequently mentioned and emphasized by all companies. Most of them already had extensive strategies implemented to build and retain the brands, while others, such as Corp 9 expressed a wish to invest more time and money in it. Some companies highlighted that their brand is highly built upon brand heritage, which ultimately becomes significant when differentiating themselves from all kinds of competitors, PL not in the least.

Corp 5 states: "*We don't always make decisions based on what is the most profitable, but rather what is right for the environment and ethics, which is what aligns with our vision and business model"*

This indicates that branding plays a crucial role in some companies, and that it could possibly give long term profitability, which is what branding is focused on according to literature (Juhl et al 2006). Corp 2 also discussed this and highlighted that the goal of branding is to be top-of-mind in consumer's mind. They further state that in this way there is no doubt in the buying decision regarding what brand to choose, and aspects such as price will be overlooked. Furthermore, the participants frequently discussed that a strong brand is a way for manufacturer brands to be able to charge more. This is certainly a positive indication given the previously mentioned perception of private labels utilizing low prices as their key advantage. The aspect of using branding as a defense against PL was further discussed by Corp 5 stating:

"Private labels are becoming better at what they do, and therefore we work harder to connect (name of bestselling product) closer to our company to reduce the threat. That way it becomes harder for private labels to copy us and be successful with it."

In this manner, it indicates that branding is used by MB as their key advantage, which is hard to replicate by PL. Corp 10 stated that they do believe that PL are lacking in this area. Even in categories where PL is not a great threat yet, branding is used as a precautional tool to create great brand associations and brand loyalty to the company. Many of the companies also emphasized the importance of brand heritage and do believe that they have a significant advantage given their long history. Corp 8 stated that this is something that PL lack, and will never be able to replicate, which is a crucial aspect.

Corp 5 states:*" Of course branding is important, and we have a long heritage that we leverage when working with it. Private labels Branding on the other hand only have the price point going for them, and really nothing else"*

From the observational studies the researchers found it very clear that multiple brands showed their brand heritage through design. This is shown in the way the culture and history are portrayed and highlighted in store. For example, MB were eager to display their backgrounds and key values while PL were much more discrete with their origin.

The companies explained that the way in which they build a brand is through different approaches. Other than through campaigns, promotional activities and other more traditional marketing activities that will be discussed more in depth in chapter 4.4, many of the interviewees mentioned design as a tool to mediate their brand. Corp 9 mentioned that although they do not have a comprehensive budget for branding itself, they did put a great effort into their packaging.

Corp 3 states: *"We´ve been working a lot on design on our packaging. Partly to stay up to date, but also to increase our work on branding"*

Corp 5, 3 & 9 all discussed that their packaging allows them to reach out with different messages depending on what they want to convey with their brand. Corp 3 highlighted the importance of educating their consumers through packaging, while Corp 5 and Corp 9 tried to convey their brand roots and heritage through the design, linking their brand closer to the intended associations.

4.4 Promotional activities

During the discussions in the interviews, the importance of promotional activities was expressed. All of the participants brought up that brand awareness through marketing activities is crucial when it comes to influencing the consumer on the shelves in the grocery retails stores. This was especially true for in-store activities, with advertising sheets, shelf wobblers and shelf placements. Further, even taste tests in store were appreciated when communication the campaign in-store. Corp 9 and Corp10 discussed the importance of exposure in this sector, specifically when a category is characterized by impulse purchases in the store.

Moreover, when it comes to promotional activities in the grocery retail sector, the respondents discussed in general the concern regarding how to get to know the audience to create a more effective message. Corp3 mentioned:

"We have other types of marketing than what is "traditional", e.g., sponsoring activities and participating in trade fairs"

Another example of new promotional activities was Corp 7:

"We focus a lot on community building, which takes place partly digitally and via our recipe bank".

In line with this quote, the majority of the companies mentioned that they cannot only rely on traditional marketing or social media, even if the reach and effect is immense, the cost is high and therefore adding the in-store marketing as a cheaper alternative.

In this case, the highlighted aim of the promotional activities was to raise awareness among the consumers through emotional and educational campaigns that show both differences and advantages with the specific products. The companies are applying traditional promotional activities such as PR or influencer marketing. However, to broaden the knowledge, the participants are trying to reach new aspects with community building and sponsoring. Corp 6 & 7 talked about this more in depth, and Corp 6 stated:

"We try to focus a lot on loyalty building through both TV, PR and influencers. We also have a recipe bank and the goal of all of this is to build a community for our consumers"

4.5 B2B Relationships

Throughout the interviews all strategies above were discussed in depth, but one overarching strategy that was continuously brough into the others was the relationship of the retailers and the control they possessed over the market and all operating brands. The control of the retailer was brought up frequently when discussing strategies regarding pricing.

"The retailers have a lot of control over price promotions and prices, especially during the latest years of economic crisis"- corp 3

"We can't set prices for consumer because our customer does that" - corp 3

A majority of the interviewees highlighted the fact that pricing and planning of price activities were not fully in their control, but something that the retailers would decide. Given this, an obstacle occurs when intending to create strategies adjusted to price, such as the "reducing the price gap". Corp 10 also expressed a certain dissatisfaction with the transactional focus on the relationship between the company and the retailer and emphasized that the grocery retail market should have a greater focus on quality and innovation, rather than merely profit. Furthermore, some companies were displeased with the control the retailer had over the shelf space.

Corp 4: *"It´s difficult to innovate when only 3 retailers decide what should be on the shelf, only favoring their own products"*

The statement reveals the perceived bias that a majority of the participants experience that retailers have when choosing what and how to expose products in the store. Corp 4 further stated that this limitation of the store, however, also calls for a good relationship with the retailers. While retailers are the direct customers of MB, they are also, due to the rise of PL, a competitor. The companies concluded that this creates a dilemma regarding how to treat the retailers. Same goes for the matter of innovation, where MB expressed a wish to be able to cooperate and share ideas and numbers, but simultaneously feeling hesitant due to the fear of their ideas being copied.

Corp 2: *"PL is a competitor but they are also our customers, it makes it a difficult relationship to balance"*

Corp 6: "*We would like to but are very hesitant to present our ideas prematurely about our new innovations, because then our competitors could potentially replicate immediately".*

With the given control of the retailers, the participants stressed the importance of maintaining a good relationship but expressed concerns about the uncertainty too. Corp 4 stated that one might not know when the company will lose the contract of a retailer. In the Swedish grocery market, such loss would have detrimental consequences, given the limited number of players present. However, the interviewees were not fully tormented by the realization that grocery retail is increasingly controlled. They did instead state that they are also a key player in the market, and that without the MB the grocery retail would be lost. Hence, while always respecting and adjusting to retailers, the interviewees were confident they would retain their place in the market.

Corp 9: "The retailers needs a good A-brand, otherwise they can't sell their PL's either"

Table 3: Key Summary of Empirical Findings Regarding Strategies Toward Private Labels

Strategy	***Quote***	***Key insights***
Strategy 1: Wait & see	*"At the end of the day, we have to accept that private labels exist. Then it rather becomes a matter of asking ourselves what they can do? And what can we do that they can't?... "We always consider private labels in our strategies, that is a must"* *"We want to be at the forefront of innovation; therefore, we focus a lot on developing new flavors and products, this gives us a head start against PL"*	*Private labels are already established- hence becoming a part of MB general marketing strategies. MB are trying to be proactive in the form of innovation instead.*
Strategy 2: Increasing distance by offering more value for money	*"When we drive the category forward, quality becomes the most important aspect for us"*	*Quality is of great importance and is a key aspect when it comes to providing value to widen the gap between MB and PL.*
Strategy 3: Increasing distance by launching new/improved products	*"If you want to be exposed on the shelf there must be new stuff going on"* *"If there is a private label version of a specific product, it is a sign that it is successful. We determine our innovations this way, but try to raise the quality on our own product (from the PL)"*	*Innovation is the key strategy for MBs in order to stay ahead of PL and relevant on the shelves. Innovation through quality, design and product portfolio are common strategies.*
Strategy 4: Reducing the price-gap	*"Profitability is the most important, if we pressure prices and act on prices now, we cannot come back and raise them later"* *"We don't want to be associated with low quality - we will be around for several more generations"*	*Rather than reducing the price gap, MB differentiate themselves in quality to not risk hurting their image. Furthermore, even when price decreases were a desired option, at the end of the day it is in the retailer's control.*
Strategy 5: Me-too products	*"We would rather lower the price on the whole existing*	*Generally, the interviewees were concerned about launching a budget product.*

	assortment than launching a budget alternative" *"We believe that fair pay and responsibility is too important for it to be possible to launch a cheaper alternative. Besides, you can never get an equal quality for a lower price"*	*The main reason is due to the risk of cannibalization. Furthermore, it does not align with the brand's visions and image.*
Strategy 6: Producing Private Labels	"W*ould never make products that don't match our values, not even for other brands".* *"We want to attract more consumers into the category, then we want the category as a whole to be good"*	*Most companies do produce PL currently. They did express a love-hate relationship where producing PL offered profit but are simultaneously their competitors. However, the upside is that they gain control over the category through production.*
Branding	"*We don't always make decisions based on what is the most profitable, but rather what is right for the environment and ethics, which is what aligns with our vision and business model"* *" Of course, branding is important, and we have a long heritage that we leverage when working with it. Private labels Branding on the other hand only have the price point going for them, and really nothing else"*	*Branding is a very important aspect for all interviewees. This is a key strategy when it comes to differentiation which MB leverage a lot.*
Promotional activities	*"We try to focus a lot on loyalty building through both TV, PR and influencers. We also have a recipe bank and the goal of all of this is to build a community for our consumers"*	*Promotional activities were heavily discussed and concluded to be important. Community building through channels that are less traditional was opted for in many cases and successfully used.*

B2B relationships	*"We can't set prices for consumer because our customer does that"* *"PL is a competitor but they are also our customers, it makes it a difficult relationship to balance"*	*The power of retailers became very apparent in the empirical data. MB find it hard to navigate how to build relationships while still seeing them as competitors.*

4.6 Strategies adjusted due to the economic crisis

Due to the world's situation with the economic crisis, the respondents were asked to answer a question regarding if the strategies had shifted in these uncertain times. Inhere, the expressed frustration and dissatisfaction with the unpredictable market required the companies to reassess the situation and strategies. This phenomenon affected the entire grocery sector, both with inflation and the price shifting of raw materials. However, PL took advantage of the situation and their growth increased in these uncertain times, when people were in need of simple, less expensive products. Therefore, Corp4 stated that to compete with PL products, the manufacturing brands were obligated to change strategies and adapt to the new market, to stay relevant. Continuing, Corp4 mentioned:

"We changed our strategy after inflation, and changed the raw materials as the supply is not the same"

To battle both inflation but also their biggest competitors, PL. For all the companies that participated in the study, it has been a shift in their strategies work, due to the economic crisis. Not only for MB and PL has the inflation affected their work and the increased prices have forced the businesses to adjust and adapt to the new market situation in the field.

4.7 Strategies dependency of size, category & market share

One aspect that made an impact on the companies and therefore the results are the size of market share, company and the characteristics of the category they are in. For those companies large enough to be able to operate across the sector, they ensured the authors that strategies are adapted to fit each category. Corp1 highlighted that there are no sizes fits all in grocery retail and each strategy must be carefully crafted to the company. They also proceeded to explain that as a market leader in a category, there are certain guidelines and rules that the companies must obey by.

Many of the participants also reflected on the matter of size in their strategic decisions. The smaller companies often appreciated their size since it allowed flexibility and a fast-moving operation. On the contrary, the larger companies acknowledged the obstacle of not being as rapid in their decision making, hence not being able to move as fast in innovation. However, the companies of smaller size recognized that a limit for them is that they are lacking the resources of expanding their portfolio, and in that way, innovation can be hurdled instead.

Moreover, some companies reflected over the characteristics of their category. Corp 3 frequently mentioned that their place in a generic category compromise with how much they can adapt prices and innovate.

"We operate in a generic category, giving PL a big advantage" - Corp 3

They also wisely reflected on how companies working in a refined category may have more room to innovate and by innovating also are more accepted by consumers to charge higher prices, as more work has gone into the product. Furthermore, the growth stage of the category and the entry level of PL was also mentioned as a factor when deciding strategies. Corp 7, for example, are active in a category that is growing at a fast pace, which allows them to increase their market penetration rapidly. However, they are also operating in a category where PL are establishing themselves more, which certainly is a threat.

4.8 Future of Private Labels

When the participants were asked about the future of PL, the majority agreed that PL will grow and become even stronger in the grocery retail market. Corp 4 stated that:

"PL keep us on our toes and their shares will only grow. We need to work together and strengthen the category".

Which shows that the rivalry between manufacturing brands and PL brands will continue but together will establish a strong category with products for each and every consumer. However, the empirical findings showed that if PL dominates the market, the outcome will be a dying segment and will not drive any innovation further. Therefore, Corp 9 argued that:

"Either we have to go along with PL development and cooperate, or work against it, but then you miss out on many opportunities".

Moreover, consumers' trust towards PL increases every day and their development of innovations quickly advances. They are professionals at copying manufacturer products and therefore squeeze the prices even further and make a bigger gap. The companies discussed that PL would continue to differentiate themselves and build even better brand awareness, which will create a stronger rivalry on the shelves. PL have the opportunity to grow bigger in the categories that strong MB are dominating today, such as coffee, beer or sauce categories. Thereby, drive modernity, innovation and value creation on all shelves in the grocery store. There is a fact that MB and PL brands will continue to grow stronger for each year, and a rivalry will continue.

While the participants expressed a concern regarding the growth of PL, simultaneously they hope that consumers recognized the importance of quality, design and innovation in the long run. Therefore, the companies acknowledge the development of PL but are also slightly positive for the future ahead.

5. Discussion

/ This chapter will present the findings together with the theoretical framework. The extended figure of Hoch's Strategic framework (1996) lays the foundation for the discussion, regarding manufacturing brands' strategies towards private labels. The six main strategies listed in the theoretical framework serve as the foundation for the discussion along with debate regarding the development of PL. /

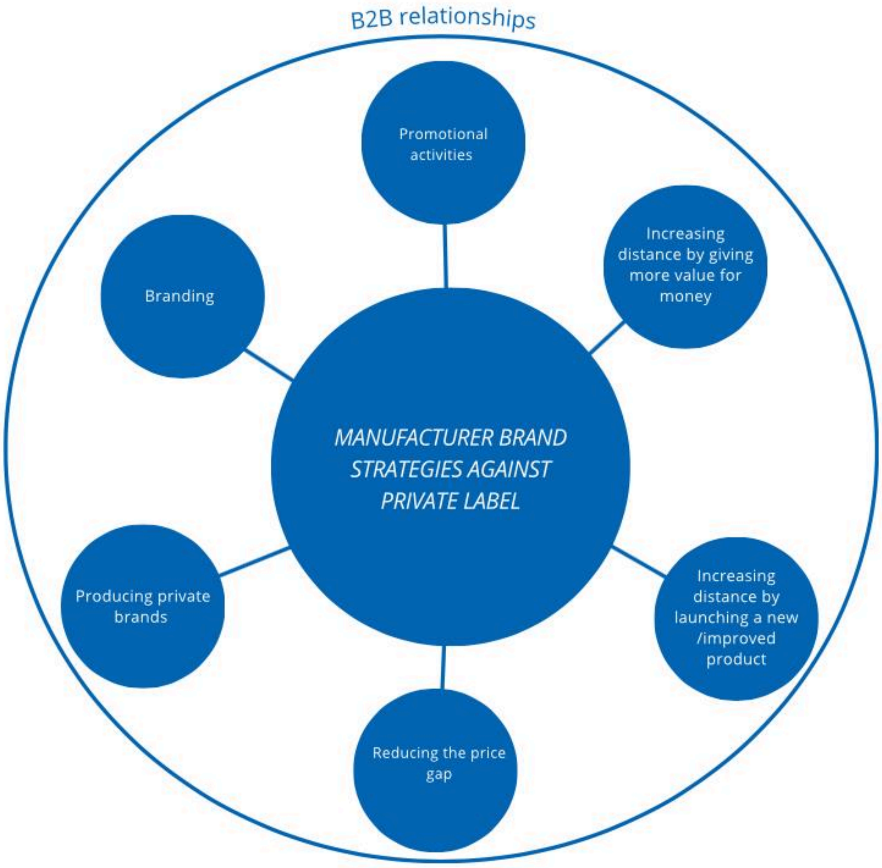

Figure 4: Manufacturer Brand Strategies Against Private Labels

After analyzing the results of the empirical data, the authors came to the conclusion that a revision of the conceptual framework was needed. First, Hoch´s strategic framework consisting of six strategies and were created in 1996 (Hoch, 1996). Therefore, PL had a different status in the market back then compared to today's grocery retail market in Sweden, where PL today has become a competitor equal to any other in the market. PL has become a generic player in the market, and hence does not compete in a noticeable way. As mentioned in chapter 2.5.1 the interviewees had a tendency to compare their strategies against PL with their overall marketing strategies. Therefore, the authors noticed that the view pf PL has changed over time. It can be argued that strategies towards PL today are hard to assess as they are now a developed player in the category.

As the times have changed, the authors built a revised framework to assess whether MB current strategies towards PL are still relevant to the conceptual framework. The empirical findings showed that there was a need for a reconstruction of the framework in order to accurately mirror today's market.

Out of the original 6 strategies, only 4 were deemed relevant by the authors in the Swedish grocery retail. These were: Strategy 2- increasing distance by offering more value for money, strategy 3- increasing distance by launching new/ improved products, strategy 4- reducing the price gap and strategy 6- producing private labels. Strategy 2 were seen as effective as value was frequently described as the most important aspect when it comes to competing against PL. This was shown throughout all 10 interviews and was applied by all participants. There is a fact that PL are not attaining the same level of quality as most of the MB, hence quality becomes a key advantage, hard to replicate while offering low prices. Same goes for strategy 3, being another one of the most crucial parts of their strategies. It was emphasized in all interviews that the MB possessing the market leader position has a responsibility to drive the category and being the forefront of innovation. These strategies make up for the two most distinctive ways to differentiate themselves against PL. However, some PL have become stronger in these aspects, and therefore there is a need for MB to continue their R&D work to stay relevant.

Strategy 4 were also discussed and still relevant alternatives, but obstacles were identified in the process of decision- making. While the strategy was utilized by some companies, the participants expressed a concern regarding the lack of control when it comes to the price point. What was identified was that although the MB could affect the pricing towards the retailers, they did not have full control over the end price to the consumers. Because of this the use of the strategy is limited. Lastly, strategy 6 was widely used by the participants. While being hesitant to the collaboration with their now competitors, most companies saw the strategy as an opportunity. Not only does it allow for better achieving full capacity, but it also strengthens the relationship between the MB and the retailer. The participants discussed the love-hate relationship with the retailers, due to the fact that it benefits them, but also calls for a higher risk and dependency. Some of the interviewees stood their ground and refused the strategy, but most recognized the advantages of producing PL.

The 2 remaining strategies that were not considered relevant in today's market and will be excluded from the framework are Strategy 1- wait & see and Strategy 5- me-too products. The reasoning behind excluding strategy 1lies within the reality of today's grocery retail market. The initial thought of Hoch was that PL were not fully established in the market, and the MB were supposed to take a proactive or defensive stance while the PL developed. In this case PL has already gained a prominent position in the market, and there is no doubt of their existence. Meanwhile, the discussion with the participants was vague because of the lack of understanding from the MB. In their perception, PL were a big challenge that they work against in their daily operation. Hence it is no longer an option to “wait & see”, the threat of PL is now a fact. However, strategy 5 had been considered by almost all companies, but in the end, it was not utilized by any but one. In the case that did use the approach, the company is operating in a very niched category with few competitors, which allows for room for a fighter brand. Nevertheless, the majority of MB refused the strategy due to the apparent risk of cannibalization. The categories are already saturated, and the PL already possesses the position of being the budget alternative on the shelf. Furthermore, the authors shine light on the problematization of this strategy given the changed market and characteristics of PL. Nowadays, PL are not as clearly defined, with products across all price and quality segments. Therefore, PL are not merely a budget version on the shelf, which causes the creation of a me-too product to be less efficient.

Another interesting point was the discussion about PL depending on company size on the spectrum. It was found that companies of smaller size, operating as start-ups or scale-ups had less concern regarding the rise of PL than the more established ones with a lengthy experience in the field. An interesting question is why this is? The authors believe that there are two possible explanations. Either it is purely based on budgetary restrictions, where there are not financial means enough to have specific strategies towards PL. Or it is explained by the fact that PL is considered a natural part of the competition in the market. This discussion connects to the previous statement that excluded the “wait & see” approach, arguing that PL´s is a competitor like any other. This highlights the results that strategies specifically catered towards PL are not an effective or current viewpoint to utilize by MB. This highlights the fact that renewed research indeed is needed in order for Mb to effectively battle PL, given the substantial development that PL has undergone.

Moreover, three other important strategies that were heavily highlighted were branding, marketing and B2B- relationships. The empirical findings make it clear that these three strategies are of great importance for all MB in today's competitive market. As seen in chapter 4.3-4.5 there were extensive discussions about the topics, and most companies regarded it as their most crucial strategy. Therefore, they are added into the revised framework.

6. Conclusion

/ In line with the exploratory methodology of this study, the final chapter reviews the research topics and draws attention to new developments in the field. Moreover, limits of this specific study and recommendations for further research are provided, after which theoretical and practical consequences are addressed. /

6.1 Research Findings

Given the prominent increase in the market share of PL in the Swedish grocery retail, today's market looks significantly different from when Hoch created his strategic framework in 1996. Between the years 2004 and 2022 PL gained 19% of the market shares in Swedish grocery retail. Since then, both academics and practitioners have studied the framework and strategies towards PL in general. However, this study provides a new insight with an extended aspect of how MB can mitigate to PL strengthened position. In line with the gained market position, PL have also become differentiated on the shelves. This has caused the need for a reinvention of the existing frameworks available in literature. The authors provided findings that showed what strategies were relevant in the current market, and which were not. Due to the development of PL the strategies deemed efficient were “Increasing distance by offering more value for money”, “Increasing distance by launching new/ improved products”, “Reducing the price-gap", “Producing private labels”, “Branding” and “Promotional activities”. Moreover, all of these strategies are influenced by the relationship with the retailer.

The authors further discussed that while the categories have become more diverse, the gap between PL and MB has narrowed. Therefore, a grey zone of differentiation has arisen. As a result, the empirical findings showed that strategies such as launching me-too products and wait & see are less effective. However, promotional activities and branding are key strategies for MB to distinguish themselves from PL. While there is a fine line between the strategies towards PL and the general marketing strategies of MB, this study provides a focused approach regarding how to accommodate to the current positions of PL.

6.2 Managerial Implications

The results of this research can be used as a recommendation for management to concentrate on strategic decisions regarding grocery retail. The findings suggest that there has been a shift in relevance of strategic decision making, which may be useful for managers operating in this market. What is noteworthy is that managers need to be aware of the great development of PL in the grocery retail sector. As PL are not the same as they once were 30 years back, managers must update how they develop strategies against them.

In this context, the following strategies that were added were shown to be of great importance: (1) Branding, (2) promotional activities and (3) B2B- relationships. In contrast, the outdated strategies originating from Hoch's Strategic Framework: "Wait & see" and "Me-too products" were removed. These indications aim to guide managers in developing strategies that will enable them to thrive in the ongoing rivalry between PL and MB in the grocery market.

Considering the importance of time and effort, it is vital that managers to efficiently consider their strategic decisions. However, there are many difficulties with planning according to the competition in the market. Despite the rivalry, it is crucial to establish a clear position in the market and therefore find an aligning strategy. The developed framework provides a frame in which managers can allocate their resources and efficiently battle PL. Specifically the approaches of branding, promotional activities and B2B-relationships were identified as the most adequate ways of strategically differentiate one's brand.

6.3 Theoretical implications

Research on the strategic choices advised in the current Swedish grocery retail industry is scarce, as was mentioned in the problem formulation (see Chapter 1.2). Apart from the research done by Johansson & Anselmsson (2014) there are no studies made in this specific subject. Nevertheless, this research is currently 10 years old and therefore academia calls for a revised study. By evolving from previous frameworks and literature, this research uncovers new perspectives and shed light on MB aspect of the rivalry in the Swedish grocery retail. Further, the theoretical implications contribute to a more comprehensive knowledge base in the field of the grocery retail market. More precisely the perspectives of branding and promotional activities are connected with the retail strategic decisions when it comes to gaining a prominent position on the store shelves.

Furthermore, this research provides the theoretical field with a brand-new framework that aligns with the current retail environment. This allows for the discovery of new perspectives and profound influences that can continue to evolve with the aid of the framework.

6.4 Future research

Future studies could build on this study by conducting more in-depth research on different categories in grocery retail. This way, a deeper and more precise understanding of each strategy decision depends on characteristics of the category or company size. Moreover, the study can be conducted in other countries to gain a new perspective on retail. This allows for a comparative focus to be taken on, that could provide even broader knowledge to the field.

While this research paper is taken from the perspective of MB, it could be of great importance to reveal the other side of the rivalry i.e., private labels. By conducting this research, the entirety of the market can be highlighted, and potential bias can be minimized. Another viewpoint could be to study consumer preferences, in order to gain insight into what strategies successfully reach consumers in an attractive way. This could not only be beneficial to MB but also PL in their development.

Another interesting angle would be to quantify the empirical findings. This enables specific points in the results to be emphasized and studied more in depth. A greater sample could generate a more accurate representation of the market.

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Appendix

1. Interview guide

Introduction

1. Tell me about your role and how long you've been there.
2. Tell me about the company you work for.
3. Tell us more about xxx strategy in general.
   - If necessary: clarification regarding pricing, positioning, products.
4. How do you view PL in your category, and how do you work to maintain your position in this? Any examples?

Strategy 1: Wait and see

5. How do you assess the effect of private labels on your market segment before deciding on strategic actions? Do you take a proactive or a wait-and-see strategic decision?
   - If the answer is wait & see: Can you provide examples of situations where you have adopted a "wait-and-see" strategy in response to the emergence or growth of private labels?
   - If the answer is action: What types of strategic actions have you taken, provide examples.
6. Currently, how do you consider adjusting your strategy to address the economic crisis?
7. Among consumers, PL is often considered to offer budget products, which is a relevant factor today. How do you address the shift in consumer preferences regarding pricing?
   - Do you wait out the economic situation until consumer purchasing power increases, do you stand firm that your products are worth their price, or do you lower prices in line with inflation?
8. Can you provide examples of situations where you have adopted a "wait-and-see" strategy in response to the emergence or growth of private labels?

Strategy 2: Increasing distance by giving more value for money

9. What measures do you apply to increase the value of the product category?
10. How do you convince your consumers that your price tag is justified, what factors do you offer that PL does not?

Strategy 3: Increasing distance by launching new/improved products

11. How do you differentiate your products from PL, in which areas? Such as design, marketing, innovation, etc.
12. Can you share some recent initiatives or investments aimed at improving or renewing your product range to maintain a competitive advantage over private labels?
13. Do you have an R&D department, and how many are working on development?
14. How do you work to ensure that your workplace promotes innovation and new thinking?

Strategy 4: Reducing the price gap

15. How do you handle the price difference between your products and private labels while maintaining profitability?
16. Have you implemented any pricing strategies or tactics to narrow the gap between your products and PL in the eyes of consumers?
17. Do you believe that a price reduction of your products can change your image?

Strategy 5: Me-too products

18. Do you see any advantage in introducing low-cost or budget product lines to compete directly with private labels?
   - If YES: What considerations do you take into account when deciding whether to launch a low-cost/budget product line in response to competition from private labels?
19. Do you see any risks/disadvantages to introducing a new budget line?

Strategy 6: Producing private brands

20. Have you considered entering the private label market by creating your own branded products for specific retailers? (producing your own PL)
21. How do you weigh the potential benefits and risks of launching your own PL against competing only with your PL?

General strategy questions

22. Of the strategies we've discussed, which do you consider to be most effective/which do you use?
23. Can you provide insights into how your company's characteristics, such as market share and size, affect your choice of strategy?
24. Are there any specific challenges you face when implementing the mentioned strategies in the grocery retail sector?
   - Have you attempted to implement other strategies that haven't succeeded?
25. How do you anticipate the landscape for private labels to evolve in the future, and how does your company plan to adapt its strategies accordingly?

2. Participant consent form

SCHOOL OF
ECONOMICS AND
MANAGEMENT

LUND UNIVERSITY

The rivalry between manufacturer brands and private labels in grocery retailing

Ellen Persson
Ebba Blomberg

I have been given information about *The rivalry between manufacturer brands and private labels in grocery retailing* and discussed the research project with Ellen Persson & Ebba Blomberg who are conducting this research as a part of a Master's in International Marketing and Brand Management supervised by Ulf Johansson

I understand that, if I consent to participate in this project, I will be asked to give the researcher a duration of approximately 1 hour of my time to participate in the process.

I understand that my participation in this research is voluntary, I am free to refuse to participate and I am free to withdraw from the research at any time.

By signing below I am indicating my consent to participate in the research as it has been described to me. I understand that the data collected from my participation will be used for my thesis only and will be deleted after completion, and I consent for it to be used in that manner.

Name: …………………………………………………………………………….

Email: ………………………………………………………….

Telephone: ……………………………………………………….

Signed: ………………………………………………………………………….

3. Coding Scheme

			Är ett följarföretag, jobbar inte myed innovation, utan följer när de ser att något går bra
			Jobbar med innovation med hjälp av smaksättningar och produktutveckling
			Lanserar nya produkter i nya kategorier
			Om EMV finns av en produkt, är det ett tecken på att den är lyckad, de bestämmer innovation lite efter det men försöker höja kvaliten
			Stor fokus på innovation i produkter, de har lanserat kompletterande produkter för att främja multiköp, design (tillfälliga deisnger), förbättra produktkvalité
			Det är en del av företagskulturen att alltid tänka nytt och annorlunda
			Eftersom de är ett litet team kan de snabbt göra beslut och innovera nya initiativ eller produkter
			De har testat mycket innovationer, men ibland är de för nischade. Därför försöker de välja ut sina innovationer noga framöver
			"vill man synas i hyllan så måste det hända saker"
	Strategy 4: Reducing the price gap	Brand Image Supply chain management Category difference	Etiblera produkter som funnits länge, dvs mer renoveringar av existerande brands än att lansera nytt
			Prissänkning strategi hade förändrat image
			Vill ej förknippas med låg kvalite - "vi ska finnas i fler generation till"
			Svårt att påverka inköpare på priset på ingredienser och cogs
			Kan inte själva helt påverka prissättningen till konsumenten, bara till handeln
			Prissänkning hade bara lett till merförsäljning
			En prissänkning som matchar EMV skulle kärva en enorm underminering av deras egna produkter
			Tror inte kunder hade tänkt på image, utan endast blivit glada för prissäkningar
			Vissa riktlinjer inom kategorin beroende på om man är marknadsledare.
			Sänker inte priser för att tävla mot just EMV pga kvaliten på produkterna
			Nära samarbete med leverantörer och bra relation som kan pressa priserna
			Sänker inte priser, ökar hellre värdet
			Transporter skapar ett stort gap mellan LVM & EMV eftersom att EMV har en kortare kedja
			Är inte ett stort gap mellan EMV & LVM i denna kategori
			Deras producenter ska få rätt betalt, därför kan man inte sänka priser
			Generisk produkt, kan inte skilja i pris eftersom man inte kan innovera eller förädla
			Outsourcar produktion, vilket sparar pengar på personal och produktion
			Företaget vill vara folkliga, och är därför bara positiva till prissänkningar
			Har diskuterat prissänkning, men det garanterar inte högre sälj, därför har de inte gjort det eftersom de ändå inte kan komma ner till EMVs priser
			Med dagens läge måste man höja priserna när produktionskostanderna höjs
	Strategy 5: Me too products	Cannibalisation Brand allignment Shrinkflation	Producerat produkter med lägre prispunkt för att vara relevanta i hela kategorin
			Krymtering etc - då känner sig konusmten lurad.
			Producera hellre nya innovativa produkter, med nytt recept.
			Skulle hellre sänka priset på hela det befintliga sortimentet än att lansera budgetalternativ
			Budgetalternativ leder till för stor risk för kannibalisering
			Dåliga erfarenheter av olika prisklasser i samma sortiment
			Finns inte rum för det i just denna kategori, då den är för liten. Skulle den växa finns det kanske plats för något i mellan EMV & LVM
			Etiblera produkter som funnits länge, dvs mer renoveringar av existerande brands än att lansera nytt
			NAckdelen med budgetvänliga alternativ: tex felix ketchup, spillover effekt i kategorin
			Ser negativt på det då det skadar varumärket
			Tycker skälig lön och ansvar är för viktigt för att det ska vara möjligt att lansera ett billigare alternativ. Dessutom går det inte att få kvaliten för ett lägre pris
			Passar inte med värderingarna
			FInns ingen anledning att konkurrera med en budgetversion eftersom det är generiskt
			Har inte övervägt att lansera en lågprislinje
			Fördelen är att man blir som sin egen EMV, men eftersom EMV finns så är den platsen redan "tagen" i hyllan
			EMV upplevs billiga för att LVm upplevs dyra, alla måste ha en plats i hyllan
			Tydligt brand kopplat till ekologiskt så ruckar inte på märkningen. Skulle därför inte lansera budetlinje
			Lanserade Svennes som en budgetvariant i kategorin för att slå ut EMVs
			Utmaningen är att inte bli utkonkurrerad med sig själv
	Strategy 6: Producing Private Brands	Love-hate relationship	Hatkärlek till EMV´s - om ej erbjudit produktionskapacitet till andra, hade ej varit bolaget som det är idag
		Foster long-term relationships	Fördel=jämna volymer i produktion > fast anställda, hålla maskiner igång och få mycket kunskap
		Pros = volume, knowledge and growth	Nackdelar = väldigt pressad av kunder, osäkerhet > därför viktigt att jobba relationer - låmgsiktigt
		Cons = Dependency, uncertainties and transaction based	Producerar EMV
			EMV produktion har inte heller kostnade såsom uppföljning, mutiksmaterial
			Viktigt för att skapa relationer till kunden samt ger mycket insyn i deras arbete och vision
			Vill få in fler konsumenter i kategorin, då vill de att kategorin i sin helhet ska vara bra
			Hämmar inte innovation, utan ger kontroll äver förväntningar från kunder och kvalitet. Desto mer man vet hur man ska driva varumärket, desto mer vågar man innovera för att ligga före
			Nackdelar= låg marginal, väldigt beroende av att leverantören fortsätter med kontraktet, annars försvinner en stor del av produktionen, därför viktigt att jobba fram djupare relationer (inte bara transaktioner och pris)
			Ingenting vi förespråkar, då är det återigen det här i volym spelet att man bara vill sälja men inte tjäna någonting på
			Fördelen är ju då till en att i vissa kategorier kan man då dominera helt att vi har alla positioner.

			Skulle aldrig göra produkter som inte stämmer överens med deras värderingar, inte ens åt andra varumärken
			Ser till att inte konkurerra ut sig själva, väljer vilka de producerar åt noggrant
			Tillåter de att nå ut mer för deras varumärken i större geografisk utsträckning, hade inte varit där de är utan EMV
			Nackdel: man blir väldigt beroende av sina kunder, förlorar man ett kontrakt har man för stor produktion vilket rubbar balansen i pris och produktion
			Man delar kunskap, men försöker vara restriktiva så det ändå är en differans mellan EMV & LVm
			Producerar inte EMV i nukäget, men är öppna så länge det inte konkurrerar med deras produkter
			Svårt att räkna med att vara en stabil EMV leverantör, då de alltid kan hitta någon billigate och lämna en
			Tror att det skulle kunna gynna vissa kategorin. Fördel= mer volymer och effektivare fabrik, samt kontrol på hela kostandssidan. Du ör nära dina konkurrenter och får mer info
			skapar trovärdighet till brand när man producerar åt andra märken
Other strategies	Branding	Increase importance of branding	Långsiktigt varumärkesbyggande är viktigt för att visa på värde. Känslomässiga band gör att man är villig att betala mer, trots att värdet kanske inte är högre egentligen
		Brand heritage	Branding & marknadsföring är väldigt viktigt. vill gärna investera mer i det
		Brand associations & Top-of-mind	övertygar konusmeter om prislappen med varumärkesbyggande, samt säkerställer att dem har bästa produkterna på marknaden, smakar gott.
		Loyalty	Branding är vitkigt- lång historia i företaget som de spelar på, EMV jobbar bara med pris
			Bygger storytelling och branding i högre grad via social medier och kampanjer
			Jobbat på designer av förpackningar, dels för att hålla sig uppdaterade, men också för att jobba på branding
			Även ett starkt varumärke, tidsaktuell kommunikation och prisaktiveringar
			Lojaliteten till varumärket
			Kalles fyller 70 år, spelar på historian, igenkänningsfaktorn
			~~Branindng, brand loyalty, brand heritage~~
			Vill vara top-of-mind när man köper kaviar, då ska man inte tveka på prisskillnaderna
			Företaget försöker knyta sina mest kända produkter mer till sig själva för att undvika att EMV kan kopiera
			Gör inte alltid strategiska beslut som är rätt lönsamt, men som är rätt för miljön pga deras vision och businessmodell
	Marketing		Innovation - driva kategorin med design och kommunication
		Marketing activites	Jobbar mycket med eco-aktiveringar- kampanjer hjälper folk att sänka tröskeln
		Community building	Exponering är viktigt- särksilt om kategorin är prgälad av impulsköp
		In-store marketing	Viktigt att bygga varumräket känslomässigt, men samtidigt prata om de rationella skillnaderna/ fördelarna
			Jobbar mycket med PR, markandasföring, influencers etc
			Viktigt att lära känna sina kunder för att skapa ett effektivt budskap
			Media & kommunication
			Jobbar med att utbilda konsumenter och anspela på deras regionalitet
			Gör kampanjer för att få kunder att handla,
			Lägger mycket energi på marknadsföring ,både in store och SoMe, hade velat lägga ännu mer
			Har andra typer av marknadsföring än vad som är "traditionellt", t.ex sponsring av aktiviteter, vara med på mässor
			Har jobbat med influencers och social medier exponering och fått stor effekt, men är också kostsamt och därför jobbar man mer med butiker
			Marknadsföring är A och O, annonsblad etc
			Fokuserar mycket på communitybyggande som sker dels digitalt och via receptbank
			Exponering i pris och hylla är väldigt viktigt och stort fokus hos företaget
	Relationship with- and control of retailer	Controlled market	Svårt att innovera när 3 retailers bestämmer vad som ska stå på hyllan, gynnar bara deras egna produkter
		Relationship building	Gäller att ha god & tydlig relation med kunder, men är en risk, då de kan ändra producent närsom
		Dependency	Handeln behöver ett bra A-brand, annars kan de inte säljha sin EMV heller
			Känsligt för mindre LVM att EMV tar plats då en butik inte behöver 3 LVM och PL. Då försvinner ofta det minsta LVM för att ge plats åt PL
			Leverantörer har väldigt mycket kontroll över kampanjer & priser, särskilt under de senaste åren av ekonomisk kris
			Man måste vara medgörlig med leverantörer, annars riskerar man att förlora eller skada kontrakt och relationer
			Relation till kunden är viktig, växa tillsammans
			Kan inte sätta priser för konsument eftersom kund gör det
			Dialoger med kunder är tyvärr väldigt transaktionsbaserade
			Stort fokus på rotationen i butikerna som nuvarande fokus
			PL är en konkurrenr med också deras kunder, svår balansgång
			Hyllorna är begränsade, som LVM är utmaningen att få plats på hyllan hos kund
	Strategies adjusted due to the economic crisis	A shift of strategies	ställt om strategi efter inflation, bytt råvaror då tillgången ej är den samma
		Rise of Private Labels	Anpassa pris efter dagens läge - om dem tappar volym förlorar de också relevansen på hyllan
			Ekonmisk kris- försöker hålla nere priser, både mot konsumenter & mot leverantörer.
		Logistics	Varit i förkant med leverantörsutveckling= gett en fördel när krisen kom
			Inflation har haft stor påverkan
			Ökade priser pga det ekonomiska läget, både för deras EMV och deras LVM
			EMV har haft en stor tillväxt länge, men framförallt senaste åren med tanke på ekonomisk kris
			Skapades under den ekononiska krisen, har därför inte gjort några särskilda ändringar pga den
	Strategies adjusted to category, market share & size	Flexibility depends on size	olika strategier utifrån hur stor andel de har i kateogrin
		Segment attributes	Finns ingen one size fits all, då alla varumärken gör olika.
		No one size fits all	Två helt olika strategier för deras två lika ben (EMV & LVM)

			Deras lilla storlek gör att de är mer flexibla i beslut
			Hade de varit större hade de fått ha mindre fokus, och vice versa om de varit större
			Storleken på bolag har stor skillnad på implemetering av strategier.
			OM dem var större finnns mer potential med samarbetsparnter av bolag
			Genersisk produkter kanske inte har lika stor inverkan när det kommer till kvalite men när du ska köpa sill 2 ggr per år, är det viktigt att det är en bra upplevelse av märket.
			HAde dem varit mindre hade de kunnat vara snabbare och mer adaptiva när dem hanterar komplexa strategier.
			Stort bolag med komplexa strategier oer kategori, mindre bolag kan inte differentisera sig lika mycket.
			Deras segment växer fort
Thoughts on PL	The current idea of PL	Some PL are well differentiated Advantage in innovation do to data and shorter supply chain PL can´t compete with strong brands	Garant har gjort ett bra jobb, tillskillnad med EMV fula förpackningar
			EMV jobbar väldigt lite med exponering i butik
			EMV är duktiga på att innovera snabbt, särskilt på existerande varumärken, fast med en twist gjorda av EMV
			EMV har tillgång till mycket data, och kan därför veta var dom ska innovera
			EMV har haft en bra timing iom kriser, lättare att etablera sig som lågrpismärke då
			EMV har haft en stor tillväxt länge, men framförallt senaste åren med tanke på ekonomisk kris
			Tycker EMV har börjat försöka göra mer gällande design och förpackning men inte når lika högt som dom
			Ser stor konkurrens från EMV i deras kategori, framförallt vinner de på pris
			Upplever att EMV härmar deras innovationer
			EMV har en fördel att folk känner till deras märke
			PL har inte lyckas i alla kategorier så som läsk tex för det är så stora starka varumärken som briljerar
			Ogillar startk EMV, tycker inte det bidrar till en bättre butik eller konsumet upplevelse. PRoblemet är att kedjorna tjänar för mycket pengar som marginal.
	The future of PL	PL will grow and become stronger Consumer preference MB should drive modernitiy, relevance and value creation	Ett döende segment om EMV tar över, då driver ingen innovation
			EMV´s håller oss på tårna, deras andelar kommer bara att växa. jobba tillsammans och stärka kategorin
			EMV´s kommer färbättra sin marginer och pressa LVM
			Antingen får man följa med på EMVs utveckling och smaarbeta, eller motarbeta, men då missar man många möjligheter
			Tror EMV kommer bli en viktigare del, kunders förtroende växer för EMV- i deras kategori behöver de fortsätta innovera för att kunna tävla
			Tror EMV kommer växa, hittils har det inte varit ett stort hot i kategorin, men tror det kommer med tiden.
			Tror samtidigt konsumenter blir mer pålästa och vill gynna lokala och hållbara alternativ med bra ingredienser. Märkningar blir nog mer viktiga
			I andra kategoerier där EMV redan är stora, kommer det nog stagnera
			Är inte emot EMV i deras kategori då det snarare växer kategorin
			EMVs framtid = kommer fortsätta växa. dem leverar bra produkter och steppa upp sitt game
			EMVs kommer aldrig bli proffs, det kommer aldrig göra ett bra recept. Det enda som motiverar konsumet är lägre pris, vilket är tråkigt och bidrar inte till något
			Tror det kommer bli mer polariserat prismässigt och att antalet märken på varje hylla kommer minska
			EMV kommer bli duktigare på differentiering och marknadsföring
			Tror EMV kommer fortsätta vara kvar i marknaden, dock tjänar inte butikerna så mycket på sina EMV och är därför beroende av LVM
			Tycker EMV har börjat försöka göra mer gällande design och förpackning men inte når lika högt som dom
			Tror EMV kommer bli bättre via mer marknadsföring framförallt
			EMV kommer växa, speciellt i vissa kategorier där varumärken just nu är väldigt starka, såsom saft, kaffe, öl
			Framtiden= driva modernitet, relevans, värdeskapande och innovation med en mix av strategin. Vi kommer alltid finns där och EMV kommer kvarstå. Vill hellre ha konsumenterr som är villiga att betala för märket.
			Framtiden = vi kommer se mer av EMV´s, hoppas konsument ser mer fördelar att inte bara köpa Ica basic varor utan också uppsakttar Innovation