

Preface

Over the last decades, the retail sector has increasingly emancipated from industry. Today we see a trade that asserts itself through strategies of vertical integration of producers' functions in horizontal and vertical rivalry relations. The retail emancipation is particularly evident by observing the development of retailer- and private label brands: brand management – typically associated with national brand manufacturers – is now widely applied by the retail sector. While the retailer brand is positioned horizontally against rivalling retailers, private label brands are applied in different categories and are therefore simultaneously a strategy in vertical competition with national brands. Growing private label market shares and the upscaling of these products into premium segments has increasingly become a concern for many brand manufacturers who have mainly responded to the “private label challenge” by fighting the retailer products and brands.

The dissertation of Diederich Bakker proposes a cooperative solution for brand manufacturers. By referring to established collaborations between industry and trade such as Efficient Consumer Response, the main idea behind the proposed Vertical Brand Portfolio Management (VBPM) is to integrate private label brands into the portfolio planning logic of supplying brand manufacturers. The dissertation offers an innovative strategy for brand manufacturers for dealing with private labels and builds on the principles of brand management and cooperation practices. In a detailed and reasoned analysis, Diederich Bakker develops a planning process that should guide brand manufacturers when engaging into such a complex strategy such as VBPM.

The merits of this dissertation are manifold. Firstly it contributes to the theoretical and conceptual marketing sciences. At the same time, the analysis on collaborations between manufacturers and retailers is of fundamental nature and closes knowledge gaps for the management of even simple forms of cooperation in practice. Although some conclusions still remain at a conceptual stage, it can be considered as scientific foresight, when emerging problem areas of brand management are anticipated and made subject of a thorough analysis. In this light, the outcome of the dissertation can be seen as an encouragement for initial attempts at vertical-brand management cooperation in practice.

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