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The Basics You Need to Know About Private Label by Chump Lux

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A private label is a product that is manufactured or a service that is offered by one company for another company brand to offer. It is the same as a supplier-retailer relationship wherein the supplier provides the retailer the items for selling. It is used in different industries including food, beverage, toiletries, cosmetics and even web hosting. Its main purpose is to provide a cheaper alternative for customers who cannot afford the branded ones.

One of the industries that are taking full advantage of the benefits of private labeling is supermarkets. This is called store brand wherein they sell different product lines under their own name. Publix for instance is an example of a supermarket that uses its own store brand. It offers different products from baking goods to canned goods to dairy products wherein all of these are under the Publix label. This is also the reason why items like these are often called generic.

Other examples of sales outlets selling store brand products are Target, Kmart and Safeway. Their products range from vitamins to supplements to beverages to milk and even diapers. The customers of these said establishments cultivate a sense of brand loyalty because one label is for one store.

A store brand is often more profitable than a private label. This is because it cuts down a lot of expenses that are needed. Below are the two major expenses that are cut down by using store brands.

Advertising and Marketing Expenses:

National brands need to advertise their products in order to stay in the competition. Store brands are already enticing to the consumers, what with their low prices.

As the consumers continue to patronize store brands, the retailer can get the products at a lower price while the manufacturer produces quality and improved goods so that they won't lose their client.

Equipment and Human Resource Investment:

For an establishment to produce its own product line, it needs to have the proper equipments and the right people.

These equipments include machinery for collecting, processing, packing and labeling. After which, it may also need transportation equipments for transferring the products to the retail store.

Human resource does not only include machine personnel and laborers but also a creative team. Although most labels for store brands are ideas from the retailers, it is the duty of the private labeling company to enhance and print them.

Using it can also be very advantageous. Some of the benefits are:

The ability to control over pricing of the products or the service,

Manage the production of goods according to the demands of the consumers,

Share ideas in marketing strategies,

Attach logo and tag line to the products to make them more personal.

A private label allows the consumers to differentiate it with other competitive brands and provide them with an alternative. The tough economy makes consumers try other products that are less expensive. Besides, when leaving the supermarket, most buyers no longer tends to the taste, quality and durability of the merchandise as long as they still have spare in their pockets.

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J&D Consortium is a company that provides complete solutions and assists your total a private label demands from food and beverage to cosmetics and almost everything in between. From concept and global sourcing through to product creation and release we are here to assist you all through the incubation phase through to launch.

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