

# **THE BATTLE OF PRIVATE AND NATIONAL BRANDS: STRATEGIES TO WIN A LOSING BATTLE AGAINST THE PRIVATE BRANDS IN INDIA**

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## **ABSTRACT**

Once treated as inferior, substandard and poor man's products, the private brands are now proving to be the new game changers in a vibrant Indian retail sector, threatening to pose an existential threat to the various national brands. By adopting the value pricing, better quality through upscaling, high safety standards, customized packaging, differentiation and leveraging the brand equity of the retailers they have significantly grown over the last decade across the world in general and particularly in India. This sudden surge of private brands in India have necessitated the new strategy paradigm for the national brands who are increasingly facing the tough situation of eroding market share, dwindling profits and increased hostility with the retailers, who were once their loyal customers.

This new strategic reality facing the national brands manufacturers is to find the answer to the pertinent questions like: should they fight the expansion of private labels aggressively or adopt the defensive position? Should they risk the symbiotic relationship with the retailers by taking aggressive measures against the private labels? Should they partner with the big retailers and cash on the market opportunity or resort to discounting to stem the decline in the market share? Therefore, the present paper intends to probe the emergence and surge of private brands in India, the reasons for their astounding success in India and recommend the strategies for the national brands to stem the onslaught of private brands in the vibrant Indian retail sector.

**KEY WORDS:** National Brands, Store Brands, Value Proposition, Value Flanker, Brand Identity