

11.5: Brand Selection

Learning OUTCOME

- List some of the brand selection possibilities and their benefits.

Brand selection is an important part of any retail merchandise mix. The importance of a brand to a retailer depends of course on the category of retailer and its market niche, among other things. According to the National Retail Federation, the largest categories of the US retail market are:

- Food (Kroger, Safeway, Publix)
- Electronics (Amazon, Best Buy, Apple)
- Home Improvement (Home Depot, Lowe's, Amazon)
- Variety/Drug (Walgreen, Rite Aid, CVS)
- Apparel (Macy's, JC Penney, Kohl's, Nordstrom)

You can visit this webpage to view a full list of the [National Retail Federation's Top 100 Retailers](#).

For these retail categories, some of the most popular brands come to mind:

- Food (PepsiCo, Coca-Cola, Nestle, Kraft, Betty Crocker, Kellogg's)
- Electronics (Apple, HP, Samsung, Microsoft)
- Home Improvement (Craftsman, Kohler, Stanley, Rubbermaid)
- Variety/Drug (Johnson & Johnson, Gillette, Cover Girl)
- Apparel (Nike, Levi's, Victoria's Secret, Burberry)

How does a retailer decide which brands are the right ones for their particular business? Brands can be used by retailers to enhance their business in several ways. First, some brands can grant exclusive distribution rights in certain markets to give a retailer enhanced prestige and a lack of competition for that particular product line (you won't find Prada shoes in Wal-Mart).

Secondly, brands in an assortment create credibility for a retailer. For the majority of retailers, brands share space in the assortment with the "store label" or "private label". Brands will usually be priced higher than the private label, creating a sense of value for the store brand. The GAP founded their business on carrying Levi's jeans along with GAP brand jeans at much lower price-points. You will find Advil carried at CVS, along with lower-priced "CVS Ibuprofen".

Third, brands offer a variety of other benefits to retailers. Product design, manufacture and transportation are all usually taken care of by the branded supplier, giving the retailer less to worry about. Branded vendors often will run advertising and promotions in-season that offer participation options for the retailers carrying the brand. Also, branded vendors will sometimes offer end-of-season special buys to retailers, off-loading extra inventory at reduced costs to beef up a retailer's bottom line. Finally, retailers can work with their branded suppliers to request markdown allowances and even return merchandise that is not selling as promised.

Practice Questions

<https://assessments.lumenlearning.co...essments/9264>

Video -- Naming: Phases of Strategic Brand Development



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