

BOOK OF ABSTRACTS

28th Recent Advances in Retailing & Services Science
Conference

July 23-26, 2022

GRAND HOTEL DINO
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Introduction

This book of abstracts includes the (edited) abstracts of the papers that were accepted to be presented at the 28th Recent Advances in Retailing and Consumer Science Conference, Grand Hotel Dino, Baveno, Italy, July 23-26, 2022. Because the conference was postponed for two years, some papers were accepted before. Full papers and extended versions of the abstracts, if submitted, are included in the Proceedings, made available on an accompanying memory stick.

The RARCS conference aims at bringing together scholars from across the world and various disciplinary backgrounds to discuss their research on retailing and consumer services. This is reflected in the diversity of concepts and methodologies adopted in the studies presented at the conference. The conference accepts both completed projects and work in progress.

We hope for interesting and stimulating presentations of research ideas and findings and constructive discussions.

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Dividing the Market Share of NBs and PL with Regard to Regular Prices and Promotional Prices

The proliferation of Private Labels (PLs) and the implications for manufacturers and retailers have been deeply analysed over the past decades (Mills, 1999; Quelch & Harding 1996; Olbrich & Buhr 2005; Rubio & Yagué 2009; Cuneo *et al.* 2019). The market share of National Brands (NBs) and Private Labels were frequently used (Hyman, 2010; Olbrich & Grewe 2013; Cuneo *et al.* 2015; Olbrich *et al.* 2016; Brüggemann *et al.* 2020). However, it is not clear whether the influence on market share is driven by regular prices or by promotional prices. It is therefore feasible that an increase in market share can only be achieved by a massive expansion of promotional prices. The intention of this study is to analyse the effect of regular prices and promotional prices with regard to the market share of NBs. In this study, literature-based determinants affecting the market share of NBs are analysed. These determinants relate to changes in product prices, shares of price promotions, brand variety, brand preference and price consciousness. Therefore, the market share (I), the market share by regular prices (II) and the market share by promotional prices (III) are considered in separate models. The results contribute to uncover the reasons for changes in NBs' market share. For the empirical analysis we use German consumer panel data from 2006 to 2015. The purchase data is based on 98,326 households and consists of 7,211,154 records. The data contains the product categories chocolate, coffee, hair shampoo, and laundry detergent. For the empirical analysis, the data base is aggregated to calendar weeks. Following Putsis (1997) and Kelton & Weiss (1989), intertemporal changes from the previous calendar week are calculated. The empirical results are performed with a covariance structural equation model using Mplus6. The robust maximum likelihood estimation is used. The market share of NBs (I) is not primarily influenced by the change in regular prices but by the change in promotional prices. This insight is especially important for manufacturers, as there is a risk of brand erosion (Jørgensen *et al.* 2003). In addition, this is confirmed by the results concerning the change in the share of NB price promotions. Adjusting the share of NB price promotions has a significant positive influence on the market share of NBs (I). A change in price consciousness positively affects the market share of NBs (I). This surprising result can only be clarified by differentiating the market share of NBs. The positive relationship between price consciousness and the market share of NBs (I) is driven by promotional prices. Households with a higher price consciousness increasingly buy NBs at promotional prices and less at regular prices. Brand preference has a positive overall effect on the market share of NBs (I). Interestingly, an increasing brand preference leads to a reduction of the market share of NBs at regular prices (II). However, an increasing brand preference leads to an increase in the market share of NBs at promotional prices (III). Overall, the effects of the determinants of the market share of NBs (I) are primarily driven by the change in promotional prices. For manufacturers, this is a reason to concern. The use of promotional prices can lead to consumers becoming accustomed to these promotional prices. This reduces the willingness to pay for NBs at regular prices. For the branded goods industry, this development represents a serious threat to the brand value. Further research can take into account differences between distribution channels or product groups.