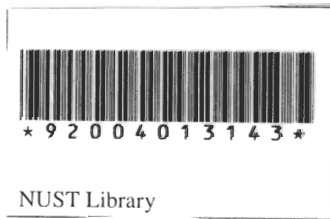




## *Department of Business Management*

### Research Project:

**Investing in Private Brands: An investigation into the success of Private Brands in Zimbabwe's Fast Moving Consumer Goods Industry.**



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**Submitted in partial fulfillment of the Master of Science in Marketing Degree at the National University of Science and Technology (NUST)**

**Supervisor: Mr. M.J. Ndlovu**






## EXECUTIVE SUMMARY

The Fast Moving Consumer Goods Industry in Zimbabwe has adopted private branding as a marketing strategy. This strategy seems to be growing fast hence the need of this research to establish whether this strategy has been successful. The retailers have adopted in house branding as a strategy in order to achieve relationship marketing and achieve attractive and healthy profits due to high level of sales. Retailers no longer see themselves as the agents of manufacturers but rather view themselves as the agents of consumers hence the need to adopt the strategy.

The private brands were also necessitated by retailers' interest to avoid taking recommended prices from the manufacturers. For retailers to be able to be at liberty to sell outside the manufacturer's pricing policy, they had to adopt the private branding strategy. This was seen as a way to pass on value to their valued customers.

The aim of this dissertation is to explore the success of this strategy, find out if the strategy has any benefit to all the stake holders, how are challenges over come if they are there at all, who are the stake holders involved in this fairly new marketing concept in the retail market and how stake holders maintain their relationships is critical in this study.

Based on literature review on the topic of private branding the researcher both qualitative and quantitative methods where personal administered questionnaires were developed and sent out to senior managers of retail outlets, wholesalers and manufacturers. Another questionnaire was administered through mall intercepts aimed at consumers of private brands who are the stakeholders. The detailed discussion of the research methods can be found in Chapter Three.



The results of the study revealed that private branding is a worthwhile investment that has benefits to all stake holders. The strategy still has more potential for further growth. However it was discovered that worth the strategy as it may, it has its own challenges which when well managed they are out weighed by the benefits of the strategy. It was also established that consumer know the private brands. The study further established that the players involved have grown from strength to strength as indicated by the number of outlets they all have which is above 50 per retail chain.

The recommendations made in order to assist the stakeholders are as follow;

- There is need for manufacturers to improve quality all the time. The consumer are not just buying the cheap products they also expect good quality.
- Loyalty contracts need to be signed by manufacturers and retailers to avoid one part deserting the other to the disadvantage of the consumers.
- The range of the brands needs to be increased to more lines in the retail market not just to concentrate on a few items.
- Manufacturers are encouraged to be flexible with their order sizes to encourage more players to come on board.
- Good relations between manufacturers and retails should be maintained.