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**Private Label in the Food Retail: how Me-Too evolves into Brand.
The Development of a Private Label Consortium with Decò Italia.**

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*“[...] the best in the world
are not the best because they win every point,
it's because
they know they lose again and again,
and have learned how to deal with it [...].”*

Roger Federer

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INTRODUCTION

The Food Retail sector has undergone a profound transformation over the last few decades, particularly regarding the strategic role played by Private Labels (PLs).

Once regarded as mere low-cost imitations of national brands—commonly referred to as "Me-Too" products—Private Labels, or “Marche del Distributore” (MDD) have gradually evolved into distinct brand entities capable of conveying value, quality, and brand identity.

This evolution has been significant in the Food Retail business, where changing consumer behaviours, increasing price sensitivity and growing demands for transparency have reshaped the competitive dynamics between retailers and industry manufacturers.

Among the six major European economies (i.e. EU6), Italy offers a particularly compelling field of study. Indeed, despite consistent growth, private label market share is still lower than the European average and the growth is slowing down.

Private label products in Italy have been facing structural limitations due to a fragmented retail system, a strong dependency on industry manufacturers, and a delayed investment in product innovation.

Through an in-depth qualitative research approach and case study analysis, this work aims to understand the dynamic PLs scenario in Italy and among the EU6, compare MDD to IDM (i.e. “Industria di Marca”), and finally answer the following research question: *"In the Food Retail, how does a private label evolve from a Me-Too product to a unique Brand?"*

In doing so, the research investigates both the strategic and operational dimensions that underpin such a transition, offering a comprehensive view of private label development, also through the lens of Decò Italia; private label consortium established in 2020, following the collaboration between the two large-scale retail leaders of Campania and Sicily, respectively Multicedi and F.lli Arena.

CHAPTER 1.

Private Label in the Food Retail

1.1. Definition and Evolution of Private Label

Private labels (PL), now also popularly called store brands (SB) or private brands, are brands generally owned and marketed by retailers (Gielens et al., 2021)¹.

PL have been active on the market for about 70 years. During this time, these brands have evolved from low-quality, cheap, or generic economy private labels to lower-priced-than-national brand but acceptable-quality value or standard private labels.

Over time, retailers extended the value proposition to the consumer segment seeking higher quality by offering premium private labels (PPL). This strategy, called the ‘tiered-private label,’ includes offering economy PL products to the price-sensitive but not quality-sensitive consumers, standard PL products to mainstream consumers seeking acceptable quality at lower prices, and premium PL products to the quality-sensitive segment seeking value (Gielens et al., 2021).

Especially over the last 40 years (1980–2020), premium private labels have seen substantial growth worldwide.

Over the past several decades, against a backdrop of continued economic expansion, marked also by inflation due to pandemic crisis and the increased cost of raw materials, PLs have steadily gained market share from NBs (i.e. National Brands).

This trend has been driven by a multitude of factors, including consumers’ improved perception of the quality of store brands despite their lower price (the value proposition), retailers’ increasingly sophisticated PL portfolios offering a point of differentiation, but also of premiumization (i.e. PPL), and decreased loyalty to NBs among younger shoppers.

Historically, private labels tend to be perceived as low-cost and low-quality imitations of ‘quality’ industry brands. Indeed, PL products tend to be presented as a copy-and-paste of well-known industrial brand items, and for these reasons referred to as ‘Me-Too.’

¹ Gielens, K., Ma, Y., Namin, A., Sethuraman, R., Smith, R. J., Batchel, R. C., & Jervis, S. (2021). The Future of Private Labels: Towards a Smart Private Label Strategy. *Journal of Retailing*.

‘Me-Too’ is defined as a product which is remarkably similar in formulation, packaging, and positioning to an existing product already on the market. Me-Too products are often produced by competing companies trying to steal market share by competitors (*What are Me-Too Products?* – Food Research Lab)^I.

Over the years, the concept of the ‘Me-Too’ product is fading away, with the emergence of a common vision of transition from copy-and-paste product to unique product in terms of features, positioning, and value proposition.

As previously told, private labels have become more sophisticated, with many now being seen as ‘standalone brands.’

Retailers put a great deal of money into product research & development, along with market testing, before engaging a third-party manufacturer to produce. Furthermore, private label manufacturers have traditionally been smaller companies; this is increasingly no longer the case. The fact that large-scale private label manufacturers are entering the industry implies that it is conceivable the manufacturer will no longer be at a disadvantage to the retailer.

Private labels can stimulate retailers' competition and innovation because they create an added dimension on which retailers compete against each other. If a retailer can set up an attractive portfolio of PL products, it will have the ability to differentiate itself against competitors, gaining custom from consumers (Institute of European and Comparative Law, 2011)^{II}.

Retailers, of course, are also keen on partnering with suppliers to get products wished by consumers. This is specially the case in the field of study this thesis is concerned with: Food Retail.

The following section provides a comprehensive examination of private labels in the food retail sector, offering a comparative analysis between the Italian market and the European average.

^I *What are Me-Too Products?* - Food Research Lab. <https://www.foodresearchlab.com/me-too-product/>

^{II} Institute of European and Comparative Law – in conjunction with the Centre for Competition Law and Policy. (2011). Trends in Retail Competition: Private labels, brands and competition policy. Report on the seventh annual symposium on retail competition.

1.2. Private Label in the Food Retail: Italy vs Europe

Private label products—commonly referred to as retailer brands (i.e. “Marca del Distributore” or MDD)—are goods marketed and sold within large-scale retail distribution networks under the retailer’s own brand or under labels directly attributable to the distributing company (*Cos’è la Marca del Distributore* – ADM Distribuzione)¹.

Originally conceived as low-cost alternatives to leading national brands (i.e. “Industria di Marca” or IDM), private labels have undergone continuous development, particularly since the late 1990s.

The evolution of PL has been marked by growing penetration into various segments of markets, including the premium segment, but with strong focus on keeping its products reasonably priced to the customers.

The elimination of intermediaries in the supply chain helps private label products reach a profitable compromise between price and quality, making the offer attractive and convenient for both price-sensitive and quality-seeking consumers.

In the specific, the former will be attracted mainly by MDD mainstream line; the latter will see value for money in the MDD premium line.

At the national level, private labels have experienced significant growth over the past decade, both in terms of sales value and volume.

In recent years, this upward trend—driven in part by inflationary pressures—has contributed to narrowing the gap between Italy and other European countries, where private labels had reached a more advanced stage of development much earlier. As a result, Italy is now approaching the European average in the PL sector.

The following section analyses the current Private Label scenario in Italy and its steady growth trend at national level.

¹ ADM Distribuzione. *Cos’è la Marca del Distributore* - ADM Distribuzione. <https://adm-distribuzione.it/marca-del-distributore/scheda/>

1.2.1. The Private Label scenario in Italy

The 21st “Marca by BolognaFiere” report, edited by Circana^I and presented this January during the annual Private Label trade fair “Marca” in Bologna, confirmed the well-established trend among consumers to increasingly opt for MDD products.

In private label products, consumers find an appropriate balance between quality and price. Private labels represent a valuable compromise, allowing for savings without sacrificing quality.

Italian consumers are increasingly filling their shopping carts with private label products. This is the key finding that emerges from the analysis of Circana data presented at the Marca trade fair held in Bologna.

In 2024, private labels (total omnichannel: large-scale retail and discount stores) recorded an increase in sales value of +2.2% by last year, generating total revenues of €29.5 billion, corresponding to a market share of 29.9%. This growth was further supported by a significant rise in sales volume, which increased by 3% (Marca by BolognaFiere, 2025)^{II}.

When narrowing the scope of analysis to large-scale alone (Ipermarkets, Supermarkets, and Small Self-Service formats), the growth trend of private labels is confirmed: a +3% increase in sales value, a +3.6% rise in sales volume, and a market share of 22.4%, up by 0.3 percentage points compared to the previous year.

This latter figure highlights that, although the growth trend has been confirmed, it has been less pronounced compared to previous years. The analysis therefore raises several important points for reflection, which will be further explored through the qualitative research presented in this thesis.

The following section analyses the comparison in Private Label numbers among the six major markets in Europe: Spain, Germany, the Netherlands, UK, France, and Italy (i.e. EU6).

^I The leading company in managing and interpreting the complexity of consumer behaviour.

^{II} Marca by BolognaFiere. (2025). Marca by BolognaFiere Report, 21st ed.

1.2.2. Private Label in the EU6

In recent decades, Food Retail has seen a proliferation of Private Label use. Initially rooted in the Discount retail category, Private Label have seen a constant growth also in the large-scale retail. Price competition has driven corporate concentration, while company M&A have given retailers the opportunity to manage and develop their own brands (Olbrich et al., 2016)¹.

Due to retailers' intensive promotional campaigns and the proliferation of an extensive assortment of private labels at different price and quality levels, consumers are increasingly choosing private labels when making purchases.

The economic crisis of the last two decades and the following inflation have accelerated the process of growth of Private Label. Consumers recognize in PL the key features of convenience, quality, and transparency. These reasons have led to its clear and unrelenting growth over the years, at the expense of the industry national brands.

The graph in the following page shows the scenario of the six major European economies (i.e. Italy, the Netherlands, France, Germany, UK, and Spain) in 2014.

The bar chart illustrates the Private Label market share across the six major European countries (i.e. EU6) in 2014. It is highlighted a significant disparity between Italy and the rest of the EU6 economies.

Italy ranks lowest with a private label market share of just 17.6%, well below the 2014 European average (i.e. 32%). In contrast, Spain (42.0%) and the UK (41.4%) lead the group, followed by Germany (34.5%), France (27.4%), and the Netherlands (27.2%).

This scenario confirms that, by 2014, private labels had already reached maturity in the major European markets, particularly in Spain and the UK, where their widespread presence reflects both consumer trust and especially a well-developed retail infrastructure for PL expansion.

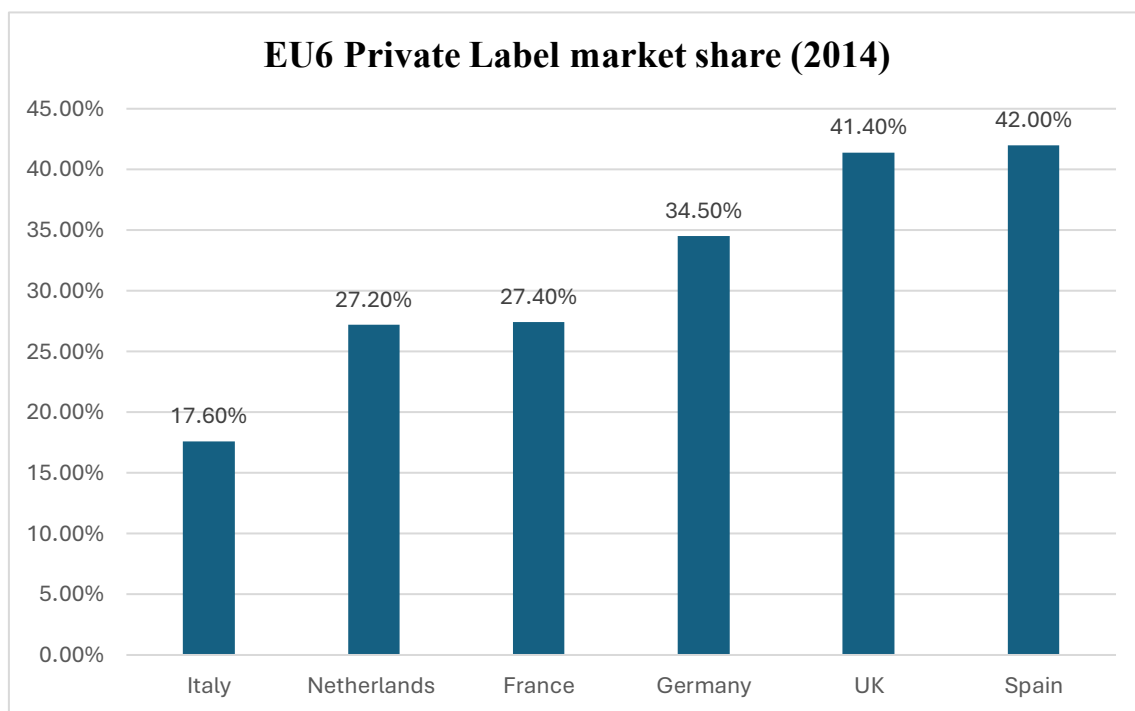
¹ Olbrich, R., Hundt, M., & Jansen, H. C. (2016). Proliferation of Private Labels in Food Retailing: A Literature Overview. *International Journal of Marketing Studies*; Vol. 8, No. 6.

This gap underlines Italy's reluctance to fully adopt private labels. This is likely due to the historically fragmented nature of the Italian retail system, consequently lower economies of scale and a continued dependence on industry national brands.

However, the economic inflationary pressures of recent years and the growing consumer demand for low-priced and high-value products have pushed the Italian large-scale retail players to invest more strategically in their own MDD portfolios.

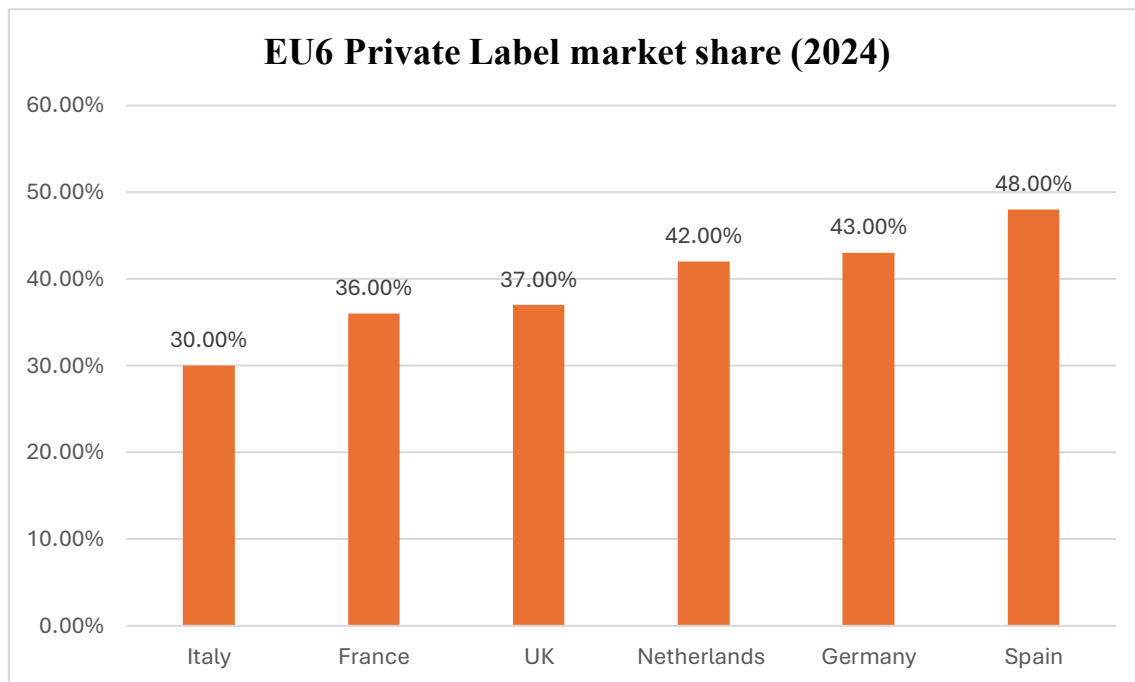
The data from 2014 serves as a useful benchmark to contextualize the trajectory of PL growth across Europe, and it reinforces the notion that economic downturns and inflationary periods have accelerated consumer preference for private labels, particularly when supported by coherent branding strategic positioning, quality assurance and consistent value propositions.

Chart (1)¹ – data source: Olbrich et al., 2016.



¹ Chart (1). EU6 Private Label market share (2014). Data source: Olbrich et al., 2016

The following graph shows the scenario ten years later (i.e. 2024) in the same European countries. Chart (2)^I – data source: Circana – Private Labels: Transformation for Growth.



The data for 2024, as illustrated in the chart, confirms the steady and robust growth of private label across the six major European markets (EU6). Over the past decade, each of these countries has shown increased reliance on private labels, a trend that proves broader structural changes in both consumer behaviour and retail strategies—especially in response to inflation and ongoing economic uncertainty.

Italy, while still lagging behind the other European countries, has nonetheless demonstrated notable progress. Back in 2014, private labels accounted for only 17.6% of the Italian market—the lowest share among the EU6. By 2024, this figure had risen to approximately 30%, representing a considerable gain of more than twelve percentage points. Despite this improvement, Italy remains at the bottom of this special ranking.

Spain has confirmed its leading position among the EU6 major economies in terms of Private Label use, with a market share increased to 48%. The dominance in the distribution system of retailers that have always relied on private labels to win the

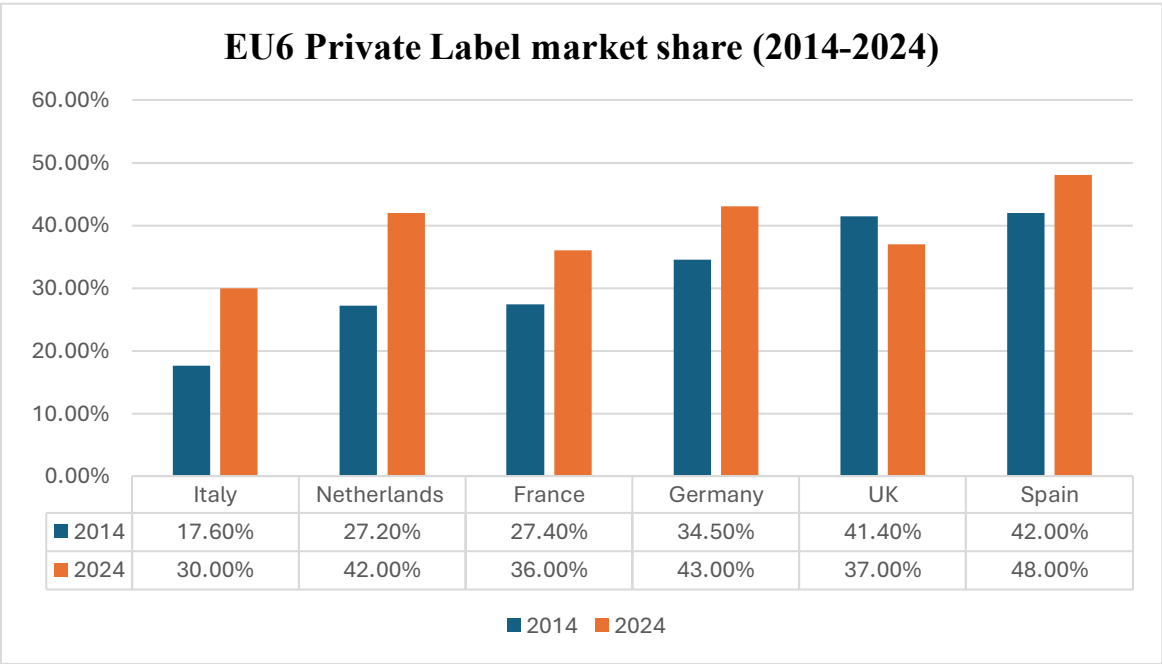
^I Chart (2). EU6 Private Label market share (2024). Data source: Circana – Private Labels: Transformation for Growth. <https://insights.circana.com/staycurious/private-labels-in-transformation-for-growth>

competition (e.g. Mercadona), being aggressive on the price side and protecting margins at the same time, has a clear impact on that.

Germany, where the composition of the distribution system sees the strong presence of discounters, follows closely at 43%. It has recorded also the highest absolute value in private label sales equal to €75 billion (Circana, 2025).

The Netherlands registers a remarkable growth at 42% share, while the UK (the only economy among the EU6 to have shrunk) and France trail slightly behind with 37% and 36%, respectively.

Chart (3)^I - data source: al- et al., 2016; Circana – Private Labels: Transformation for Growth.



The figures presented by Circana in its report for 2024, titled "Private Labels: Transformation for Growth," illustrate this upward trend. The private label category has reached a value of €262 billion in the EU6 market, with a 9.4% value sales growth and a 2.2% volume growth (Circana, 2025)^{II}.

^I Chart (3). EU6 Private Label market share (2014-2024). Data source: Olbrich et al., 2016; Circana – Private Labels: Transformation for Growth.

^{II} Circana. (2025). Circana - Private Labels: Transformation for Growth. <https://insights.circana.com/staycurious/private-labels-in-transformation-for-growth>

On the contrary, national brands have registered an increase by 5.7% in value sales but decreased by 3.8% in volume sales. This demonstrates the increasing competitive pressure that private brands are putting on national brands.

Private labels in the EU6 currently account on average for 39% of total market value and 46% of total units sold. In the EU6 ranking, Italy is at the bottom with a 30% market share. This means nine percentage points lower than the European average of the six major economies. It may mean that the greatest opportunities for Private Label category to rise lie in Italy.

The trend analysed shows an increasing consumer trust in private brands along with a deliberate strategic shift on the part of retailers, who are investing more in their own products: expanding product lines, improving product quality and altering pricing strategies to more directly compete with national brands and discount retailers.

1.3. Comparison between MDD and IDM

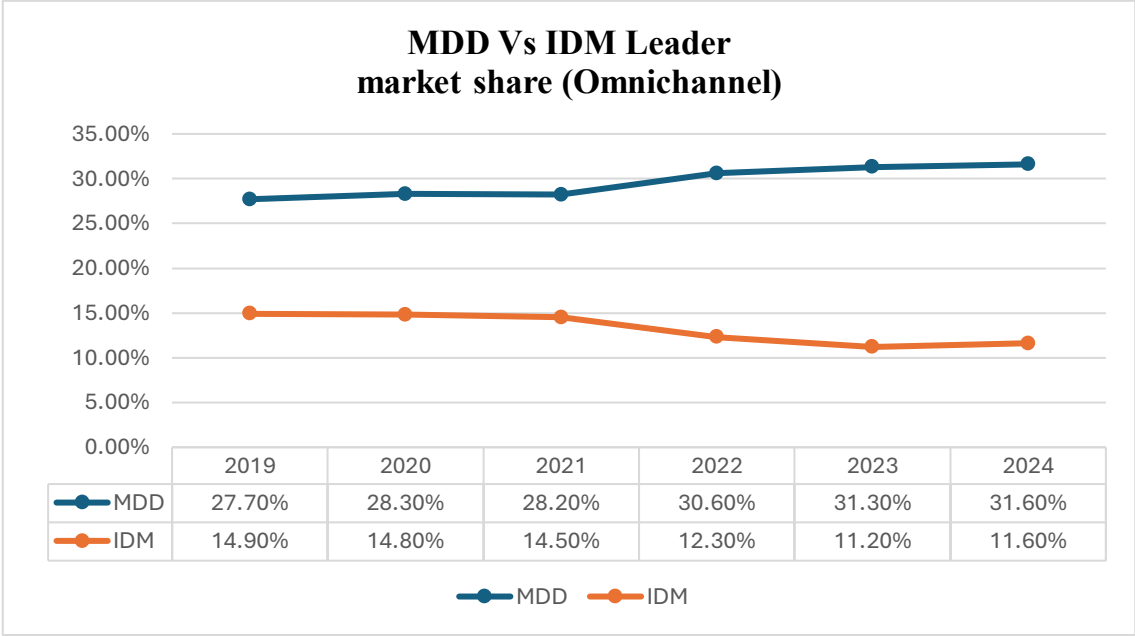
Private Labels, at the beginning targeted only for lower and middle price segments (i.e. mainstream line), have evolved to upper price segments (i.e. premium line). In this process of evolution of Private Label, product merely conceived as Me-Too (in the mainstream line) have evolved through research of quality, acceptable prices, and a defined strategic positioning into Brand (in the premium line).

By offering their own MDD, retailers seek to boost their profit margins and enhance their store image perceived by their target consumers. A successful image can help attract new customers and create fidelization with the old one. Competitive price and high quality of product portfolio are both key factors in setting up a positive image of the banner.

Moreover, private labels strengthen the retailers' negotiating position in the relationship with industry manufacturers and their national brands. If in the past retailers were only the purchasers and distributors of goods, in the modern decades they have become the owners and marketers of their own Private Label.

As a result, inevitably competition has shifted to large-scale retailers against industry manufacturers, and respectively to MDD against IDM (i.e. Industria di Marca).

The following graph shows the comparison in relation to market share between the “Marca del Distributore” (i.e. MDD) and the “Industria di Marca” (i.e. IDM) leader in the Omnichannel (GDO + Discounts) sector. Chart (4)^I – data source: NielsenIQ.



The chart illustrates the evolving market dynamics between private labels (i.e. MDD) and leading national brands (i.e. IDM) in the omnichannel retail industry from 2019 to 2024. Over this six-year period, a clear and steady divergence emerges: while the market share of private labels has continued to rise, that of industrial brands has gradually declined.

In 2019, MDD accounted for 27.7% of total market share, a figure that increase consistently to reach 31.6% by 2024. This upward trend reflects retailers' growing efforts to strengthen their brand equity, enhance clients fidelization, and offer consumers an alternative to national brands through high-quality products at competitive prices. At the same time, industry national brands, which are traditionally dominant players in the market, have seen their share decrease, dropping from 14.9% to just 11.6%.

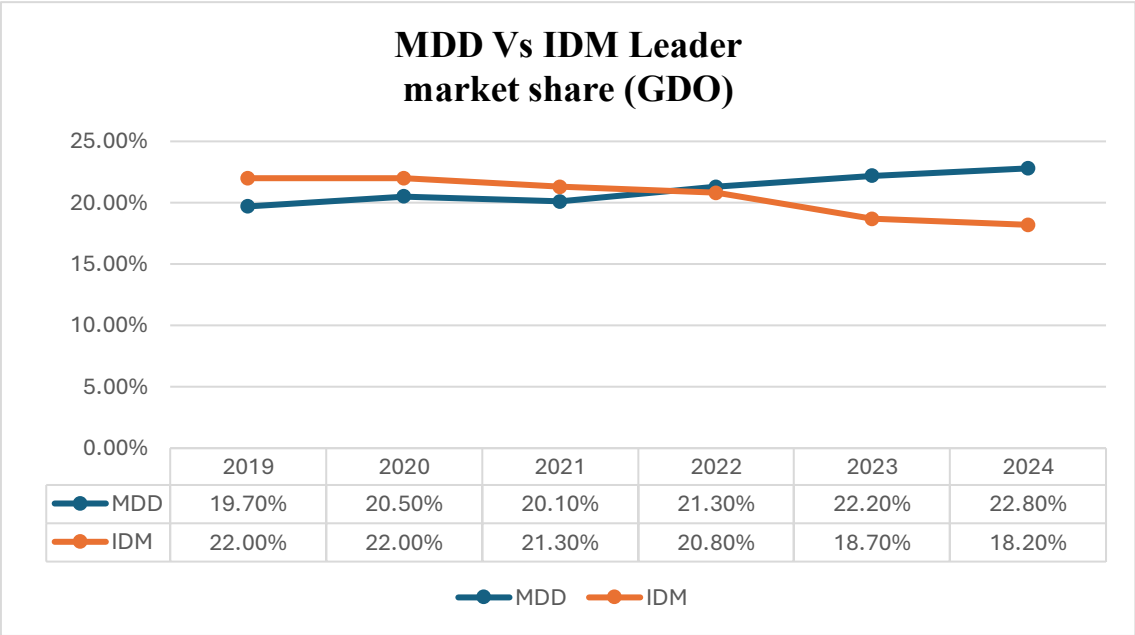
The gap between MDD and IDM underscores the strategic shift taking place in the retail landscape. Private label was originally conceived as low-cost "Me-Too" product; now it is also high-end low-priced product ranges with strong brand identities and storytelling.

^I Chart (4). MDD Vs IDM Leader market share (Omnichannel). Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

Since retailers invest in innovation, design, and quality, private brands are no longer just the cheaper option. MDD has become a point of differentiation and a means of establishing the retailer's own value proposition.

The decline in IDM share also marks the increased retailers' power, who were previously just intermediaries, now are directly involved in the dynamics of their relationship with suppliers (i.e. industry manufacturers). Now retailers are brand owners. The competition has extended from simple product placements on retail shelves to two essentially different business models: ones that focus exclusively on production and ones that engage in both production and sales. This is reshaping the competitive equilibrium in the retail industry.

The following graph shows the same comparison analysed in the only large-scale retail (i.e. GDO) sector. Chart (5)¹ – data source: NielsenIQ.



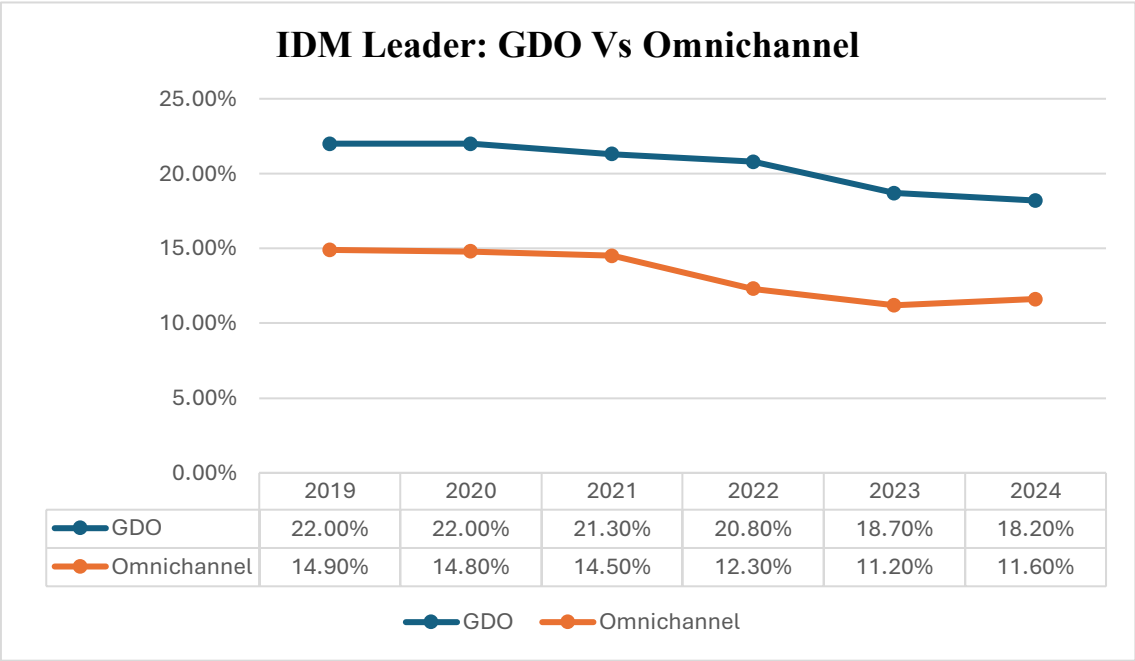
Even reducing the scope of analysis to the large-scale retail segment alone, see that the trend of growth in MDD and decrease in IDM remains unchanged. The Discount segment, which almost exclusively markets private brands, is removed from the scope of the analysis to show that the growth trend of MDD is not random.

¹ Chart (5). MDD Vs IDM Leader market share (GDO). Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

The MDD of large-scale retailers grew by about three percentage points between 2019 and 2024, from 19.70% to 22.80%. On the contrary, the IDM leader share decreased by about four percentage points over the same period, from 22% in 2019 to 18.20% in 2024.

The handover between large-scale retailers’ private labels and industry leaders’ national brands took place between 2021 and 2022, in the middle of the post Covid-19 pandemic recovery period marked by inflation.

This period of economic uncertainty has profoundly affected the consumption habits of large-scale retail consumers, leading them to increasingly opt for high-value and low-priced MDD products.



Finally, a remark on the trend recorded by industry leaders in the omnichannel retail sector and in the large-scale retail alone. Chart (6)^I – data source: NielsenIQ.

Despite a clear downward trend for industry national brands in Italy since 2019, the past year has seen a slight increase of 0.4% in the omnichannel retail sector. In contrast, over the same period, national brands have continued to decline in the large-scale retail channel, recording a decrease of 0.5%.

^I Chart (6). IDM Leader: GDO Vs Omnichannel. Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

How can these figures be explained? If national brands sales are falling within traditional retail while rising in the overall omnichannel landscape, the most plausible explanation is that national brands have increased their presence, and consequently their sales, within the discount channel.

This shift signals a transformation of the discount segment itself, which appears to be moving closer to the traditional concept of large-scale retailing, gradually losing some of its original low-cost identity.

Private labels have successfully capitalized on changing consumer habits by offering accessible, high-quality products. However, it is important to note that to continue competing effectively and avoid falling behind in an increasingly dynamic market, large-scale retailers must invest in innovation—only 17% of SKUs (i.e. Stock Keeping Unit) currently belong to private labels (Circana, 2025)^I.

Private labels will continue their growth if driven by assortment expansion, competitive pricing strategies, and product innovation. Consumer preferences for healthier lifestyles, well-being, and ethical consumption will remain key drivers of purchasing decisions, further reinforcing the need to align product offerings with these values. Industry manufacturers have the potential to reduce the gap only if they focus on innovation and diversify their portfolios with care and clear strategic positioning.

If a large-scale retailer has set the goal for its MDD to become a Brand, innovating itself and evolving from the usual Me-Too, have to put into practice the following steps: 1) Diversification; 2) Brand (Re)-Positioning; 3) Brand Loyalty; and 4) Premiumization.

The next chapter is concerned with analysing the above-mentioned topic categories and their respective sub-categories, looking at their theoretical aspects and practical applications in the Food Retail sector.

^I Circana. (2025). Circana - Private Labels: Transformation for Growth. <https://insights.circana.com/staycurious/private-labels-in-transformation-for-growth>

CHAPTER 2.

Evolving Private Labels from Me-Too copies to Brand

In describing the evolution of Private Labels, understanding how the main steps the transition from Me-Too copy to Brand happen, it is necessary to identify and analyse four topic categories, and the respective sub-categories: 1) Product Diversification (Innovation, Evolution, and Perception); 2) Brand (Re)-Positioning; 3) Brand Loyalty; and 4) Premiumization.

2.1. Product Diversification: Innovation, Evolution, and Perception

In a fragmented and highly competitive sector as the Food Retail one, the first step to stand out and be recognisable by the customers is to diversify.

In Food Retail, diversification means being able to offer customers a unique product. To be perceived by consumers as unique is to meet the challenge.

Product diversification, in the context of retail, means expanding the range of products offered by a banner to reach new customer segments and/or increase sales.

In an increasingly saturated and competitive food retail industry, product diversification has become a key lever through which retailers attempt to strengthen their market position and defend themselves against the growing presence of discounters and national brands.

The diversification strategy is no longer limited to expanding the product portfolio in quantitative terms but involves a qualitative re-thinking of the assortment. There is the need of one that aligns with consumer trends, value perception, and brand loyalty-building.

The evolution of Private Labels plays a central role in this diversification process. From being a single, low-price alternative to national brands, private labels are now being fragmented into multiple sub-lines or even autonomous brands.

This allows the retailer to cover different price levels and consumption preferences, while keeping control over branding, pricing, and margin. So, the diversification of the private label offering becomes a commercial strategy and a branding one too.

The challenge lies in balancing product portfolio and brand positioning. Too diversification or without a clear strategic positioning may damage brand identity and confuse consumers.

Conversely, when led by a strong value proposition and a defined brand architecture, product diversification becomes a competitive advantage, enhancing consumer perception and driving loyalty across multiple customer segments.

Product Diversification branches out into three different types: Innovation, diversification aimed at launching new products; Evolution, diversification that consists of making changes to existing products; and Perception, diversification that is limited to making the product perceived as innovative and unique.

2.1.1. Product Innovation

In the current scenario of food retail, product diversification can be interpreted firstly as a form of Innovation. The term does not merely refer to the introduction of new products. Product diversification as innovation includes line extensions, expansion of product ranges, and enrichment of the portfolio.

For industry manufacturers (i.e. IDM), innovation has long represented the primary driver of differentiation to gain market leadership. By constantly renewing their offerings, through technological advancement, reformulation, or the creation of new consumption occasions, national brands have kept their competitive edge and justified their premium price positioning.

However, the rise of Private Labels (i.e. MDD) has gradually reduced the gap with industry manufacturers. No longer confined to the lowest tiers of the price pyramid, private labels are gaining ground in both market share and customer-perceived value.

As a result, innovation has become a survival imperative for national brands. To stay relevant, IDM must now speed up investment in product R&D. Industry manufacturers should accelerate the pace for innovation, not only in terms of product features but also in how those products are positioned and communicated to increasingly demanding consumers.

On the contrary, for MDD the path to innovation is more complex. In their mainstream configurations, private labels are not structured to innovate in the purest sense. Their role is to offer quality alternatives at competitive prices, capitalising on existing trends rather than generating new ones. In fact, the mainstream line rarely introduces new designed products. The focus stays on cost efficiency, brand identity, and savings perception.

While it is not possible in the mainstream segment, innovation within Private Labels tends to emerge in the premium segment. It is in this space that retailers begin to think and act like brand owners, investing in the R&D of products with distinctive characteristics, refined storytelling, and well-defined positioning.

Premium private labels, such as the Gastronauta line under Decò Italia, represent an attempt to move beyond imitation and become innovators in their own right. Diversification is no longer a simple functional response to market demand. Innovation is perceived as a strategic process aimed at brand elevation and long-term customer engagement.

In this sense, product innovation within Private Labels is less about technological advancement and more about conceptual innovation. It is about rethinking the meaning and role of the product within a branded ecosystem.

While national brands innovate to keep their leadership, premium private labels innovate to establish their brand identity and legitimacy as brands among customers.

2.1.2. Product Evolution

Product diversification can also be interpreted through the lens of Evolution. It stands for an incremental and strategic process having the goal of modifying and improving an existing product line to increase its perceived value and competitiveness.

Innovation introduces something entirely new to the market; Evolution is based on an existing product base, making adjustments to improve the product's quality or notoriety.

In this context, diversification as evolution is an intentional reaction to market pressures, consumer needs or desires, and company goals.

From theory, product evolution is closely linked to the concept of family branding. In family branding a portfolio of related products is marketed under a common brand name with sub-brand names, often through line extensions.

These line extensions may include new flavours, sizes, formats, or functional variants of a core product. The advantage lies in leveraging the brand's existing equity to introduce new options while keeping brand coherence and consumer trust. In a saturated market, this strategy allows both industry manufacturers and retailers to refresh their offerings without fragmenting their identity.

For industrial brands (i.e. IDM), product evolution has long been a standard approach to growth. By adding variants to a successful core product, brands can target new consumer segments, respond to dietary or lifestyle trends, and increase shelf space with minimal risk. More importantly, it enables the brand to reaffirm its presence in the mind of the consumer while keeping the offering dynamic and contemporary.

Evolving a private label line means rethinking its positioning, improving its quality, and adjusting its design and messaging to reflect the shifting values and expectations of consumers. Particularly within the mainstream segment, this evolution may involve visual restyling, packaging redesign, improved sourcing, or the inclusion of variants that elevate the line's perceived reliability and convenience.

The process is more important in the premium segment, where the goal is not only to offer alternatives to national brands, but to create an identity capable of sustaining long-term loyalty towards the retailer.

Evolving a premium private label means act as a brand. It consists in refining the storytelling, enhancing aesthetic and experiential elements, and consistently reinforcing the promise of quality and distinctiveness.

In both the mainstream and premium line, the evolution of a Private Label line must be led by a strategic view: to be chosen and re-chosen by the consumer. If the product reflects the retailer's values, the greater will be its potential to become not only a commodity on the shelf, but a meaningful brand touchpoint. In this vision, diversification through evolution is not merely a defensive move, but an act of branding.

2.1.3. Product Perception

A further dimension of product diversification lies in the field of Perception. In highly saturated markets such as food retail, where shelf space is crowded with similar offerings, the way a product is perceived can be just as important as its intrinsic features.

Diversifying through product perception does not mean altering the product itself. It means being perceived and recognised by consumers in a different way. This happens through packaging design, colour schemes, and the visual prominence of the brand. Product perception strategy is adopted both by national brands and retailers.

National brands utilise product perception as a means of standing out against competitors. In many cases, the product formula remains unchanged, yet the packaging is reformulated to appear new, more modern, or more appealing. Bright colours, minimalist designs, or logo centralisation are not merely aesthetic choices; they serve to reposition the product in the consumer's mind, reinforcing brand recall and facilitating quicker recognition at the point of sale.

For private label mainstream lines this approach is essential. As previously discussed, pure innovation is rarely feasible. These products are designed to offer functional value at an accessible price, and their scope for technological or qualitative differentiation is limited.

However, this does not mean they must be perceived as generic or anonymous. Retailers work on product perception through restyling, branding choices, and shelf presence. In this way can elevate the status of their mainstream private label offerings and compete more effectively with national brands.

The perception-based strategy often leads to a form of "visual innovation", where the packaging becomes the instrument through which the brand communicates positioning, quality, and relevance. This may involve colour segmentation across product categories, bold typographic choices, or the deliberate enhancement of the brand logo to create familiarity and trust.

In some cases, such restyling is accompanied by a light reformulation of the product itself, aligning the physical characteristics with the new visual identity and completing the repositioning process.

Product perception bridges the gap between imitation and differentiation, not by altering what the product is, but by changing what the product means in the eyes of the consumer. In this way, brand positioning becomes the most important key for the success of a Private Label.

2.2. Brand (Re)Positioning: from Imitation to Differentiation

Behind the success of Private Labels lies their ability in generating a profound process of brand re-positioning. This repositioning is both conceptual and physical. On the one hand, it involves a redefinition of the brand's meaning, values, and promise in the consumer's mind. On the other, it implies a new strategy of visibility and relevance on the store shelves, where packaging, pricing, and shelf layout become central to shaping perception.

Private Labels have historically emerged as "Me-Too" alternatives—simplified, low-cost versions of established industry national brands. However, the growing price sensitivity of consumers, particularly in response to inflation and economic uncertainty, has allowed these products to gain traction, not only because of affordability but increasingly because of their ability to communicate trust, quality, and identity.

Price sensitivity is an individual difference variable that outlines how consumers respond to price changes. It is the level of awareness on the part of customers regarding their own feeling about the cost of obtaining a specific product or service (Al-Amun et al., 2014)¹.

Each customer possesses his or her own range of acceptable price, and there is heterogeneity among customers in terms of their acceptable levels of what is an acceptable price within these ranges.

Price attitudes of customers and their responses to prices are indicators of a market's sensitivity to price changes. The transition from Imitation to Differentiation is a decisive step toward establishing Private Labels as Brands, and it goes through the Positioning.

¹ Abdullah-Al-Mamun, M. K. R., & Robel, S. D. (2014). A critical review of consumers' sensitivity to price: Managerial and theoretical issues. *Journal of International Business and Economics*, 2(2), 1-9.

2.2.1. Keller's CBBE Pyramid

Keller's Brand Equity Model is a useful analytical and theoretical tool to understand how a Private Label can evolve from a functional (Me-Too) product to a meaningful brand.

The model shown (Image 1)^I, also known as the Customer-Based Brand Equity (CBBE) Pyramid, identifies four hierarchical stages (i.e. Salience, Performance and Imagery, Judgments and Feelings, and Resonance) through which a brand must pass to build strong and lasting resonance with consumers (Keller, 2001)^{II}.



At the base of the pyramid stands brand "salience", which answers the question "Who are you?". For Private Labels should aim to be recognisable: clear visual "identity," presence on shelf, and consistent messaging across categories.

^I Image (1). Keller's Brand Equity (CBBE Model) Framework. Source: SketchBubble. <https://www.sketchbubble.com/en/presentation-cbbe-model.html>

^{II} Keller, K. L. (2001). Building customer-based brand equity: A blueprint for creating strong brands.

In the mainstream line, this level is often built through coherence in packaging design and competitive pricing, which anchor the brand in the consumer's memory through repetition and accessibility.

The second level is made up of brand "performance" and "imagery"—responding to the question “What are you?”. Performance refers to how well the product meets functional needs, such as quality, reliability, and consistency.

Imagery, on the other hand, is tied to the psychological and emotional associations evoked by the brand. For a Premium Private Label, such as Gastronauta, this involves careful storytelling, well-thought sourcing, and packaging that conveys authenticity and refinement.

The third level of the pyramid introduces consumer response, divided into “judgments” and “feelings”: “What about you?”. This is the point at which consumers begin to form opinions about the brand based on previous experiences, perceived value, and emotional resonance.

Here, the gap between mainstream and premium becomes evident. Mainstream lines are judged for their value-for-money ratio, while premium lines aim to elicit positive feelings such as trust, curiosity, and even aspiration.

Finally, the apex of the pyramid is brand “resonance”—“What about you and me?”. This stands for the ideal level of connection, in which the brand is not only chosen, but preferred and recommended by customers.

In Private Labels, this is still the most ambitious and difficult level to reach. Yet for a premium private brand like Gastronauta, the strategic goal is precisely to foster that kind of brand loyalty and emotional bond—transforming the label from a practical option into a meaningful choice.

Through the Keller CBBE model, it becomes clear that effective brand (re)positioning in Private Labels is not only a matter of marketing, but a structured path involving visibility, value, relevance, and consistency. The shift from imitation to differentiation requires aligning all these dimensions—not only to win over consumers in the present, but to build lasting equity in the future.

2.2.2. Intended effects by retailer's actions on consumer perceptions

The re-positioning of Private Labels is not limited to a theoretical and conceptual vision but takes the form of a practical and physical re-positioning on the shelves of retailers' stores.

In 2016, Olbrich et al. presented a framework of actions retailers take to support the proliferation of private labels by influencing consumer perceptions and reactions. As result, when in the competition between private labels and national brands price gaps are advertised, consumers keep high attention on the convenience of private labels (Olbrich et al., 2016)¹.

Retailers' actions are: the adjustment of the price gap between national brands and private labels; highlighting price differences and comparable qualities between national brands and private labels; and the creation of similarities (imitation) but always keeping in mind the concept of diversification (differentiation).

The actions taken by the retailers provokes a series of intended effects on consumers' perceptions and reactions: perception of price advantages of private labels compared to national brands; perception of an adequate price-performance ratio of private labels compared to national brands; perception of comparable qualities of private labels and national brands; and presumption of identical producers (co-packer) for national brands and private labels.

About this last point, even if it is not always the case, it could be that the co-packer of a private label product is also a national brand. As seen in the qualitative research proposed in the next chapter (i.e. Chapter 3), this aspect should be avoided in order not to create unpleasant situations between the co-packer (national brand) and the retailer.

At the end, the framework for supporting private labels offers two distinct but strictly related results: the erosion of the willingness to pay for national brands, and the shift in demand from national brands to private labels.

¹ Olbrich, R., Hundt, M., & Jansen, H. C. (2016). Proliferation of Private Labels in Food Retailing: A Literature Overview. *International Journal of Marketing Studies*; Vol. 8, No. 6.

2.3. Brand Loyalty: Addressing consumer infidelity

In the current retail scenario, customer loyalty has become an increasingly central objective for all the players in the market. In a sector characterised by hyper-competition and increasingly fluid purchasing behaviour, the ability to retain customers is no longer taken for granted.

It represents a strategic priority and a decisive factor in long-term value creation. In this context, private labels emerge as one of the most effective tools at the disposal of retailers to reduce customer infidelity and reinforce brand loyalty.

Private labels serve a dual function: on one hand, they offer consumers a reason to remain loyal to the retailer; on the other, they allow the retailer to differentiate itself from competitors, including the fast-growing discount segment.

Particularly in the mainstream line, the role of private label is primarily defensive. Its goal is to reduce what can be defined as “infidelity” among customers—those who alternate between banners in search of the best promotional deal, or who shift toward discount chains due to perceived savings.

On the contrary, the premium private label line is driven by a different vision. Its ambition is not only to prevent customer loss, but to strengthen loyalty by creating a deeper and more emotional bond with the consumer.

Through storytelling, elevated quality, and distinctive brand positioning, premium private labels have the goal to foster the sense of community around the retailer's brand. In doing so, they contribute to the long-term construction of a consumer base that is not only retained but actively engaged.

Recent data confirms how urgent the loyalty challenge has become. According to a consumer study conducted by REM-Lab, Università Cattolica (2025), only 60.3% of Italian consumers declare themselves loyal to a single retail banner, while a significant 39.7% exhibit non-loyal behaviour (REM-Lab Università Cattolica, 2025)¹.

This is a dramatic shift when compared to historical data: in 2015, loyal consumers accounted for 80% of the population (with 20% disloyal), while in 2019, loyalty had even

¹ REM-Lab Università Cattolica. (2025). Brand Loyalty nel Retail: Indagine sui Consumatori.

slightly increased to 81.9%, with only 18.1% of consumers reporting a lack of loyalty. The current figures paint a very different picture, where nearly two out of five consumers no longer feel a stable bond with a specific retailer.

This growing infidelity does not affect banners alone—it extends to industry manufacturers as well. In the same REM-Lab survey, 31.9% of consumers stated they had no particular brand they trusted. This is a sharp increase from the 20.7% reported in 2015 and the 23.4% in 2019 (REM-Lab Università Cattolica, 2025).

These numbers suggest a profound shift in priorities: more than emotional attachment or brand heritage, what the average consumer seeks today is convenience. Price sensitivity, in this sense, becomes the dominant factor shaping consumer choice and behaviour.

Retailers are increasingly investing in the design and management of private label lines not only to generate margin, but to create perceived value that fosters repeat purchase and trust. While the mainstream line acts as a stabiliser—anchoring the consumer in the logic of everyday savings—the premium line aspires to elevate the relationship from transactional to relational.

Brand Loyalty, therefore, is not built through a single element, but through a coherent combination of accessibility, quality, and relevance. And it is precisely private labels, when well-executed, that have the potential to offer all three.

Naturally, private label is not the only tool available to retailers seeking to reduce customer infidelity. In today's landscape, an effective loyalty strategy must be integrated within a broader omnichannel service model.

Features such as home grocery delivery and “pick-and-collect” systems—where customers order online and retrieve their purchases at store checkouts—are now essential touchpoints in keeping customer satisfaction and fidelity.

Although the Italian market has shown resistance to fully replacing in-store shopping with digital solutions, as demonstrated by the bankruptcy of startups like Getir and Gorillas, the delivery model is far from obsolete and is expected to re-emerge with greater relevance in the coming years.

Meanwhile, investment in “retail media” is growing, especially through traditional channels such as television. Retailers have increased advertising spending from €129 million in 2023 to €150.6 million in 2024, marking a +17% year-over-year increase (NielsenIQ)^I.

Industrial brands are also reinforcing their media presence, with television advertising investments rising from €629.6 million in 2023 to €710.5 million in 2024 (+13%). These efforts confirm that building and maintaining customer loyalty is a multifaceted process—one that spans pricing, branding, service innovation, and strategic communication. In this framework, private labels remain a fundamental but not isolated component of a much wider competitive play.

2.4. Premiumization: Targeting higher-end market segments

Premiumization represents the most advanced and strategic expression of Private Label development. It is at this stage that the private label definitively detaches itself from its initial function as a Me-Too product and begins to establish itself as a Brand.

The economic advantages that can be obtained from a Private Label include the creation of the retailer’s own brand, which allows the ideation of a distinctive brand identity and storytelling, gaining visibility and consequently loyalty among consumers (Sgroi & Salamone, 2022)^{II}.

Unlike mainstream line, which often rely on visual or format-based innovation (i.e. product perception) to gain visibility and remain competitive, the premium line enables a different kind of growth: innovation in its purest form, not limited to packaging or perception, but included in the product itself.

This transition brings private labels into direct competition with national brand. In an increasingly fragmented and competitive retail market, premium private label becomes not only commercial instruments but true strategic lever for the banner.

^I NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

^{II} Sgroi, F., & Salamone, P. A. (2022). Private label food products: Consumer perception and distribution strategies. *Journal of Agriculture and Food Research*.

PPL allows retailers to express a defined brand identity, grounded in clear values, and to communicate that one through compelling storytelling. This process does more than generate differentiation; it consents retailers to build equity, to stand for something beyond convenience, and to claim a space of relevance in the minds of consumers.

The premium line also plays a key role in the broader challenge of customer loyalty. By creating a more aspirational product portfolio—one that speaks to consumer expectations around quality, authenticity, and transparency—retailers can foster not only retention but engagement.

The final goal is to go beyond brand loyalty and build a community of conscious consumers, who identify themselves with the values embedded in the premium line and choose the brand not only for price or proximity, but because it resonates with their lifestyle and consumption priorities.

The ability to balance expectations with price accessibility makes PPL effective. These lines target the higher-end market segment, but they do so without excluding the mainstream one.

For example, Gastronauta premium products are positioned as “democratic luxury”—offering refined quality at a reasonable price. This dual approach makes them attractive to both price-sensitive customer and the quality-seeking one, offering high-quality alternatives to industrial national brands.

To sum up, premiumization marks a decisive transition in private label context; from imitation (Me-Too) to differentiation (Brand), from margin-driven utility to strategic branding. It is through this evolution that private labels are no longer just a response to market dynamics, but a strategic lever for the retailers.

CHAPTER 3.

The Development of a Private Label Consortium:

The Case of Decò Italia

3.1. Overview

Multicedi and Gruppo Arena, leading companies in modern retail distribution in Campania and Sicily, respectively, decided in 2020 to establish a structured collaboration to optimise the development of their private label product network. This initiative led to the creation of the consortium “Decò Italia,” headquartered in Milan.

Leading Decò Italia are two prominent figures in the Italian large-scale retail sector: Mario Gasbarrino as Chief Executive Officer and Gabriele Nicotra as General Manager.

The company, equally owned by both partners, aim to develop, manage, and expand the entire private label portfolio across the more than 700 stores within its network, operating in eight regions of Central and Southern Italy.

The choice of the “Decò Italia” brand and the decision to base the consortium in Milan reflect the ambition to achieve nationwide growth and support the expansion of the affiliated companies, which already hold a leading position in the large-scale retail sector in the centre and south of Italy.

The established reputation of the individual groups strengthens the new brand from the outset, positioning it strategically for entry into new markets. A detailed examination of the two individual groups and of the consortium follows.

3.1.1. Multicedi S.r.l.

Established in 1993 in Pastorano (CE) by a group of entrepreneurs from Campania, including President Pietro Ragozzino, Multicedi has developed into one of the foremost players in Central and Southern Italy's organised retail market.

This success is attributable to a continuing enlargement of the store network matched by the introduction of pioneering retail policies.

In 2016, Multicedi joined Gruppo VéGé^I. The deal contributed to the formation of the largest convenience retail network in Italy. This strategic decision stood for a turning point in the company's history. It reinforced Multicedi's market position, consolidating its leadership in Campania and extending its influence across Central and Southern Italy. As of today, Multicedi, with a share of 16.7%, is the leading distribution center (i.e. CEDI) within the Gruppo VéGé (Nielsen - GNLC, 2025)^{II}.

In 2020, in partnership with Gruppo Arena, Multicedi launched Decò Italia. The aim was the creation of a consortium thought to manage and expand its MDD lines: Decò (mainstream line) and Gastronauta (premium line). This forward-thinking decision marked a major step forward, allowing the brand to compete more effectively in the private label market.

Today, Multicedi employs over 1,300 people and operates a retail network of around 530 stores, 77% of which carry the Decò banner. Among them, the 70% located in Campania, where the company holds a 15.43% market share of the region's total GDO (plus Discount) turnover (Nielsen - GNLC, 2025).

The remaining stores are in Latium, Abruzzo, Molise, Apulia, and Basilicata. Multicedi manages its stores either through affiliation or via direct management, through its subsidiary Multinvest S.r.l., chaired by President Antonino D'Appollonio.

Among the other banners operated by the group, Dodecà stands out for its EDLP (Every Day Low Price) policy, encapsulated in the brand's slogan: "12 mesi di convenienza."

The mission of the Dodecà brand is to offer a wide range of food and non-food products at consistently low and fixed prices throughout the year. The model avoids promotional flyers thereby sparing customers the need to search for short-term discounts.

Every store offers up to 8,000 SKUs, with around 1,000 private label items. These include the mainstream MDD line (i.e. Decò) and premium MDD line (i.e. Gastronauta),

^I Italian multi-brand large-scale retail cooperative established in 1959. The name is derived from the Dutch 'Verkoop Gemeenschap,' a cooperative founded in 1938 and closed in 1980, whose name means 'Vendere Insieme' (i.e. 'Selling Together'). Gruppo VéGé consists of 32 distribution companies with over 3500 stores nationwide.

^{II} NielsenIQ - GNLC. (2025). <https://nielseniq.com/global/it/>

representing the group's efforts to cater to multiple consumers demands at stable and transparent prices.

Multicedi's forecast turnover for 2024 is equal to €1.65 billion (Gruppo Multicedi Key Facts 2024; data source: Nielsen - GNLC, 2024)^I, confirming the company's steady growth and adaptability to changing market dynamics. The company holds a 1.39% market share of Italy's total GDO (plus Discount) turnover (Nielsen - GNLC, 2025)^{II}.

With its sharp vision for the future and its insistent call for innovative thinking, Multicedi has emerged as a prominent player in the retail market of Central and Southern Italy and is looking for possible ways to expand nationwide.

3.1.2. F.lli Arena S.r.l.

Gruppo Arena is the leading player in the modern retail sector in Sicily. The company runs across the entire Sicilian region and in the province of Reggio Calabria, with a network of 190 stores, approximately 80% of which bear the Decò banner, and a workforce of over 3,500 employees (Gruppo Arena - F.lli Arena Srl)^{III}.

The group's long-standing history dates to 1922, in Valguarnera Caropepe (EN), when Mr. Cristoforo Sberna, son of Serafino, obtained the first commercial license for the sale of essential food items.

In 1976, the Arena established F.lli Arena S.r.l, also in Valguarnera Caropepe, within the province of Enna. Today, Gruppo Arena is led by CEO Cav. Lav. Giovanni Arena.

A major turning point occurred in 2014, with the beginning of a strategic partnership with Multicedi S.r.l., through which F.lli Arena was granted exclusive rights to the Decò brand for the entire Sicilian region and the province of Reggio Calabria. Since then, the company has continued to grow steadily, expanding its retail network through both direct management and affiliated operations.

^I Multicedi Srl. (2024). Gruppo Multicedi - Key Facts 2024.

- <https://www.multicedi.com/frontend/templates/newsite/assets/img/multicedi-keyfacts-2024.pdf>

^{II} NielsenIQ - GNLC. (2025). <https://nielseniq.com/global/it/>

^{III} Gruppo Arena - F.lli Arena Srl (Official website). <https://www.gruppoarena.it>

In 2016, Gruppo Arena re-joined the Gruppo VEGé purchasing central, further consolidating its presence in the Italian large-scale retail market.

Subsequently, in 2020, in partnership with Multicedi, it founded the Decò Italia consortium, headquartered in Milan, with the shared goal of developing and strengthening their private label portfolio.

The company has established itself as a key figure in the modern retail landscape of Sicily and Southern Italy, thanks to its deep-rooted heritage and strong regional presence. Confirming this, Gruppo Arena holds a 26.9% market share of Sicily's total GDO (perimeter Iper+Super+Self), and recorded a sales turnover for the year 2024 near to 1.3 billion (NielsenIQ)¹.

Driven by the passion for continuous development and strategic innovation, the company is today well placed to increase its presence on a broader national scale in the retail business.

3.1.3. Decò Italia S.C.A.R.L.

Decò Italia S.C.A.R.L. was founded from the strategic and ambitious vision of two major players in the modern retail sector of Central and Southern Italy: Multicedi S.r.l. and F.lli Arena S.r.l.

The two groups are well-established benchmarks in the large-scale retail market (i.e. GDO) of their respective regions, Campania and Sicily, and have shared the Decò banner since 2014, following a partnership agreement through which Multicedi granted exclusive brand usage rights to Gruppo Arena for its designated marketplaces.

In 2020, the two companies joined forces to create Decò Italia, a private label consortium serving as a true purchasing hub for MDD products, with its headquarters located in Milan. This decision of the two groups of merging their forces has been taken to obtain a total turnover and, subsequently, volumes sufficient to develop their own high-quality

¹ NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

private label product portfolio. The choice to establish the company in the Lombard capital reflects both groups' ambition to expand their presence on a national scale.

As anticipated in the overview (see 3.1.), have been chosen to guide this unique project two leading personalities of the Italian large-scale retail industry: Mario Gasbarrino, as CEO, and Gabriele Nicotra, as General Manager.

The two have worked side by side for most of their careers, sharing significant achievements in the retail industry. They represent a perfectly balanced duo built on cohesion and a clear division of roles: the former focuses on setting strategic direction and identifying market opportunities, while the latter is responsible for engaging with partners and securing agreements for the actual development of the retailer's private label products.

So, with the establishment of this purchasing hub for MDD food and non-food items, Multicedi and Gruppo Arena had and still can develop, manage, and expand their private label products portfolio.

The primary objective of the two partner groups through Decò Italia is to build customer loyalty by offering private label products that stand out for their innovation, attractive and eco-sustainable packaging, and consistently low prices.

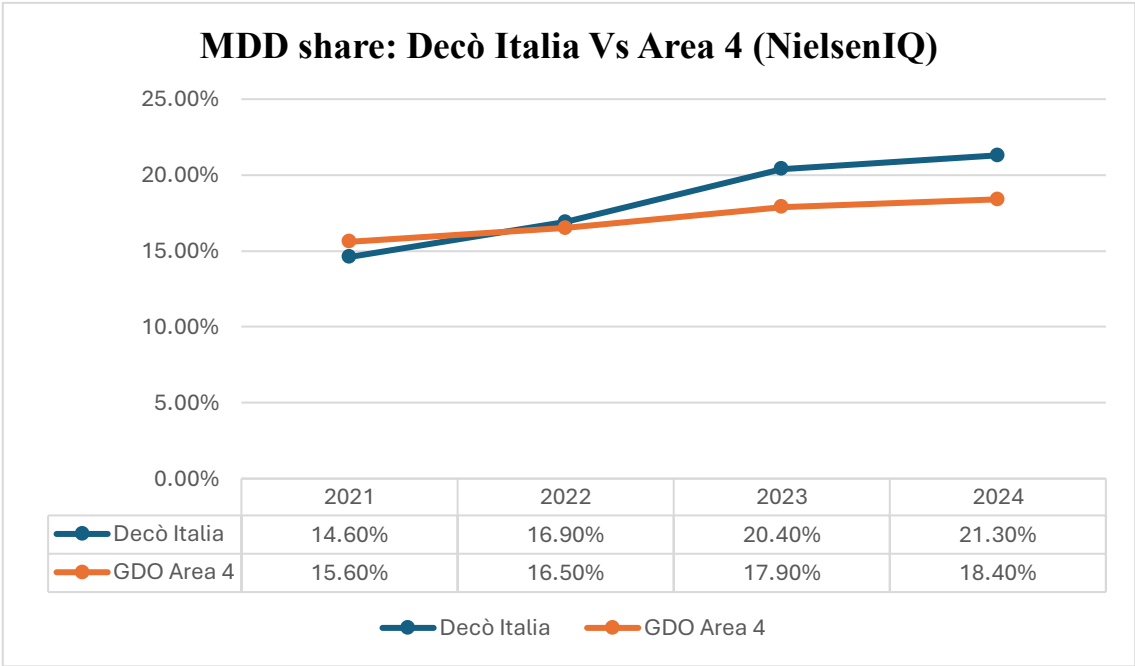
Multicedi and Gruppo Arena offer two distinct private label lines in their Decò stores (in the case of Multicedi, also in its own EDLP stores under the Dodecà brand). These two product lines are: Decò, mainstream line that offer an amount of 1350 food and non-food items at first price, with a clear positioning and a distinctive value offering to the customers; and Gastronauta, premium line that offer more than 350 high-quality food items, but at a 'democratic' price.

Decò Italia recorded sales revenue of €2.5 billion for the year 2023 (Ufficio Camerale)¹, approaching €3 billion in the 2024 forecast, and is expected to significantly exceed this threshold in the current year.

¹ Ufficio Camerale - Portale di Servizi alle Imprese. <https://www.ufficiocamerale.it>

Moreover, the company holds a 2.41% market share of Italy’s total GDO (plus Discount) turnover (Nielsen - GNLC, 2025)^I.

The following graph compares the MDD share of Decò Italia with the MDD share of the total GDO in its area of competence (i.e. Area 4). Chart (7)^{II} - data source: NielsenIQ.



One year after its establishment, Decò Italia recorded a private label sales share of 14.6% of total sales, so one percentage point lower than the average private label share (i.e. 15.6%) of large-scale retail in Area 4 (NielsenIQ).

In just four years, the share of private label (i.e. Decò and Gastronauta) sold has grown exponentially—more than twice the rate of growth observed in the private label share across the overall large-scale retail sector around area of competence.

In fact, in 2024, Decò Italia’s PL share reached 21.3%, compared to the average private label share of 18.4% across the overall large-scale retail sector in Area 4.

^I NielsenIQ - GNLC. (2025). <https://nielseniq.com/global/it/>
^{II} Chart (7). MDD share: Decò Italia Vs Area 4. Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

So, company's MDD share in 2024, in addition to significantly exceeding the average share for the area, have come closer to the GDO national average, which is equal to 22.8%.

The establishment of Decò Italia represent an evolution of the large-scale retail industry.

This unique consortium, dedicated to MDD, stands for the first-ever case in the Italian large-scale retail history in which two players, belonging to the same purchasing central (i.e. Gruppo VEGÉ) have decided to create a purchasing hub dedicated only to the developing of their own private label products portfolio.

A success story set to become a model for the other companies in the business.

3.2. Analysis of Decò Italia product lines

A product is successful when it can build customer loyalty and strengthen fidelization through innovative content, appealing packaging, and consistently low prices.

Thanks to a clear and well-defined brand positioning, Decò Italia offers a wide range of private label products that stand out for their affordability, commitment to quality, product perception enhanced by aesthetically pleasing packaging, and attentiveness to consumer needs—all with a strong focus on environmental and social sustainability.

As mentioned in the previous paragraph, Decò Italia offers a total of approximately 1,700 product SKUs, clearly differentiated by positioning and value proposition across two lines: Decò, the mainstream line, which includes around 1,350 food and non-food items; and Gastronauta, the premium line, consisting of about 350 food products characterised by refined quality at an accessible price.

What follows is a detailed analysis of the positioning, value offering, and conceptual framework of both the mainstream and premium lines. For the latter, a comparison is provided with other examples of premium product lines in the large-scale retail sector in Italy and beyond.

3.2.1. Mainstream line: Positioning and Value offering

In line with its core values, Decò provides a complete assortment of private label products. Every Decò product is created by means of an in-depth understanding of consumer needs, with special focus on quality selection and procurement.

Produced by meticulously chosen small and medium-sized Italian enterprises and backed by an open and traceable supply chain, Decò products consistently support the principle of "high quality at an affordable price."

The mainstream line stands out for its clear positioning and recognisable value proposition. Decò is positioned on shelves with a selection of approximately 1,350 low-and-fixed price food and non-food SKUs.

The brand's pricing strategy reflects its commitment to countering the appeal of discount retailers. The aim of Decò's mainstream line is to reduce customer brand infidelity by offering a wide range of private label products with an excellent quality-to-price ratio.

With the expansion of its product range and the strengthening of its various positioning strategies, Decò has introduced new lines: Gusto (deli products), Organic, Lactose-Free, and Gluten-Free.

Through its own mainstream line of private label products, Decò Italia has started a process of "innovation" via product perception, unique in the food retail sector.

Since its foundation, Decò Italia has begun a path of reformulation of its private label lines, with the clear goal of being perceived by customers as the guarantor of "everyday convenience."

The company intends to offer its customers a branded product line that differs from the usual Me-Too products. To do this, it started by reformulating the packaging of the products, simplifying it so that the focus is on the product, and using bright colours to enhance the "perception."

Decò has re-positioned the MDD line on the shelves of its stores, a re-positioning not only physical but above all conceptual. This repositioning allows the banner to compete in the large-scale retail context with national brands, and in the general retail context with discounters.

The mainstream line presents itself to consumers as a valid alternative to industry brands, both in terms of competitive price and quality level. Simultaneously, it allows consumers to choose one place to shop and find both national brands and a quality alternative at an affordable price, in line with discount prices.

But the real innovation, which is not only limited to product perception, with the shift from Me-Too to Brand happens in the premium private label line.

3.2.2. Premium line “Gastronauta”: Concept and market comparison

The premium segment must offer uncompromising quality while keeping a price level accessible to the mass market. The new premium brand must be built on strict value-and product-based choices that are consistently applied across the entire range, with no expectations.

To capture this vision in a single concept, Decò Italia acquired a prestigious brand, well known among quality food enthusiasts but entirely unfamiliar to the large-scale retail sector: Gastronauta.

Today, the Gastronauta premium line includes 350 food products which, in terms of positioning and value proposition, represent “the embodiment of democratic luxury at the table.”

“Gastronauta significa costante ricerca sul campo di prodotti autentici e innovativi grazie alla selezione di fornitori che parlano la nostra stessa lingua, quella della passione per il cibo, perché la nostra promessa è creare un prodotto che vale di più di quel che costa.” (Il Gastronauta)

(“Gastronauta means ongoing field research for authentic and innovative products, thanks to the selection of suppliers who speak our same language—the language of passion for food—because our promise is to create a product that is worth more than it costs” - quote from the company’s official website)¹.

¹ Decò Italia SCARL (Official website). <https://www.supermercatideco.it/deco-italia>

“Il Gastronauta,” conceptually, is a taste explorer who seeks out the finest local specialties to bring them to the tables of those who love good food. Across Italy and beyond, in search of products that convey both flavour and knowledge, the mission of “Il Gastronauta” is to uncover foods with strong character and make them accessible to everyone at ‘democratic’ prices.

The choice of brand was far from accidental. Decò Italia deliberately and confidently selected Gastronauta to represent its premium private label line. The decision to opt for a “new” brand, rather than the more common sub-brand typically used by national large-scale retail chains, reflects the company’s intention to give its own premium MDD line a clearly distinctive identity.

In the national context, large-scale retail chains tend to adopt sub-brands for their premium PL lines, which are intuitively linked to the retailer’s name, which functions as endorsed brands (e.g. Saponi e Dintorni Conad, Esselunga Top, etc.).

The brand architecture strategy of the “endorsed brand” stands for a hybrid model, combining elements of both the “branded house” (monolithic model) and the “house of brands” (sub-brand autonomy) approaches (*Brand Architecture* - Run Design Branding Agency)¹.

In this type of brand architecture, each sub-brand maintains its own identity and positioning, while still referencing the “parent” brand (which acts as a guarantor of the offer), thereby creating a strong connection between them.

But, while this approach allows for a simple and intuitive association between the retailer’s premium line and the banner itself, it may also blur the consumer’s perception, especially when sub-brands start to be numerous (e.g. Esselunga Top, Esselunga Equilibrio, Cucina Esselunga, etc.), presenting the product more as a line extension than as a genuine and unique premium brand.

By contrast, adopting a brand entirely detached from the retailer’s name (e.g. Gastronauta) reflects the clear intention of positioning the premium line as a brand.

¹ Run Design Branding Agency. *Brand Architecture* - Run Design Branding Agency. <https://www.rundesign.it/branding/brand-architecture/>

Even overseas, a noteworthy and conceptually similar case concerning premium private label lines can be found in Walmart^I. In 2024, the global giant in large-scale retail introduced a groundbreaking innovation to the U.S. private label market by launching a new premium PL line named “Bettergoods.”

With an assortment of 300 innovative food items, including frozen, dairy snacks, beverages, pasta, soups, coffee, chocolate, and more, Bettergoods was launched as part of Walmart’s mission to make quality and great tasting accessible for the customers. Indeed, Bettergoods items range from under 2\$ to under 15\$, with most of the products available for under 5\$ (Walmart Inc.)^{II}.

Gastronauta and Bettergoods share several distinctive traits and conceptual frameworks, from the choice of an iconic and impactful brand name to the mission of making elevated culinary experiences accessible for all.

To sum up, Decò Italia’s premium MDD line is closely tied to the history of authentic local producers—true business partners who best express the culinary identity of their territories. The result is a product range diverse in origin and characteristics, yet united by a single defining trait: the quality.

The endorsed brand strategy is an effective way to link premium product lines to the parent retailer, but it risks brand dilution and consumer confusion if not managed with clarity. The fully detached branding approach, as seen with Gastronauta, is less common but strategically useful for achieving a distinctive market positioning.

Through the strategic positioning and value proposition of the brand “Il Gastronauta,” Decò Italia sets itself the ambitious goal of becoming a brand, strengthening customer loyalty—an increasingly challenging yet essential goal to successfully stand out among competitors in the retail sector.

^I Walmart Inc. is a people-led, tech-powered omnichannel retailer in the U.S.A. It counts approximately 10,500 stores and several eCommerce websites in 19 countries across the world.

^{II} Walmart Inc. (Official website). <https://corporate.walmart.com>

3.3. Qualitative Research Methodology

This section presents the methodological framework employed to investigate the Research Question: *"In the Food Retail, how does a private label evolve from a Me-Too product to a unique Brand?"*

To investigate this transformation, the study adopts a qualitative research design based on an interpretive paradigm, which seeks to capture the richness and subjectivities of managerial perceptions and strategic decisions in the private label business.

In light of the topic's exploratory nature and the necessity of context-specific insights, qualitative approaches are apt to investigate the emergence of brand identity and strategic positioning in the private label context.

The central concern is to discern significance rather than determine causal relationships, with the analysis rooted in the real-life experiences conveyed by industry experts engaged in the strategic evolution of the premium private label brand Gastronauta at the Decò Italia consortium.

The following sub-sections present the research design and methods applied, followed by a detailed explanation of the coding process and analytical techniques used to interpret the qualitative data collected through in-depth interviews.

3.3.1. Methods & Research design

In the research study conducted, it has been adopted an interpretive qualitative analysis, which is about meaning and does not seek a single answer or a single truth (Braun & Clarke, 2013)^I, whereas it aims to discover the distinctive features of the Private Label in the Food Retail alongside with the analysed case of the consortium Decò Italia.

^I Braun, V., & Clarke, V. (2013). Successful qualitative research: A practical guide for beginners.

This thesis uses an inductive (bottom-up) and “Emic” approach once the data is collected, which means that the behaviour considered in the study is described from the actor’s point of view and the specific context in which the subject is located (Tracy, 2019)^I.

In order to achieve the designated goal and draw conclusions it was necessary to fully immerse on the “Private Label in the Food Retail” topic, following the “Sapir-Whorf hypothesis”, which states that it is not possible to understand concepts for which not having words (Tracy, 2019). The production of knowledge that come out is empirical because is grounded in data.

The participants to the qualitative research have been: M. Gasbarrino, CEO of Decò Italia since the year of foundation (i.e. 2020) and former CEO of Unes between 2006 and 2019; and G. Nicotra, General Manager of Decò Italia and former Purchasing Manager in Unes between 2006 and 2020.

To provide the data, it has been conducted 2 semi-structured interviews, including pre-set questions, with additional ones stimulated by the different and unique dialogues (Denny & Weckesser, 2022)^{II}.

The purposively selected contacts were made through participation in the private label trade fair "Marca by BolognaFiere," held in January of this year, in Bologna, and participation in the event "MDD & Industria" by Trout & Partners Italia, held in March, in Parma. After few communications principally through LinkedIn and via e-mail the interviews were agreed and ran.

Conducted face to face in person at the company’s headquarter in Milan, each meeting lasted from 45 to 90 minutes. The advantage of this form of investigation is that the valuable information is obtained in an efficient way, “getting to the heart of the matter”, with access to past event elements and buried emotions recalled by the participant side (Tracy, 2019). Moreover, the flexibility allows the actors to have more freedom in answering the questions (Denny & Weckesser, 2022).

^I Tracy, S. J. (2019). *Qualitative Research Methods: Collecting Evidence, Crafting Analysis, Communicating Impact* (2nd ed.). Wiley.

^{II} Denny, E., & Weckesser, A. (2022). How to do qualitative research? *Qualitative Research Methods. Bjog*, 129(7), 1166.

The interviews were recorded with the permission of the actors, and kept in a private file, exclusively owned. It has been decided to schedule all the two discussions on the same day, because the conduct of a great interview requires intense focus and the verbatim transcription as soon as possible after the conclusion of each one. (Braun & Clarke, 2013).

The full texts and the coded texts are presented in the Appendix section at the end of the thesis. Both the interviews have been structured in a way that the interviewers have been able to freely discuss their opinion on the subject. Both have been conducted in Italian and later translated in English in the transcription to avoid uncertainty and to better collect the data.

At the end of the two interviews, it has been reached a good point of saturation where the collected amount of data, in addition to the secondary data collected, was sufficient to create an effective analysis.

3.3.2. Coding and Analyses of qualitative data

To analyse the data collected, it has been used the concept of codes, which consists in labels given to relevant information identified in the generated transcripts (Adu, 2019)¹. Coding has been used to organise, summarise and give a logical structure to the amount of the data collected from the two participants.

The type of coding strategy selected is the “Description-focused” coding, based on the summary of crucial information in the written record, without giving own interpretation inside the code. The data should speak for itself with labels as close as possible to the selected phrase. Moreover, many times the codes are identified by using the literal words and phrases present in the transcript. The latter is called “In Vivo” coding, and it is part of the “Description-focused” coding (Adu, 2019).

With this strategy it has been created a first net of framework by open coding independently the transcripts and later comparing and discussing them together to reach an agreement on the best labels to utilise for the first order codes.

¹ Adu, P. (2019). A step-by-step guide to qualitative data coding. Routledge.

The next step is to create themes and categories based on the codes. The process is named “Clustering” or “Axel coding” because the researchers group the labels into clusters based on their similarities. The categories created will be a second order type of codes that summarise the information in an organised way and cut redundant open codes.

Finally, by categorising again, the final stage of “selective coding” is reached, which give an ultimate aggregate dimension to the data collected (Adu, 2019). There are different parameters which demonstrates the validity and reliability of this research (Tracy, 2019)¹.

The internal validity was achieved by a protracted engagement along with the collection of secondary data, and the participation to trade fair and event on the theme, iterative checking procedures and a reflexing examination of a possible influence on the data.

To make sure that the findings could be applied to different situation, it has been expressed the external validity through comprehensive and contextually relevant description.

Moreover, the construct validity was obtained thanks to a previous data collection and underlining the main objective of the research. With a meticulous coding production, by looking at the data from different point of views, the work has been kept reliable.

¹ Tracy, S. J. (2019). *Qualitative Research Methods: Collecting Evidence, Crafting Analysis, Communicating Impact* (2nd ed.). Wiley.

3.4. Findings from the Research

This section shows the findings that emerged from the qualitative research conducted through two in-depth, semi-structured interviews with M. Gasbarrino and G. Nicotra, the key figures leading the strategic development of Decò Italia's Private Label consortium.

The objective of this analysis is to explore how a Private Label in food retail can evolve from a “Me-Too” product to a true brand, with a defined identity, strategic positioning, and consumer relevance.

Through a descriptive-narrative lens, and guided by the thematic coding of the interviews, the research identifies recurrent patterns, critical reflections, and strategic considerations voiced by both actors, deeply involved in the transition from mainstream to premium Private Labels.

The analysis is structured around two main perspectives. Firstly, the vision of M. Gasbarrino, CEO, whose long-life retail experience offers a strategic view on brand positioning and retail market competition. Secondly, the contribution of G. Nicotra, General Manager, who offers a complementary focus on the operationalization of the Private Label strategy, product development processes, and consumer segmentation.

Together, the insights from both interviews allow for a comprehensive understanding of the managerial implications that shape the evolution of a Private Label from being a functional product alternative to becoming a “vehicle” for brand identity, differentiation, and customer loyalty.

3.4.1. Interview with the CEO M. Gasbarrino

The conversation with Mario Gasbarrino, CEO of Decò Italia since its foundation (2020), reveals a clear and pragmatic vision of the current challenges and strategic opportunities in the development of Private Labels within the food retail sector.

His long-standing experience in the business emerges in the lucidity with which he describes the structural inefficiencies of the Italian retail system, which he defines as *“fragmented, [...] conflictual, [...] and unproductive.”*

According to his view, this fragmentation acts as a systemic brake on the development of Private Labels, limiting their capacity to grow and evolve into true brands. One of the central reflections that emerges is the acknowledgment of how Private Labels in Italy are still largely perceived as "*cash cows*", tools to extract profit margins rather than instruments for long-term brand-building.

Gasbarrino firmly rejects the idea that mainstream lines can become brands in the full sense of the term. For him, this is not just a theoretical statement, but a practical position that underlies the strategic separation implemented in Decò Italia between the mainstream line (Decò) and the premium line (Gastronauta).

The first, in his words, plays a "*defensive role*", designed to guarantee convenience and limit the outflow of customers toward discount chains. It competes primarily on price and performs a containment function. Gastronauta, instead, is entrusted with the more ambitious task of becoming a brand in its own right: a distinctive, recognisable entity capable of generating consumer loyalty through quality, positioning, and emotional appeal.

This "*dual-track strategy*" is not simply a marketing tactic, but a response to a broader shift in the retail landscape. The growing power of discount chains, which are increasingly improving services and the in-store experience, makes it necessary for traditional retailers to re-position themselves, not only by trying to outbid discounters, but by building strategic value around their private label lines.

Gasbarrino's thinking on this is unequivocal: if the competition is with national brands, the Private Label must become a brand. And to do so, it must follow the same rules—starting with strategic clarity, investment in innovation, and a recognisable visual and communicative brand identity.

His critique of the mistakes made in the past by large-scale retailers is equally explanatory. He identifies the introduction of the so-called "*First Price*" level as a wrong response to the rise of discounters. This level, he argues, lacked identity, credibility and association with customers.

The true turning point came when the focus shifted back to the mainstream line, by lowering its price positioning (without sacrificing quality) and phasing out the

anonymous first-price options. This repositioning, in his view, allowed traditional retail to restore credibility in the eyes of value-driven consumers while also creating room for the introduction of premium line offerings.

Another theme that emerges strongly is the emphasis on packaging and perception. In a market saturated with offerings, it becomes essential to stand out on the shelf—not only through price, but through visual cues, bold colours, and strong branding.

Gasbarrino notes that even the national brands, once dominant in shelf visibility, are now resorting to techniques traditionally used in retail branding, such as centering logos and prioritising brand recognisability in the pack.

The interview also sheds light on the complex relationship between Private Labels and industry manufacturers. The historic conflict between industry and retail, once played out at the systemic level, has shifted to a new terrain: MDD product vs. IDM product.

Gasbarrino admits that true collaboration is still difficult, as the goals of the two sides are fundamentally opposed. He expresses strong reservations about entrusting the production of Private Labels to national brands, pointing out the strategic risks of dependency. In this sense, his preference for working with small or medium-sized co-packers is both a tactical and ethical choice—intended to preserve autonomy and avoid a scenario where the manufacturer *“holds the retailer hostage.”*

In the background of all these reflections lies a common thread: the need for long-term thinking. Whether speaking of volumes, brand equity, packaging, or supplier relationships, Gasbarrino’s perspective is always oriented toward building something that lasts.

He recognises that for Private Labels to thrive, they must be backed by a coherent vision, operational consistency, and the willingness to invest in a strategy that goes beyond short-term margin.

The evolution from Me-Too to Brand is neither spontaneous nor guaranteed. It is a choice—deliberate, strategic, and deeply rooted in the identity the retailer wants to project.

3.4.2. Insights by the General Manager G. Nicotra

The interview with Gabriele Nicotra, General Manager of Decò Italia, offers a complementary and highly operational perspective to the broader strategic vision outlined by M. Gasbarrino.

If the CEO's discourse is framed by high-level positioning and brand architecture, Nicotra's contribution grounds the discussion in the concrete processes that make Private Label development both feasible and effective. His reflections confirm that creating a brand within a Private Label context is not only a matter of ambition, but also of method, discipline, and structure.

Nicotra begins by retracing the fundamental nature of the Private Label. In his words, the retailer does not traditionally act as a producer; that role belongs to the co-packer, the true manufacturing backbone behind most PL products.

What distinguishes modern Private Label, however, is that the retailer now takes on a dual role—one that shares responsibility for the product, from quality to communication. This shared accountability requires not only control, but clear intention.

Nicotra says: *“Private Label represents a retailer's strategic lever.”* For him, the starting point of every project lies in the definition of positioning: what the product is supposed to be, how it will be perceived, and what kind of relationship it aims to establish with the consumer.

In this process, theoretical models such as Keller's Brand Equity Pyramid are not abstract references, but practical tools. Decò and Gastronauta each have their own pyramid, defined from the base to the apex by distinct values.

The mainstream line aims to reinforce the retailer's image of affordability and reliability: *“The mainstream line stands as a guarantee of everyday savings and affordability.”* The premium line, Gastronauta, instead aspires to build a *“community.”*

This term recurs frequently in Nicotra's discourse, and it is not accidental. Gastronauta is not simply a product line, but a narrative effort, a curated selection meant to express authenticity, origin, and taste—all values that resonate with a consumer base increasingly attentive to what they eat and where it comes from.

The General Manager also discusses the critical role of category management. A Private Label's function within the assortment depends on the type of product category. In commodity-driven segments, the PL becomes the backbone of the offer; in other, more brand-sensitive categories, it may play a supporting role.

This flexibility, far from diluting identity, is actually what enables coherence across the range. As long as the retailer's value system is respected—price, quality, transparency—Private Label can take on different shapes and still serve a unified purpose.

Equally revealing is Nicotra's account of the operational side of PL development. From the initial brief to market launch, a new product takes roughly three to four months. This includes sourcing, co-packer selection, testing, packaging design, and compliance with regulatory frameworks.

But the work doesn't end there. Private Label products are constantly being updated, revised, and refined—responding not only to legal requirements (such as allergen disclosure or labelling norms), but also to trends and consumer expectations.

He describes packaging as one of the key communication tools through which the retailer expresses its positioning. In a saturated market, standing out visually becomes as important as standing out on price.

One of the most interesting aspects of Nicotra's reflection lies in his sociological view of retail. For him, it is not only a commercial activity but "*Retail is also a social science.*" It must understand consumers, anticipate their needs, and reflect their values. This is where the fragmentation of brands plays a role.

Lines such as organic, gluten-free, or lactose-free are not random additions, but intentional responses to a more segmented and conscious consumer landscape. And yet, Nicotra reminds us, the ultimate goal remains unchanged: "*The goal is still customer loyalty.*" Whether "[...] through assortment, product quality, and competitive pricing" the retailer must earn and maintain the trust of its customers.

His words confirm that building a brand within a Private Label framework is not a contradiction, but a possibility—provided that clarity, coherence, and consistency guide each stage of the process.

In Gastronauta's case, the attempt to break with the logic of the sub-brand and create a stand-alone premium label responds precisely to this ambition. To be perceived not as an extension of the banner, but as a brand in its own right.

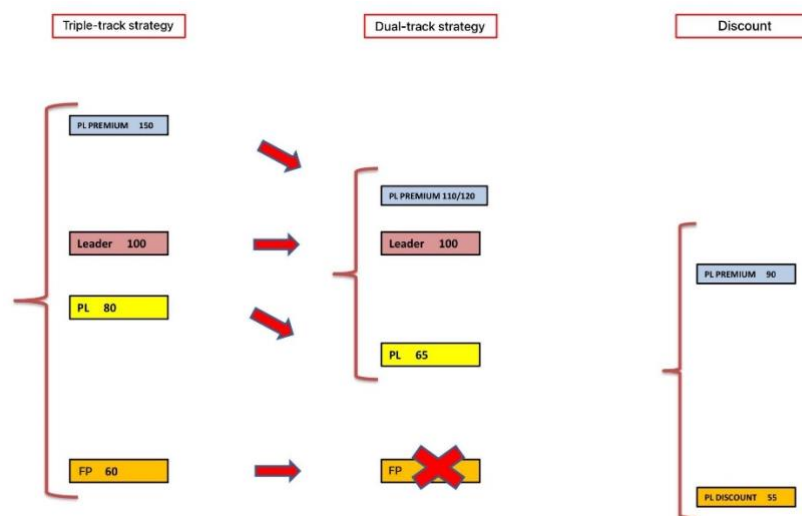
And to do so, it must deliver on its promise: offering premium, curated, and emotionally resonant products at accessible prices. In Nicotra's view, this is the true meaning of *"democratic excellence"*.

3.5. Managerial Implications

The case of Decò Italia offers a powerful example of how Private Label can evolve from a low-cost, margin-driven national brands alternative (i.e. Me-Too) to a strategic asset capable of redefining competitive positioning in the retail sector (i.e. Brand).

In a market characterised by structural banners fragmentation and aggressive price-based competition, the private label emerges not only as a tool to defend market share but as a true strategic lever for differentiation and value creation.

One of the key insights from the managerial experience reported in the interviews, as shown below (i.e. Image 2)¹, is the shift from an ineffective pricing model (i.e. triple-track strategy), exemplified by the failed introduction of the "First Price" tier, to a more effective brand architecture (i.e. dual-track strategy).



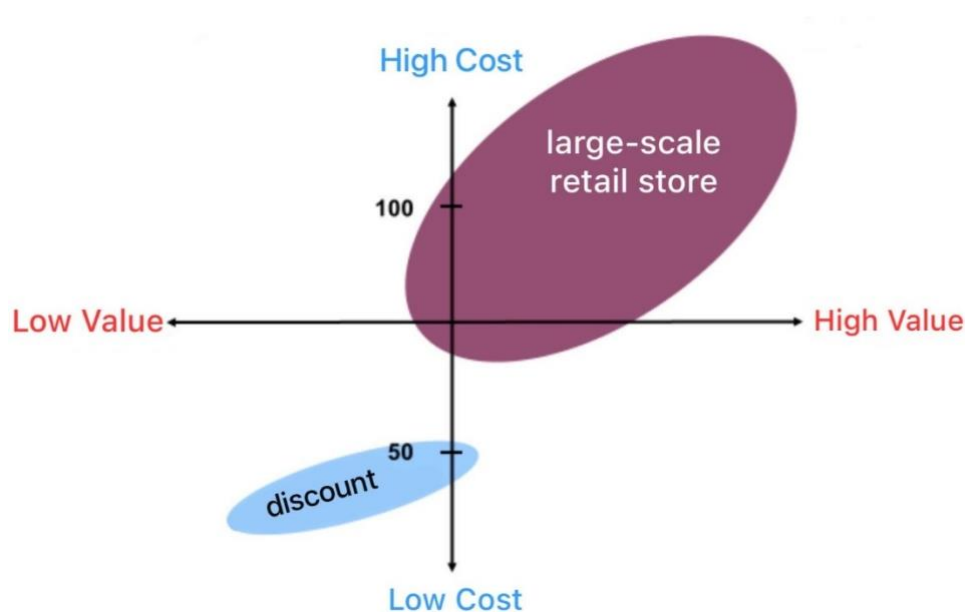
¹ Image (2). Retail Strategies.

As M. Gasbarrino noted, the “First Price” solution, positioned even below the traditional private label and deprived of any brand endorsement, ultimately diluted the retailer’s image without creating lasting consumer loyalty. Its elimination marked the beginning of a more effective “dual-track strategy”.

The dual-track strategy consists of a re-positioned mainstream line, priced (lower) competitively to face off against discount retailers while keeping constant high quality; and a premium line, designed to compete with national brands by offering high-value products at an accessible price. A system structured like this allows the retailer to attract both price-sensitive and quality-seeking customers.

From a managerial perspective, the construction of brand identity becomes central to the success of this model. As evidenced in the application of Keller’s Brand Equity Model, the mainstream line finds its brand identity at the base of the pyramid, with the focus on daily convenience and trust in the banner. Its salience lies in being a familiar, reliable, and cost-effective choice.

On the other hand, the premium line aspires to reach the top of the pyramid (i.e. brand resonance) by cultivating consumer loyalty, emotional attachment, and the formation of a genuine community. “Il Gastronauta,” as a premium private label, reflects this ambition by pursuing a clear set of brand values, an engaging storytelling approach, and a strong commitment to quality.



The Food Retail scenario has changed considerably over the years. As shown in the picture above (i.e. Image 3)^I, the sector looked like this: large-scale retailers placed in the high cost-high value quadrant, and emerging discounters placed in the low cost-low value quadrant.

To date, this scenario has profoundly changed. The competition between large-scale retailers and discounters has moved into the low cost-high value quadrant, as following shown (i.e. Image 4)^{II}.

Discounters have increased the services offered to customers, and among them some banners market also national brands, while large-scale retailers have adopted pricing strategies (e.g. dual-track strategy) to counter their ascendancy and drain the outcome of the savings-only customers.



In the highly competitive and extremely fragmented scenario, due to the multiplicity of distribution banners, just described, Private Label proves to be a growing and effective tool for positioning, standing out among competitors, and building loyalty.

^I Image (3). Food Retail Scenario (before).

^{II} Image (4). Food Retail Scenario (now).

CONCLUSIONS

This thesis set out to investigate how Private Labels in the Food Retail business evolve from simple Me-Too products to Brands, aiming to answer the central research question: *“In the Food Retail, how does a private label evolve from a Me-Too product to a unique Brand?”*

Combining theoretical framing, and the analysis of collected primary and secondary data, with a qualitative case study, the research has shown that private label growth is not only consistent but structurally grounded in its ability to develop and adapt to changing consumer expectations and competitive retail scenario dynamics.

The analysis is structured across four strategic dimensions: Diversification, (Re)Positioning, Brand Loyalty, and Premiumization. Each of them represents a critical step in the private label’s evolutionary path.

Firstly, diversification—understood in terms of innovation, evolution, and product perception—has allowed retailers to move beyond simple price competition and offer broader, more articulated assortments.

Secondly, through an effective brand repositioning, retailers have been able to redefine their value propositions (as seen in the Decò Italia case). Retailers have aligned their private labels not only with price expectations but also with perceived value, through clear brand identities and compelling storytelling.

Thirdly, in a sector marked by growing banner infidelity on the part of costumers, fidelization has emerged as both a challenge and a goal. The mainstream line (i.e. Decò) functions as a defensive tool to retain customers, while the premium line (i.e. Gastronauta) takes on the more ambitious role of cultivating long-term loyalty and building communities of engaged consumers.

Lastly, premiumization represents the apex of the private label path. Private brands assert their own identity, differentiate from industrial brands, and enter higher-end market segments with authenticity and competitive value, keeping an accessible price to the mass market.

The case study of Decò Italia has concretely illustrated how these strategic pillars are implemented in practice. From the abandonment of the First Price model to the implementation of a dual-track architecture, the managerial decisions analysed highlight the importance of a structured, brand-oriented approach to private label development.

In conclusion, the evolution of private labels into brands is not only possible—it is already happening. And it is precisely this transformation that explains their steady rise, their growing share in European markets, and their ability to redefine the competitive rules of modern food retail.

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CHARTS & IMAGES

Chart (1). EU6 Private Label market share (2014). Data source: Olbrich et al., 2016

Chart (2). EU6 Private Label market share (2024). Data source: Circana – Private Labels: Transformation for Growth. <https://insights.circana.com/staycurious/private-labels-in-transformation-for-growth>

Chart (3). EU6 Private Label market share (2014-2024). Data source: Olbrich et al., 2016; Circana – Private Labels: Transformation for Growth. <https://insights.circana.com/staycurious/private-labels-in-transformation-for-growth>

Chart (4). MDD Vs IDM Leader market share (Omnichannel). Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

Chart (5). MDD Vs IDM Leader market share (GDO). Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

Chart (6). IDM Leader: GDO Vs Omnichannel. Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

Chart (7). MDD share: Decò Italia Vs Area 4. Data source: NielsenIQ - Global leader in consumer intelligence. <https://nielseniq.com/global/it/>

Image (1). Keller's Brand Equity (CBBE Model) Framework. Source: SketchBubble. <https://www.sketchbubble.com/en/presentation-cbbe-model.html>

Image (2). Retail Strategies.

Image (3). Food Retail Scenario (before).

Image (4). Food Retail Scenario (now).

APPENDICES

A.1. Interview with M. Gasbarrino, CEO of Decò Italia (Full text)

On average, MDD in Europe is in the order of 35%, while in Italy it stands between 30-32%. Despite constant growth, it has been slowing down in recent years. What are the main reasons? Is the Italian distribution system complicit in it?

“If we were to take a snapshot of the Italian distribution system, we could describe it as a "sick" system. The Italian distribution system is: conflictual, due to the highly combative relationship between retailers and industry manufacturers; competitive, in terms of pricing and, unlike in other countries, also among different formats; unproductive, because although it is experiencing growth, such growth is marginal and severely limited by the fragmentation of large-scale retail.

The main reason behind this issue is precisely the fragmentation of the retail sector in Italy; this fragmentation inevitably acts as a brake on the development of private labels. In response, the Italian distribution system has tried to compensate with the creation of purchasing hub and super-hub, which, in practice, merely serve as aggregation mechanisms among different banners.

This is one—though not the only—reason why the private label share in Italy stays lower than in other major European economies. Including discount retailers, the private label share in Italy reaches around 30–32% (approximately 22% when considering large-scale retail alone), while in countries such as Germany or Spain it fluctuates between 40% and 50%.”

Given the steady growth that MDD has had in Italy over the years, do you think that large-scale retail players have realised its real value? Is MDD conceived as a Brand?

“In Italy, private labels are growing, but only slightly. There are no solid conditions in place for a significant increase, particularly because the Italian distribution system is still heavily dependent on industry branded manufacturers.

Private label growth in Italy is limited because of insufficient sales volume and because, for most retailers, private labels are still perceived as a "cash cow"—a means to secure margins—rather than as a distinctive strategic asset for the banner. In order to grow, private labels require investment [...]"

"[...] On the back label of Gastronauta private label products, the wording reads "produced for Gastronauta," rather than "produced for Decò Italia," as it does on mainstream line products. A dedicated company was established with the clear intent of distinguishing the premium line—conceived as a brand in its own right—from the mainstream offering. With the premium line Gastronauta, we have started the process of transforming our private label into a true brand.

Everyone says, "Private labels must become brands." But caution is needed—mainstream private labels can never truly become brands. It is essential to adopt a dual-track strategy (i.e. mainstream line and premium line); only the premium line should aim to become a brand.

We are still in the early stages—currently, the share of our premium line fluctuates between just 1.5% and 3%, partly due to a still-limited assortment of around 350 SKUs. While the mainstream label sells itself, largely due to its competitive pricing and appeal to price-sensitive consumers, the premium line requires active selling."

**How is large-scale Retail facing the competition with Industry manufacturers?
What makes a Private Label recognisable, putting it in competition with a National Brand?**

"I would like to preface this is my personal view. The long-standing competition between industry manufacturers and large-scale retail is increasingly shifting toward a kind of "proxy competition" between national brands and private labels. Where once the clash was between two systems, it is now between their respective products.

In the competition between national brands and private labels, the latter must clearly aim to become a brand. If you compete with a brand, you must become a brand. A mainstream

brand, a “generic” brand, one without a clear and well-defined positioning, can never truly become a brand.

Within the “dual-track” strategy, the true brand—the one with the ambition and potential to become a real brand—is Gastronauta.

One of the key reasons behind the significant growth of private labels is the high price point of national brands. At present, despite inflationary pressures, industry manufacturers are generally not lowering their list prices. Instead, they prefer to keep prices high in order to preserve margins for promotional discounts.

A clear example of this dynamic can be seen on supermarket shelves, where private label and national brands are often placed side by side. This shelf placement strategy highlights the price difference and is designed to appeal directly to price-sensitive consumers.

In today’s retail environment, being chosen over competitors requires a strategic positioning that is clear, distinctive, easily recognisable, and acknowledged by the customer. In the EDLP model (e.g. Dodecà), the customer knows exactly what to expect when entering the store and can choose whether to shop like a “rich” or a “poor” consumer.

Prices stay low and fixed throughout the year, with no promotional flyers or special offers. Savings accumulate over time by consistently choosing the same retailer, favouring stable pricing over the high-low strategy, and cutting the need to chase temporary discounts.”

So, how would you summarize the distribution scenario in Italy? What role does MDD play?

“In the current scenario, the leading retail players share several common traits: a high share of private label products, and as a result, reduced dependence on branded manufacturers; lower promotional pressure; and a clearly defined strategic positioning.

The primary “competitor” that large-scale retail players must contend with is the Discount channel. There is no such thing as a supermarket customer and a discount customer—the customer is the same. Competition has shifted into the “low-cost, high-value” quadrant, leading to an enhancement of services offered by discount retailers and a downward adjustment in the pricing of mainstream private label lines within large-scale retail.

The mainstream private label line addresses this challenge and stands for one of the key tools for competing with discount retailers. One of the major mistakes made by large-scale retail when discount stores first entered the market was the introduction of the “First Price” tier.

Retailers believed they could match discount pricing by creating a third price level, positioned below both private label and national brands. This “First Price” range, which did not carry the retailer’s name, offered a limited selection of products at low prices and with only acceptable quality.

The turning point came when the “First Price” line was eliminated, and the price of the mainstream private label line was lowered—without compromising on quality. This shift allowed large-scale retail to build a perception of affordability among consumers, slowing the outflow of shoppers to discount stores. Moreover, lowering the price of the mainstream line created the necessary margin to introduce a premium private label offering.”

What does a Private Label need to be successful?

“For a private label to succeed, its fundamental prerequisite is volume. From this understanding came the insight of the two groups—Multicedi and F.lli Arena—to join forces and establish the Decò Italia private label consortium, thereby gaining the necessary scale to invest in and develop their private label lines. Multicedi and F.lli Arena recognised that by pooling their resources, they could add real value to their

private label offering, turning it into a competitive strength and a distinctive feature of their banner.

How can a private label be grown? By increasing the number of private label SKUs, lowering prices while keeping quality high, and redesigning packaging to make it more modern and recognisable—a second phase of restyling is currently underway. This last point brings into focus the concept of innovation through product perception. In an assortment as crowded as today's, a product must stand out through bold, even unconventional colours for the retail sector.

Additionally, there is a growing trend—started by national brands and now adopted by retailers as well—of enlarging and centering the brand logo on the packaging, to stand out and be more immediately recognisable. What the brand manufacturers began doing, the retail sector is now doing too.”

So, Private labels must have a clear and well-defined strategic positioning. What, then, should the positioning of Decò and Gastronauta be?

“The Decò private label can be compared to the opening act at a concert—it entertains and sets the stage before the main performance. Its purpose is to deliver savings while ensuring good quality. The Decò line plays a predominantly defensive role: it helps build the retailer’s image as a value-driven brand and serves to contain customer outflow toward discount stores. Its pricing strategy is therefore benchmarked against discount retailers rather than leading national brands [...]”

“[...] Gastronauta, by contrast, is intended to become the retailer’s strategic “Brand.” Its goal is to differentiate and foster customer loyalty. Loyalty cannot be built through a single element alone, but a private label—particularly a premium one—with a clear and distinctive strategic positioning represents a valuable tool for retailers in the competitive landscape.”

Turning back to the relationship between large-scale retail and industry, do you see a collaboration possible?

“There is a growing need to rewrite the rules of engagement between industry manufacturers and large-scale retail. The truth is, while we in the retail sector often speak of the importance of collaboration, in practice, true collaboration is nearly impossible. Why? Because the system has become increasingly conflictual. The objectives of industry manufacturers and retailers are fundamentally opposed. If I were on the other side, I would act exactly as the manufacturers do. We, as retailers, work to protect the interests of the customer—alongside our own.”

If the industry started to produce MDD for the large-scale retailers, could the problem be contained?

“On the contrary, that would be the greatest risk of all. There is an unwritten rule we follow: always prioritise small or medium-sized enterprises to produce our private label products. I have always opposed the idea of having our private label manufactured by a national brand. For one simple reason: a branded manufacturer could, in essence, hold us hostage.

Moreover, with few exceptions, national brands have never shown real interest in producing private label products for retail companies. Looking ahead, I have the impression that certain segments of branded manufacturers—particularly those operating at high volumes—will, as their market share continues to decline, eventually approach retail players themselves, offering to produce their private label lines.”

And how are the Industry manufacturers reacting? Are they innovating?

“Industry manufacturers, who for years accused retailers of producing “Me-Too” products, are now doing the same. There is little true innovation in the launch of new products, which continue to flood store shelves. National brands have had one primary

goal: to gain shelf space and visibility. But shelf space is not infinite. Retailers must meet new consumer needs, introduce new SKUs, and satisfy customers who demand greater affordability without compromising on quality. Balancing all these variables is increasingly difficult.

It is evident that, if promotional pressure were reduced, a number of SKUs that exist solely to support promotional campaigns—and that occupy valuable shelf space—could be eliminated. This would make it possible to lower everyday prices, redesign the pricing structure, develop and defend private label share (bearing in mind that it is a means, not an end), and reduce shelf overcrowding by eliminating duplicates.”

What future do you see for the large-scale retail in Italy?

“What is happening around us in the world of retail? We have returned to a state of normalcy. From 2004 to 2016, like-for-like sales were almost always negative; they later recovered due to the inflationary effects of the COVID-19 pandemic. Last year, a modest growth of +0.7% has been recorded.

The disintegration of formats continues. In the grocery segment, supermarkets are under pressure from many “category killers” (e.g., Acqua e Sapone, Tigotà, Tiger, Action, Risparmio Casa, etc.), each of which inevitably takes away a portion of the market.

The share of discount stores continues to grow. The physical retail channel is still resilient, though space is not unlimited, and each operator will eventually need to define which type of customer to serve (i.e. strategic positioning).

The on-line channel, which saw rapid growth and a short-lived boom during the COVID-19 period before nearly disappearing, is now in a phase of “reflection.” However, it is not dead; it is expected to make a comeback, much like the discount model did in the past.

Meanwhile, a generational shift in the customer base is approaching, with Generation Z taking the lead [...]”

“[...] Everything is changing at an increasingly rapid pace. A leader can never afford to stand still—otherwise, they risk being caught and overtaken. We are two entities—industry and retail—pursuing different and often conflicting goals, which makes it difficult to find common ground.

An agreement between manufacturers and large-scale retailers would be desirable, but it cannot come at the expense of one's own space or the development of one's private label. Doing so would mean giving up everything.”

A.1.1. Interview with M. Gasbarrino (Coding)

On average, MDD in Europe is in the order of 35%, while in Italy it stands between 30-32%. Despite constant growth, it has been slowing down in recent years. What are the main reasons? Is the Italian distribution system complicit in it?

“If we were to take a snapshot of the Italian distribution system, we could describe it as a "sick" system. The Italian distribution system is: conflictual, due to the highly combative relationship between retailers and industry manufacturers; competitive, in terms of pricing and, unlike in other countries, also among different formats; unproductive, because although it is experiencing growth, such growth is marginal and severely limited by the fragmentation of large-scale retail.

The main reason behind this issue is precisely the fragmentation of the retail sector in Italy; this fragmentation inevitably acts as a brake on the development of private labels.

In response, the Italian distribution system has tried to compensate with the creation of purchasing hub and super-hub, which, in practice, merely serve as aggregation mechanisms among different banners.

This is one—though not the only—reason why the private label share in Italy stays lower than in other major European economies. Including discount retailers, the private label share in Italy reaches around 30–32% (approximately 22% when considering large-scale retail alone), while in countries such as Germany or Spain it fluctuates between 40% and 50%.”

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So, how would you summarize the distribution scenario in Italy? What role does MDD play?

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Turning back to the relationship between large-scale retail and industry, do you see a collaboration possible?

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If the industry started to produce MDD for the large-scale retailers, could the problem be contained?

“On the contrary, that would be the greatest risk of all. There is an unwritten rule we follow: always prioritise small or medium-sized enterprises to produce our private label products. I have always opposed the idea of having our private label manufactured by a national brand. For one simple reason: a branded manufacturer could, in essence, hold us hostage.

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What future do you see for the large-scale retail in Italy?

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The disintegration of formats continues. In the grocery segment, supermarkets are under pressure from many “category killers” (e.g., Acqua e Sapone, Tigotà, Tiger, Action, Risparmio Casa, etc.), each of which inevitably takes away a portion of the market.

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An agreement between manufacturers and large-scale retailers would be desirable, but it cannot come at the expense of one's own space or the development of one's private label. Doing so would mean giving up everything.”

A.1.2. Thematic Coding Table – Interview with M. Gasbarrino

In Vivo / Description- Focused Code	Excerpt	Axial Code (Categories)	Selective Code (Dimensions)
fragmented and conflictual system	We could describe [Italy] as a ‘sick’ distribution system: conflictual... fragmented... unproductive	Structural limits of retail	MDD development barriers Competitive retail landscape
cash cow not a brand	Private labels... are still perceived as a ‘cash cow’ rather than as a distinctive strategic asset	Short-term logic in retail	MDD development barriers
produced for Gastronauta	...to distinguish the premium line—conceived as a brand in its own right—from the mainstream offering	Premium brand positioning	Dual-track brand strategy
dual-track strategy	Mainstream PL can never become a brand... only premium should aim to	Strategic branding differentiation	Dual-track brand strategy
compete with a brand, become a brand	In competition... the PPL must clearly aim to become a brand	Brand ambition	Brand identity evolution Dual-track brand strategy
discount is the competitor	There is no one supermarket customer and one discount customer.	Market positioning vs discounts	Competitive retail landscape
clear, distinctive, recognisable	Being chosen requires a positioning that is clear, distinctive, recognisable	Strategic positioning	Brand identity evolution
First Price tier was a mistake	The turning point came when the ‘First Price’ line was eliminated...	Private label repositioning	Dual-track brand strategy

volume is key	A PL needs volume to succeed... hence the Decò Italia consortium	Operational scalability	Success factors for PL
bold colours, centred logo	A product must stand out... trend to enlarge and center the brand logo	Packaging innovation	Brand identity evolution
Decò is the opening act	It entertains and sets the stage... a defensive role... ensure savings with good quality	Mainstream positioning	Dual-track brand strategy
Gastronauta must build loyalty	Its goal is to differentiate and foster customer loyalty... with a clear and distinctive strategic positioning	Premium positioning and loyalty	Brand identity evolution
rules of engagement must be rewritten	True collaboration is impossible... objectives are fundamentally opposed	Industry vs retail conflict	Relationship between MDD and IDM
never let a national brand produce PL	A branded manufacturer could, in essence, hold us hostage	Supplier selection strategy	Relationship between MDD and IDM
industry accuses PL of Me-Too, now does the same	There is little true innovation... national brands want shelf space	Industry stagnation	Competitive retail landscape
shelf is not infinite	To lower prices and defend PL share, we must eliminate redundant SKUs	SKU rationalization	Success factors for PL
customer base is shifting	Generation Z is coming... disintegration of formats... must choose who to serve	Consumer evolution	Competitive retail landscape
can't afford to stop, or you're overtaken	Everything changes fast... a leader can never afford to stand still	Market adaptation	Competitive retail landscape

A.2. Interview with G. Nicotra, General Manager of Decò Italia (Full text)

How would you describe Private Label?

“Let us begin with the origins. Private Label, or MDD (i.e. Marca del Distributore), was born as the product of a third-party entity known as a co-packer—the true manufacturing industry behind it. With few specific and exceptional cases, retailers have never been producers themselves; they have always limited their role to that of distributors. Historically, retailers have preferred to place their own banner or, for tactical reasons, a fictional brand name, on these products.

Private Label represents a retailer’s strategic lever. To put it simply, if I am Harrods and I produce a product under the Harrods name, that product must reflect the attributes of my banner and the value system I want associated with my brand.

What is the retailer’s task? It must clearly define the positioning it intends to give to its Private Label and identify the right co-packer to bring it to life. This positioning process is complex and demands clarity of vision. The co-packer must embody specific qualities aligned with the retailer’s strategic intent.

A brand, by its very nature, is even more constrained and selective when it comes to expressing values. A retail banner may allow for a broader range of product positioning, depending on the product category, but a brand must remain tightly anchored to its value framework.”

What are the steps needed to give a defined and recognisable strategic positioning to their own MDD?

“The first step remains identifying the key elements of strategic positioning. One of the most effective tools for approaching this task—ensuring consistency and coherence throughout the entire project—is Keller’s Brand Equity Pyramid. By mapping out the foundational elements of Keller’s pyramid, from the base to the top, one can more easily define the correct path to strategic brand positioning.

While the structure of Keller's pyramid stays constant, its contents vary depending on the brand. When we introduced the positioning guidelines for our two private label lines, we developed two separate Keller pyramids. One (i.e. Decò) placed "demonstrating everyday value" at the top, while the other (i.e. Gastronauta) aspired to "building a community."

In essence, everything begins with a clear pursuit of coherence and a defined value system in which the brand or banner must be rooted. Everything else (product range, pricing strategy, marketing) follows naturally from that foundation.

The retailer integrates these products into the assortment and, depending on the category, assigns them a more or less central role. For example, in a pure commodity category, the private label product often serves as the cornerstone of the entire segment.

This approach varies according to what is known as "category management," which is the applied science of retail. Category-management allows for category-specific handling of many mechanisms that affect everything from product selection to the income statement, and all variables in the retailer's commercial offering."

So, what are the activities involved in setting up a Private Label product?

"Therefore, the main activities involved in developing a private label include: sourcing, cataloguing, standardising, and certifying the supplier (co-packer). The retailer, although not a manufacturer in practice, effectively becomes a producer of the private label on equal footing with the supplier, sharing responsibility for the product. In this sense, the retailer assumes joint responsibility with the co-packer.

Following this, attention must be given to the design of the packaging and labelling, through which the retailer must convey to the consumer the brand image it wishes to project.

All these elements can be summarised through Kotler's 4Ps: Product, Price, Placement, and Promotion."

The mainstream and premium lines clearly have two distinct positioning. How would you describe them?

“With Gastronauta, we were also lucky, as the brand was already somewhat known. Gastronauta is a brand acquired from an Italian food and wine journalist and radio host (i.e. D. Paolini), who used to sign off his radio program (i.e. Radio24) as “Il Gastronauta.” He never actually launched any products under that name. It was a brand known only to a niche audience, but even the name’s sound made it easily recognisable.

Gastronauta evokes expertise in food, refined products that reflect a journey, stories of passionate producers and evocative regions. This is precisely how we want the brand to be perceived by our consumers. The image communicated must be that of a premium line, but it should remain clean, direct, and without embellishment. Simplicity and obsessive attention to detail are its defining traits.

The ultimate message we aim to convey is that consumers recognise the product as being worth more than what they pay for it. Gastronauta must stand for Italian food and wine excellence made accessible at what we define as “democratic” prices. As mentioned earlier, the true apex of Keller’s Brand Pyramid in this case is the creation of a community of consumers who value refined quality at an accessible price.

When it comes to the banner brand, the message is simpler. Communicating the strategic positioning of a mainstream brand is more straightforward, as it is aligned with that of the banner itself. The mainstream line stands as a guarantee of everyday savings and affordability.”

How much time elapses between the study and the production of a Private Label product?

“From the initial concept to the final launch, developing a private label product typically requires three to four months. This timeframe includes product research, co-packer

selection, and development, as well as all necessary quality controls, product taste testing, and labelling phases.

In addition, private label products undergo continuous updates to ensure compliance with regulatory changes, allergen requirements, and any necessary packaging redesigns or restyling efforts.”

Does an MDD manage to satisfy all the needs of the various target consumers?

“Retail is also a social science. We cannot overlook customer needs and market trends. However, when following trends, it is essential to maintain a clear understanding of the brand’s positioning and avoid compromising its identity.

This is precisely where brand fragmentation comes into play. It is an approach adopted by major retail players through segmentations such as organic, gluten-free, lactose-free, and so on. These are all extensions of the same brand and product line, aimed at addressing the needs of different consumer targets.

The goal is still customer loyalty. Loyalty is built through assortment, product quality, and competitive pricing.”

A.2.1. Interview with G. Nicotra (Coding)

How would you describe Private Label?

“Let us begin with the origins. Private Label, or MDD (i.e. Marca del Distributore), was born as the product of a third-party entity known as a co-packer—the true manufacturing industry behind it. With few specific and exceptional cases, retailers have never been producers themselves; they have always limited their role to that of distributors. Historically, retailers have preferred to place their own banner or, for tactical reasons, a fictional brand name, on these products.

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In essence, everything begins with a clear pursuit of coherence and a defined value system in which the brand or banner must be rooted. Everything else (product range, pricing strategy, marketing) follows naturally from that foundation.

The retailer integrates these products into the assortment and, depending on the category, assigns them a more or less central role. For example, in a pure commodity category, the private label product often serves as the cornerstone of the entire segment.

This approach varies according to what is known as "category management," which is the applied science of retail. Category-management allows for category-specific handling of many mechanisms that affect everything from product selection to the income statement, and all variables in the retailer's commercial offering."

So, what are the activities involved in setting up a Private Label product?

"Therefore, the main activities involved in developing a private label include: sourcing, cataloguing, standardising, and certifying the supplier (co-packer). The retailer, although not a manufacturer in practice, effectively becomes a producer of the private label on equal footing with the supplier, sharing responsibility for the product. In this sense, the retailer assumes joint responsibility with the co-packer.

Following this, attention must be given to the design of the packaging and labelling, through which the retailer must convey to the consumer the brand image it wishes to project.

All these elements can be summarised through Kotler's 4Ps: Product, Price, Placement, and Promotion."

The mainstream and premium lines clearly have two distinct positioning. How would you describe them?

“With Gastronauta, we were also lucky, as the brand was already somewhat known. Gastronauta is a brand acquired from an Italian food and wine journalist and radio host (i.e. D. Paolini), who used to sign off his radio program (i.e. Radio24) as “Il Gastronauta.” He never actually launched any products under that name. It was a brand known only to a niche audience, but even the name’s sound made it easily recognisable.

Gastronauta evokes expertise in food, refined products that reflect a journey, stories of passionate producers and evocative regions. This is precisely how we want the brand to be perceived by our consumers. The image communicated must be that of a premium line, but it should remain clean, direct, and without embellishment. Simplicity and obsessive attention to detail are its defining traits.

The ultimate message we aim to convey is that consumers recognise the product as being worth more than what they pay for it. Gastronauta must stand for Italian food and wine excellence made accessible at what we define as “democratic” prices. As mentioned earlier, the true apex of Keller’s Brand Pyramid in this case is the creation of a community of consumers who value refined quality at an accessible price.

When it comes to the banner brand, the message is simpler. Communicating the strategic positioning of a mainstream brand is more straightforward, as it is aligned with that of the banner itself. The mainstream line stands as a guarantee of everyday savings and affordability.”

How much time elapses between the study and the production of a Private Label product?

“From the initial concept to the final launch, developing a private label product typically requires three to four months. This timeframe includes product research, co-packer

selection, and development, as well as all necessary quality controls, product taste testing, and labelling phases.

In addition, private label products undergo continuous updates to ensure compliance with regulatory changes, allergen requirements, and any necessary packaging redesigns or restyling efforts.”

Does an MDD manage to satisfy all the needs of the various target consumers?

“Retail is also a social science. We cannot overlook customer needs and market trends. However, when following trends, it is essential to maintain a clear understanding of the brand’s positioning and avoid compromising its identity.

This is precisely where brand fragmentation comes into play. It is an approach adopted by major retail players through segmentations such as organic, gluten-free, lactose-free, and so on. These are all extensions of the same brand and product line, aimed at addressing the needs of different consumer targets.

The goal is still customer loyalty. Loyalty is built through assortment, product quality, and competitive pricing.”

A.2.2. Thematic Coding Table – Interview with G. Nicotra

In Vivo / Description- Focused Code	Excerpt	Axial Code (Categories)	Selective Code (Dimensions)
co-packer is the true manufacturer	Retailers have never been producers... the co-packer is the true industry behind PL	MDD production model	Private Label fundamentals
PL is a strategic lever	Private Label represents a retailer's strategic lever	Retailer positioning	Private Label fundamentals
define positioning clearly	Retailers must clearly define the positioning... and find the right co-packer	Brand positioning	Brand identity evolution
Keller's pyramid	We used Keller's pyramid... Decò aims for value, Gastronauta aims for community	Brand architecture	Brand identity evolution
category management	Depending on the category... PL may be the cornerstone of a segment	Category role of PL	Brand identity evolution
retailer shares responsibility	The retailer effectively becomes a producer, sharing responsibility with the co-packer	Accountability in PL	Private Label fundamentals
4Ps of marketing	PL is summarised by: Product, Price, Placement, Promotion (4Ps)	Marketing strategy	Brand identity evolution
Gastronauta is niche but iconic	Gastronauta... already somewhat known, iconic and recognisable	Premium identity	Dual-track brand strategy
product worth more than it costs	We want consumers to feel the product is worth more than it costs	Value perception	Premium branding

community of refined consumers	The goal is to build a community of consumers valuing accessible quality	Consumer relationship	Premium branding
mainstream aligned with banner	Mainstream line stands for daily savings and affordability	Mainstream identity	Dual-track brand strategy
3-4 months of development	From concept to launch... 3 to 4 months for PL development	Time-to-market	Private Label fundamentals
ongoing updates	PLs are updated continuously... packaging, regulation, allergens	Lifecycle management	Private Label fundamentals
retail is a social science	Retail is a social science... must respond to consumer needs and trends	Retail adaptation	Consumer-centred strategy
brand fragmentation	Segmentations like organic, gluten-free... to meet varied targets	Segmentation strategy	Consumer-centred strategy
goal is loyalty	The goal remains customer loyalty through quality, pricing, and assortment	Customer loyalty	Consumer-centred strategy