



Trade brands in the E/D/E

In the sector of consumer goods, trade brands (also known as own brands) have been a firm concept for decades. And in the B2B trade too, processors and users have been coming up with useful trade supplements to well-known manufacturers' brands for years.

Trade brands are products whose trademarks are owned by a trading company or trade network. They only tend to be offered in the distribution sites of brand owners or in trading companies affiliated in a trade configuration. You can find more details about the individual E/D/E trade brands [here](#). In a study by management consultancy Simon, Kucher Partners, Bonn, (March 2010), the key conclusion that was defined is that the significance of trade brands is increasing. “The market proportion of trade brands will double in the foreseeable future.”

From a trade point of view, the objective of trade brands is to stabilise prices in aggressive markets and have a product range which cannot be matched in the competition, as well as branded products. The trade brands are not supplied by competitors, meaning that the own brands of leading trading companies are more free to design their range of policy due to a lack of comparability. The prices of goods purchased for trade brands tend to be lower than the expensively advertised manufacturers' brands. For this reason, their retail prices are lower than those of manufacturers' brands and can be passed on as a special price benefit of the

trading companies to their customers. At the same time, manufacturers of trade brands tend to be the manufacturers of renowned brand names as well. Companies which produced trade brands view this as the chance to consolidate and reinforce the market leaders.

From the manufacturer's point of view, the trade brands also serve to achieve a consistent capacity utilisation of production capacities and, consequently, enable a high level of forecast reliability. With the increasing high profile of the good quality-price ratio of trade brands, the trade is satisfying the customer's feeling of self-worth, which can rationally integrate the price-performance ratio for branded goods. The decisive motive for offering trade brands is the opportunity to profile your own range or the corporate image through unmistakable items. Trade brands are also an effective tool for customer retention.

The E/D/E successfully provides its members with a series of different trade brands. For E/D/E members, these act as a tool for differentiation purposes, profiling and strategic market positioning.