Approaches of Fast Moving Consumer Good Brand Manufacturers towards Product Development

"Safe players" versus "Productors": Implications for Retailers' Management of Manufacturer Relations

Bodil Stilling Blichfeldt

April 2004

Editor: Eva Roth

Department of Environmental and Business Economics
IME WORKING PAPER 56/04

ISSN 1399-3224

Bodil Stilling Blichfeldt
Institut for Miljø- og Erhvervsøkonomi
Syddansk Universitet, Esbjerg
Niels Bohrs Vej 9-10
6700 Esbjerg
Tlf.: 6550 4139
Fax: 6550 1091
E-mail: bsb@sam.sdu.dk

Abstract

Drawing on a qualitative study of fast moving consumer good manufacturers' management of development of line extensions, the purpose of this paper is to pinpoint implications of such management for manufacturers' relations with retailers. Especially, the study suggests that manufacturers emphasising brands are likely to choose a "stand alone" approach towards retailers whilst manufacturers emphasising products are more likely (1) to collaborate with retailers whilst developing line extensions and (2) to engage in private label product development and production. Apart from the fact that the study suggests retailers to influence manufacturers' levels of innovativeness in relation to line extensions, the study further suggests that manufacturers can be divided into two different groups on the basis of their line extension development activities. On the basis of these two different approaches, the paper points to implications for retailers' management of manufacturer relations.

Table of contents

1. Introduction

Fast moving consumer good (FMCG) manufacturers rely on strong brands when introducing new products. For example, Aaker (1991) and Gallo (1992) report that around 9 out of 10 new consumer product launches qualify as line extensions (*i.e.* launching new products as part of an existing brand within product categories, in which the focal brand is already represented by other products). Especially, the increasing popularity of line extensions seems to depend on advantages inherent in brand leveraging, e.g. gaining retailer acceptance of, or even support to, the new product or increasing probability of consumer trial purchases (Keller 1998). Nonetheless, practitioners' shift from development and launch of *new products* towards development and launch of *extensions* has not received much attention from neither new product development (NPD) researchers nor branding scholars. This paper accounts for some key findings of a qualitative study on how and why FMCG companies manage line extending NPD activities. The study identified strong linkages between FMCG manufacturers' NPD activities and retailers' relations with such manufacturers and accordingly, the paper discusses implications for retailers' management of relations with manufacturers.

The structure of the paper is as follows. First, the paper introduces the empirical study, upon which the paper draws as well as key findings hereof. Due to the paper's focus on implications of the study's findings for retailers, the next section focuses on findings regarding retailer relationships. Finally, the last section explicates implications for retailers.

2. The Empirical Study

Initially, the empirical study was initiated by the author's curiosity as to the differences between two major streams of literature (*i.e.* NPD literature and brand management literature) and actual NPD activities of Danish FMCG manufacturers (*i.e.* development and launch of line extensions). Further investigation of the NPD literature and the literature on brand management combined with considerations on actual NPD practices suggested that although most FMCG manufacturers develop and launch line extensions (*i.e.* around 90 percent of launched products qualifies as brand or line extensions), academicians seldom focus on such phenomena. On the contrary, the two bodies of literature seemed to focus on other issues than linkages between (development of) physical products and brands. First, the literature on brand management focuses on brands and pays little attention to products, upon which brands supervene. Thus, primarily this stream of research is concerned with emotional dimensions "added" to products by advertising. As a result, this stream of research holds the product dimension "constant" and thus, it neglects issues on how companies manage identification, evaluation, and development of line extensions. Secondly, the NPD literature focuses on development of new products and thus, one would intuitively expect development of line extensions to be an integral part of this stream of research. However, mostly the NPD literature ignores brands. Furthermore, the extent to which this stream of literature incorporates brands equalises situations in which: (1) New brands are developed for truly new products to carry or (2) An established brand (label) is attached to a new product after product issues are resolved. In sum, it thus seemed that both streams of literature told part of the story on how to identify, evaluate, and develop line extensions. However, none of them seemed to offer the "whole" story. As a result, the purpose of the empirical study was to offer a "better" story, or more precisely:

> *To develop an understanding of management of NPD projects in those situations, in which the company wishes to extend the brand to a new product (scenarios of brand extension development excluded from the present context).*

Drawing on Bloom and Perry (2001, p. 380) "many suppliers are reportedly feeling squeezed and pressured by giant retailers". In the present context, it is the feelings (or perceptions; or enactments) of manufacturers that are focal. Hence, the purpose of the empirical study was *not* to observe or measure "actual" squeezes or pressures on manufacturers; instead the purpose was to develop a deeper understanding of certain entities and activities from manufacturers' perspectives. Especially, the soundness of focusing on manufacturers' perceptions (and retailers' to a lesser extent) is grounded in the belief that it is such perceptions that guide manufacturers' (and retailers') actions.

In sum, the empirical study focuses on small, medium-sized, and large Danish manufacturers; brands of such manufacturers that hold "some" degree of consumer franchise; recent new product launches of such manufacturers that qualify as line extensions; management of line extending projects; and both corporate and product brands are included in the study. In continuation, the study is a multiple case study, which draws on 14 company cases and 12 expert interviews.

The empirical study neither qualifies as theory-testing case study research as advocated by Yin (1989) nor does it correspond to Glaser and Strauss' (1967) grounded theory. Instead, the empirical study qualifies as *theory-building* case study research. Specifically, data are generated and analysed on the basis of combination of elements of Eisenhardt (1989), Miles and Huberman (1984), and Yin (1989).

Although depth of investigation of individual company cases is dubitable, there seems to be no reason why the findings of the study do not reflect the "archetypes" of management of line extending projects that exist across the population of Danish FMCG companies. Especially, this claim is corroborated by the fact that the 12 expert interviews (intended to supplement company cases) include interviews with retailers, advertising agencies, and other experts knowledgeable about FMCG companies' development and launches of line extensions and that these expert interviews suggested robustness of findings of company cases. Also, the claim is corroborated by the fact that literal and theoretical replication logics underlie the choosing of companies to be included in the study so that the study covers a variety of product categories, company sizes, extent of product development and launches, etc.

3. Findings of the Study; "Productors" versus "Safe Players"

A key finding of the empirical study is that FMCG manufacturers differ significantly on relative importance ascribed to products and brands respectively. The distinction between manufacturers on the basis of importance ascribed to brands and products qualifies as an enhancement of our understanding of manufacturers, Especially, this claim draws on the facts that (1) turning to the brand management literature, we assume most manufacturers – and certainly successful manufacturers – to emphasise brands and (2) turning to the NPD literature we assume manufacturers *not* to emphasise brand related issues when developing new products. The empirical study suggests that brand emphasis is *not* the way all manufacturers think and/or prioritise. Contradictive to extant branding literature, the study actually suggests that companies *choose* between brand and product emphasis and thus, brand emphasis (or not) seems to relate to deliberate strategic choices and *not* – as suggested by brand researchers and academicians – to the most (only?) reasonable way to manage brands and products. On the basis of variation between companies emphasising brands and products respectively, the cluster of manufacturers emphasising brands and brand equity is labelled "safe players" whereas the cluster of companies emphasising products is labelled "productors". The term "safe player" is applied to characterised companies emphasising brands due to the fact that a key rationale underlying the development activities of these companies is to "safe play" their brand(s). Conversely, companies who "think" products in relation to development activities – with little consideration of impact of new line extensions on the parent brand – are labelled "productors" as product focus characterises development activities of such companies. Drawing on the identification of the two clusters of companies, a key contribution of the empirical study is that it identifies (or at least creates awareness of) the fact that companies *choose* to "think" predominantly brands or products and thus, deliberately manufacturers choose between managing different entities within line extending NPD projects (*i.e.* brands and individual products respectively).

For companies classified as “productors”, products are considered to be of greater importance than brands. As a result, “productor” companies consider branding to be marketing departments’ external activities of a more tactical and/or operational nature. Moreover, the product emphasis of these companies manifests itself in product development activities, in which the physical product and the task of solving product issues are of prominence. As opposed to “productor” companies, “safe players” are manufacturers, for whom brand management underlies most, or all, activities in which marketing departments are involved, including NPD and management of such activities. Thus, branding and brand management are considered to be the rationale underlying companies’ activities in general and product-related activities in particular. Significant differences arise between “productors” and “safe players” on a number of accounts. Broadly speaking, NPD activities in “safe playing” companies do not start with a product idea. Instead, in these companies the starting point of NPD projects is strategic, brand-related issues and thus, new products are considered to be vehicles for brand building. As a result, a holistic approach to branding underlies NPD in these companies. In continuation, brand equity related considerations seem important in relation to “safe players” (management of) extension development projects whereas such considerations are not integral parts of “productors” development activities. In continuation, the study corroborates the claim on the vast majority of NPD activities in FMCG companies qualifying as development of line extensions (Aaker, 1991; Gallo, 1992) and thus, that – compared to brand extending manufacturers – “safe playing” manufacturers favour less risky product development projects, the end results of which are characterised by lower degrees of novelty to the company and alignment with strong brands and present product portfolios of such brands. Concordant with Riezebos (2003), “safe playing” companies thus seem to perceive successful brands within a product class as barriers to entry whilst they do not agree on his claim that brand extensions are a means to enter new product categories.

“Safe played” brands supervene on one, or a few, closely related product categories. Such “supervenience” is the end result of deliberate decision processes at top management, which have lead to the concentration of activities in extant product categories. Also, main reasons informants explicated why these companies concentrate on a few product categories are that brand extending activities would be too risky; that brand extension failure would harm marketing managers' positions while success would not support marketing managers to a large extent; and that extant product categories ensure acceptable performance and/or growth levels. In sum, "safe players" do not hamper with their successful brands; and they seem to do so quite successfully. Furthermore, a myopic view of brands on marketing managers' behalves implies that "safe playing" marketing managers manage brands and NPD activities within boundaries of extant product categories. As a result, "myopic" marketing managers and departments are highly specialised and become extremely knowledgeable on brand and NPD management within narrowly defined product categories. The study further suggests that one-to-one correspondence with flagship categories and continuous development and launch of extensions within such categories incorporate some sort of learning-curve advantages, on the basis of which "safe played" brands become very strong. However, line extensions developed and launched by "safe players" seem to fall into two different categories: Most "safe played" line extensions qualify as slot-filler expansions whereas a few "safe" line extensions qualify as new attribute extensions.

"Safe players" development of new attribute line extensions qualifies as NPD processes characterised by higher degrees of risk as well as more resource demanding projects. Also, new attribute line extensions have greater effects on the focal product category whereas slot-filling extensions, most often, increase short-term market share and/or cause cannibalisation. In sum, "safe players" thus seem to manage NPD project portfolios that encompass a few new attribute extension projects that may ultimately expand and develop the focal product category as well as a rather large number of "low maintenance" slot-filling extension projects, the main purpose of which is to generate new products that bolster the brand's position in the product category against competition.

For "productors", the choice to focus NPD on development and launch of line extensions is grounded more in considerations for core competencies and production-based synergies than in brand-related considerations. Furthermore, "productors" seem to rely heavily on slot-filling line extensions and considerably less on new attribute line extensions than "safe players" do. Consequently, one might claim "productors" to be less engaged in category expansion than "safe players". Another interesting feature of the "productor" group of manufacturers is that they are "accidentally" in charge of strong brands more than strengths of brands being end results of past brand building and maintaining activities. This feature was quite surprising as the branding literature claims that "good" brand management is a prerequisite for manufacturers' having strong brands. However, the study suggests that some brands' strengths have more to do with the companies' flagship products being introduced around forty or fifty years ago (*i.e.* at times characterised by less crowded product and brand landscapes and product shortage) than with successful brand management and/or managers acting as brand custodians. As such, the study suggests that "good" brand and NPD management may not be required in order to "have" strong brands and products. Another key characteristic of the "productor" group of companies is that they believe superior physical products and shelfspace to be the ways, in which brands are built whereas "safe players" engage in traditional, consumer-oriented brand building activities (*i.e.* advertising) to a much greater extent. Although "productors" rely heavily on development and launch of slot-filler line extensions, a few "productors" engage in development of new products to be launched in categories with which the company has no prior experience. However, a unique characteristic of such development projects is that products are developed for – or in collaboration with – retailers and subsequently, such products are launched as private labels. Thus, for the majority of "productor" companies, product emphasis inhibits development of products characterised by higher degrees of newness (e.g. new attribute line extensions). Some validation of the claim that "productor" companies are not fit to develop products, for which degrees of newness to the company and/or consumers are higher is to be found in Leonard-Barton (1992). Elaborating on Leonard-Barton (1992), one may claim that product emphasis qualifies as a core competence that might inhibit *N*PD. Consequently, "productors" may be especially capable of developing slot-filling line extensions whereas line extensions developed by "safe players" may qualify as either slot-filling or new attribute line extensions.

The empirical study further suggests that "safe players" myopic view of brands acts as a – deliberately sought - core rigidity limiting NPD to extant product categories. As such, the study suggests that the "lack of innovativeness" that is often ascribed to FMCG manufacturers is not merely attributable to "poor" NPD management. Instead, the reasons why such manufacturers do not develop highly innovative products may relate to fundamental values of these companies, e.g. brand myopia or product emphasis. Consequently, the study suggests that it may be too simplistic to ascribe low levels of innovativeness on behalf of FMCG manufacturers to inability to implement key success factors. Instead, the study indicates that low levels of FMCG innovativeness might qualify as deliberate strategic choices and/or natural consequences of competence profiles of such companies.

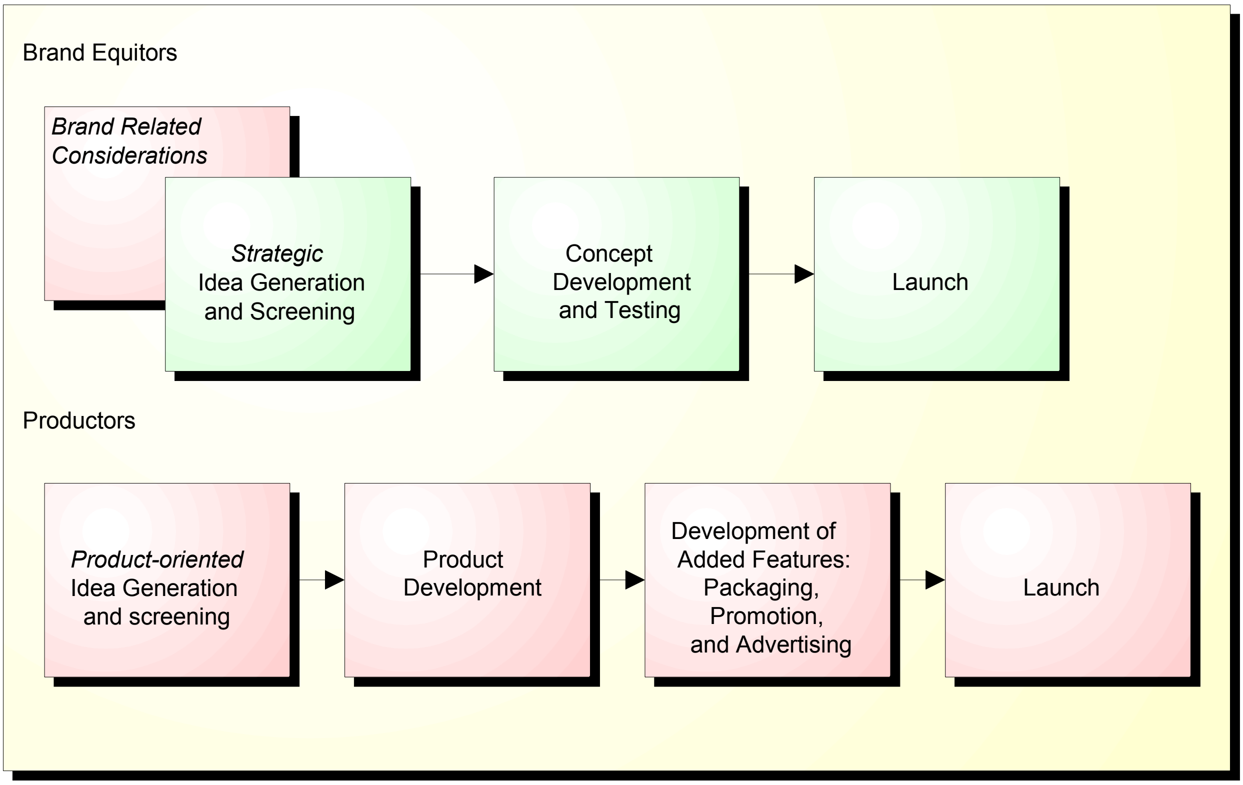
In continuation of the distinction between "productors" and "safe players", manufacturers included in the study seem to differ in their prioritisation of activities traditionally labelled "push" and "pull". Randall (1994) comes to the high-falutin conclusion that two – and only two – strategies are pursuable for FMCG manufacturers: To build strong brands *or* to deliver outstanding customer service to retailers. Thus, Randall (1994) advocates that manufacturers should concentrate efforts and resources on either "push" or "pull" marketing activities. Initially, I did certainly not agree on such reduction of manufacturers' strategic alternatives to a simple choice between traditional push and pull strategies. However, some evidence in favour of Randall's (1994) conclusion was obtained. Thus, interdependencies do seem to exist between the two strategic alternatives. Mainly, such interdependencies are grounded in the fact that "safe playing" manufacturers involve retailers in NPD to a far lesser extent than manufacturers, the brands of whom hold less consumer franchise. Thus, retailer involvement in NPD activities ranges from arm-length approaches adopted by "safe playing" manufacturers to activities equivalent to von Hippel's (1978) customer active paradigm for "productor" companies. Moreover, "productors" find strong partnerships with retailers to be the factor most decisive for success whereas “safe players” mainly relate success to brands, brand management, and consumer franchise. In continuation, “productors” engage in private label production whereas most of the “safe players” included in the study have made a deliberate choice *not* to engage themselves in such production. Thus, the study indicates that the greater the brand emphasis, the lesser the probability of FMCG manufacturers being engaged in private label production whilst probability of manufacturers’ engaging in pull activities increases. Likewise, the study suggests that the greater the product emphasis, the greater the probability of a FMCG manufacturer being engaged in private label production.

In sum, FMCG manufacturers’ relations with retailers seem to resemble “collaboration” versus “stand alone” choices. As such, most “productors” seem to be highly dependent on retailers and, for example, they engage in private label production; they involve retailers in NPD to a large extent; and they find push strategies much more effective than pull strategies. At the other extreme, “safe players” find that sustainable competitive advantage is built through strong consumer franchise. Especially, the wish to build strong consumer franchise makes “safe players” focus on pull strategies; delineates engagement in private label products; and advocates that retailers are not involved in NPD. As such, emphasis on pull strategies is one element in “safe playing” manufacturers’ quest for sustainable competitive advantage by means of building brand equity and henceforward, strong brands.

As for organisation of the NPD function, the study suggests that – apart from large corporations - all companies adopt approaches according to which project managers (PMs) are also engaged in marketing existing products. Howley (2002) found that a similar approach was adopted by half of the medium-sized and large FMCG companies included in his study. Further, this finding falsified his initial assumption that medium-sized and large FMCG companies would have separate departments for NPD. The current study expands on Howley’s (2002) findings as it suggests that, in general, we would not expect FMCG manufacturers to have separate NPD departments. Instead, we would expect marketing personnel to assume roles as PMs whilst they are engaged in marketing existing products. Furthermore, trustworthiness of such expectations increases with decreasing company size. Thus, the study indicates that the smaller the company, the greater the likelihood of marketing NPD dominance whilst separate NPD departments is a characteristic uniquely attributable to large companies. In continuation, absence of separate NPD departments in "any-but-large" companies indicates that we may expect NPD activities of FMCG companies to be characterised by market pull to a far greater extent than it is characterised by technology push. Thus, the absence of separate R&D departments combined with the fact that, in all companies included in the study, PMs are located in marketing departments indicate that people engaged in line extension development activities have easier access to market (consumer) knowledge than to technological knowledge. Consequently, the dominance of market pull might also offer part of the reason why development and launches of line extensions predominate across the population of manufacturers included in the study.

The fact that mostly marketing personnel assumes PM roles whilst handling NPD suggests that problems associated with "ownership" when a new product is handed over to sales and marketing at the end of the NPD process are not prevalent for manufacturers included in the study. In particular, such problems are avoided due to the fact that marketing assumes "ownership" of both NPD processes and marketing of new products whilst they consider the issue of "selling" new products to sales departments to be of critical importance for ultimate success of new products. Furthermore, the task of "selling" to sales is of importance for both "productor" and "safe playing" companies. Nonetheless, such "selling" seems easier for "safe players" than for "productors" due to differences in distribution of power between sales and marketing departments. In fact, one might claim that levels of power held by sales departments in "productor" companies make marketing "productor" departments define sales as a dominant customer (along with retailers) upon the acceptance of whom the future of the product relies. In continuation, the study suggests that "safe players" differentiate between new attribute and slot-filling line extension projects. Especially, such differentiation on "safe players" behalves leads to "safe players" setting aside more time and resources for new attribute line extension projects whereas slot-filling activities are characterised by less devotion of time and resources. Furthermore, management of new attribute extension projects has much in common with the project management literature whereas slot-filling extension activities may not even qualify as “projects”. As such, although the *number* of new attribute line extension projects that “saf players” engage in is small; the devotion of time and resources to these projects (compared to devotion of time and resources to slot filler extension activities) makes these projects a substantial part of “safe players” entire portfolio of NPD activities. Consequently, when moving from “productors” development of slot-filler line extensions towards “safe players” development of new attribute line extensions the study suggests that devotion of time and resources as well as top management dedication to individual projects increase. As for the role that brand equity related considerations play in extension processes, the study suggests that such considerations are of minor, or even no, importance in “productors” development of slot-filling line extensions whereas such considerations become increasingly important when going towards “safe players” new attribute line extension processes. Consequently, the study suggests that: (1) Brand equity related considerations are not integral parts of “productors” line extension processes; (2) Such considerations are implicit in so far they underlie “safe playing” slot-filling line extension activities; and (3) Such considerations are explicit and important parts of “safe playing” new attribute extension projects. In figure 1, an attempt has been made to graphically describe the main characteristics of NPD processes for “safe players” and “productor” companies respectively.

Figure 1. NPD Processes for Companies Included in the Study



The reader should bear in mind that, by no means, the figure above is meant as a complete overview of activities included in different types of NPD activities. On the contrary, the sole purpose of the figure is to highlight the activities most different across "productors" and "safe players" extension activities. Furthermore, the purpose of figure 1 is to emphasise the *key* difference between "safe players" and "productors", *i.e.* the role that brand equity related considerations play (not) within NPD projects. Gjøls-Andersen (2001, p. 26) discusses the problems LEGO experienced during the late 70s and concludes: "When evaluating new product ideas, the same question was raised inside LEGO over and over: *Is this close enough to the LEGO core idea?*". Drawing on the LEGO example, the present study suggests that such questions are an integral and indeed crucial part of "safe players" initial NPD stages whereas such questions are not posed by "productors". In the following paragraphs, the content of figure1 is discussed in greater depth.

As for the idea generation and screening stages, a considerable and distinct body of literature focuses on these stages (McAdam & McClelland 2002). However, as most of the NPD literature, this body of literature focuses on successful generation and evaluation of highly – or at least more - innovative product ideas. As a result, the content of this body of literature is rather different from the findings of this study. For example, the literature suggests that creativity precedes innovation (Heap 1989; Majaro 1988; Zuang *et al* 1999) and thus, that idea generation is an activity separate from the downstream, more tangible, idea screening stage (McAdam & McClelland 2002; Osborn 1963). Nevertheless, such segregation of idea generation and screening is not identified in the present study. On the contrary, the study suggests that the lesser the degree of novelty of products that the company wishes to develop (*i.e.* the stronger the emphasis on development of slot-filling line extensions), the greater the inseparabillty of the two stages. Accordingly, favouring development of slot-filler line extensions leaves little room for creativity in the initial stages of the NPD process. Returning to the lower part of figure 1, "productor" companies' initial stages of NPD activities do not qualify as highly creative. On the contrary, such activities are, extremely, closely aligned with present products and extant competencies. As aforementioned, extant products and competencies may actually inhibit *new* product development in these companies as preoccupation with physical products and unwillingness to engage in NPD projects requiring high levels of investment in e.g. production equipment make "productors" engage in less risky and less novel NPD projects that, mostly, lead to development of slot-filling line extensions. As for the remaining stages of "productor" companies' NPD activities, more stages and especially, initial stages as well as consumer tests are skipped as the activities move toward "old product development". As such, brand equity related considerations are not integral parts of "productor" extension activities. On the contrary, "productors" attach the brand to the extension whilst developing packaging, promotion, and/or advertising – with few, or no, explicit considerations on effects of such line extensions on brand equity. A key difference between "productor" and "safe playing" manufacturers' line extension processes is that the latter group of companies applies tailored versions of the BAH model whereas the former has not adopted formal NPD process models. As such, the study corroborates Howley's (2002) claim that companies have adopted stage-gate models and especially the BAH model, in so far "safe playing" companies' development of line extensions is concerned. Thus, the study suggests that stage-gate models are considered useful by "safe playing" companies while "productor" companies have not adopted such models. Further, the study suggests that although "safe playing" companies apply stage-gate models, they find it necessary to alter such models in order to make them suitable for line extension processes.

In sum, the empirical study suggests that companies emphasising brands or products respectively differ fundamentally in their approaches to NPD. Especially, such differences are attributable to the fact that "safe playing" companies and "productor" companies manage entirely different entities. Thus, "safe players" manage brands and consider new products to be vehicles for brand building and strengthening whereas "productors" manage products and consider brands as additions to physical products.

4. Further Findings of the Study; Retailer Relationships

Returning to the introductory part of the paper; a key finding of the study (although not a line of results anticipated at the outset of the research process) was that manufacturers' focus on brands or products respectively has profound effects for their relations with retailers. The purpose of this section is to account for such effects.

Although somewhat simplistic, the study suggests that two "significant" types of linkages between retailers/advertising agencies and brand and NPD management exist. These two types of linkages are discussed subsequently (although retailer effects are prioritised).

“Safe players” seem to draw on advertising agencies in relation to brand building and brand management. For example, such companies work closely with advertising agencies in measuring brand equity and in tracking effects of brand building activities. Furthermore, “safe players” seem to involve advertising agencies in NPD processes on a regular basis/as normal practice and further, such agencies may get involved in the earlier stages of the process. Especially, the study suggests that “safe players” involve advertising agencies in various elements of NPD processes (e.g. product and concept tests; development and tests of packaging; creative conversion of products and concepts into advertising; and development of in-store promotion materials) whereas “productors” mainly involve advertising agencies in development of packaging after “product issues” are resolved – in so far “productors” involve advertising agencies at all. Consequently, there seems to be strong ties between brand focused strategies and involvement of advertising agencies. Consequently, “safe players” rely more on advertising agencies when developing line extensions than “productors” do. In continuation, “productors” consider the work of advertising agencies as something “added” to products whereas “safe players” involvement of advertising agencies in earlier stages of the development process (although not in the earliest stages) indicates that such companies may “live” the holistic approach to branding. Being quite critical – and possibly unfair – to advertising agencies, one might claim that they are so (pre)occupied with building emotional dimensions to be added to products that they often neglect physical products. As such, advertising agencies might contribute to the “brands do not need products” doctrine to a large extent due to the simple fact that they are seldom part of NPD activities until after a product is actually developed.

Turning to the critical issue of retailers’ effects on development of extensions, “safe playing” manufacturers keep “arm length” relationships with retailers and do not involve retailers in NPD activities. One interpretation of such differences in retailers’ importance in relation to line extension projects is that the less the degrees of novelty in extension projects, the more ultimate success of the extension product depends on retailers and thus, the more the manufacturer relies on retailers during the development process. Another interpretation is that retailers simply qualify as increasingly valuable partners during development processes as extension products become less novel and thus, closer to products carried by retailers at present. “Productors” collaborate with retailers on a number of different issues. For example, such manufacturers include retailers in NPD activities. In some instances, such NPD collaboration between manufacturers and retailers even qualify as “customer active” (von Hippel 1978). Meanwhile, these companies do not make use of advertising agencies’ brand building competencies to a large extent. On the contrary, most “productors”, more or less deliberately, choose to collaborate with a small advertising agency on a few, clearly pre-specified, tactical and/or operational issues. Mainly, such issues are development of packaging and development of print ads.

Comparison of effects of advertising agencies and retailers on line extension development processes indicates that manufacturers’ emphasis on brands or products seems to set the boundaries for their relationships with retailers and advertising agencies. Specifically, the study suggests that brand emphasis encourages companies to collaborate with advertising agencies whereas product emphasis advocates close relationships with retailers. As such, the present line of reasoning is closely aligned with the preceding discussion on management of fundamentally different entities in “safe playing” and “productor” companies. First, “safe playing” companies “think” brands and as a result, they turn to advertising agencies when managing such entities. Secondly, “productor” companies “think” products and thus, retailers’ focus on physical products and prices makes far more sense to such companies than advertising agencies’ preoccupation with extensive consumer advertising. In continuation of the discussion on management of different entities, the study suggests that no company has close relationships with advertising agencies and retailers simultaneously. As such, the study, vaguely, suggests that close collaboration with advertising agencies is a characteristic of companies that do not work closely with retailers whilst collaboration with retailers is sought by companies relying less on advertising agencies. Consequently and as mentioned previously, the findings of the study align with traditional “push-pull” thinking as brand emphasis favours pull strategies whereas product emphasis favours push strategies.

As for retailers' effects on brand and NPD management, the study identified a number of such effects and further, the study suggested possible reasons why such effects exist. The purpose of the remainder of this section is to account for these effects and possible reasons why they exist (reasons are drawn from company cases as well as interviews with retailers).

First, increasingly retailers seem to focus on their own brands and private label products and thus, increasingly they become aware of issues such as *retailer* differentiation, image, and positioning. As a result, although "safe played" brands' ability to build store traffic may not become less important, retailers may also have increased their focus on "productors" ability to support retailers' own brands.

Secondly, more and more it seems that retailers possess information on consumers and as a result, manufacturers' marketing departments are not *the* expert on consumers. On the contrary, retailers' scanner data may qualify as the most valid information on consumer behaviour. Consequently, a manufacturer relying on (some, not much) traditional market research and/or internal marketing knowledge in relation to product development may experience that retailers reject ready-to-launch new products – or at least such manufacturers may be accused of not "doing their homework" before presenting line extensions to retailers. In fact, the study suggests that – to a greater or lesser extent - manufacturers do present some extensions to retailers although retailers do not find such extensions to be "ready for launch". Henceforward the study suggests that during the development process manufacturers' kill rates for extension candidates are lower than retailers could wish for – or at least manufacturers may have skipped stages and activities to a greater extent than retailers would wish for (retailers' inclination to accept new products on the basis of manufacturers' "making it worthwhile" for them excluded). Drawing on preceding accounts, especially "productors" did skip stages and activities of development processes and thus, one might claim especially "productors" to confront retailers with extensions that are not "ready to launch".

Thirdly, increasingly European retailing is comprised of fewer and larger retail chains. The size of such "euro-chains" alone implies that manufacturers must collaborate closer with retailers in order to access consumers. Furthermore, large retail chains seemingly reduce assortments in many product categories; leaving only room for a couple of manufacturers' brands and a private label in each category. Obviously, such reductions in assortments affect FMCG manufacturers profoundly. Especially, the study suggests that increasingly retailers expect manufacturers' brands to "drive" product categories. As such, the main (or sole?) reason why retailers should carry manufacturers' brands is that (by means of innovation) manufacturers extend and expand categories. As a result, the study suggests that development and launch of slot-filling line extensions does *not* meet retailers' expectations whereas new attribute line extensions qualify as the type of activities that retailers expect brand manufacturers to undertake. Although vaguely, the study thus suggests that "safe players" are more valuable partners for retailers than "productors" are (private label development and production excluded). Also, the study suggests that (1) slot-filler line extensions neither extend nor expand product categories; (2) manufacturers – and especially "productors" – do rely heavily on development and introduction of slot-filler line extensions; and (3) retailers expect manufacturers' brands to extend and expand product categories through development and launch of "new" extension products; expectations that cannot be met by launches of slot-filler line extensions alone.

Fourth, retailers experience (or "enact") that consumers request new products. As a result, retailers expect FMCG manufacturers to develop new products on a continuous basis. Retailers thus expect manufacturers to develop *more* new products than most manufacturers feel that they are actually capable of. As especially "productors" find that they do not have the time, resources, and/or capabilities necessary for developing new products at the rate requested by retailers, most "productors" (and some "safe players") fall into the trap of "incrementality". The notion (or made-up word) "incrementality" refers to the fact that some brand manufacturers try to keep up with retailers' requests for new products by developing incrementally, or marginally, new products. As such, new products are not significantly different from extant products, nor do they offer any "real" advantage compared to extant products. Slot-filling line extensions thus seem to predominate some manufacturers' thinking as they are capable of developing and launching incrementally new (slot filler) line extensions on time and budget whereas development of radically new products – or "just" new attribute line extensions - is not possible at the rate requested by retailers.

Concluding on retailer relationships, retailers' (excessive?) requests for new products seem to be a main reason why companies included in the study – and especially "productors" - develop a host of slot filler line extensions that are only incrementally new and which may *not* offer any real product advantage. Moreover, heavy demands for new products seem to prohibit manufacturers from developing "truly" new products, including new attribute line extensions. A couple of arguments favour this line of reasoning. First, manufacturers are so preoccupied with development of "incremental", slot filler line extensions in order to satisfy retailers that they *cannot* find the time or set aside the resources necessary for engaging in more demanding and risky development projects. Secondly, marketing departments may be so preoccupied with line extending activities that no time is left for strategic issues. As the preliminary, strategic stage is of critical importance in relation to new attribute line extension projects, such preoccupation may lead to situations, in which manufacturers do not engage in new attribute line extension activities. Finally, manufacturers may not be able to make a profit on truly new products or new attribute line extensions as both retailers and consumers are getting accustomed to products having shorter and shorter life cycles and retailers become better and better at introducing "copy cat" private label products. Thus, manufacturers may have difficulties in earning back the resources necessary to develop products, newness of which is greater to the company and/or customers.

Drawing on the preceding sections, some manufacturers (and especially "productors") seem to assume reactive roles in relation to product development. A major part of the reactive role is the continuous flow of slot filler line extension introductions characterised by no, or at least minor, product advantages. Moreover, many manufacturers have difficulties setting aside time and resources for more demanding development activities (*i.e.* development of new attribute line extensions). Thus, retailers' requests for new products seem to be a main reason why "incrementality" prevails and why some product development activities do not qualify as strategically grounded couplings of brands with opportunities inherent in the market. Especially, retailers' requests for new products are major threats against smaller, e.g. Danish FMCG manufacturers, who are less resourceful than international or global FMCG companies (e.g. Procter & Gamble, Unilever, and Nestlé). Especially, global or international players are capable of launching an endless (?) stream of new products due to the simple fact that, at present, they hold product portfolios that, at a global level, contain numerous opportunities for "new" product launches in new geographical markets. As a result, such players can introduce new attribute as well as slot filler line extensions at low costs and with development (or more preciously: adoption) times close to none. Thus, these players hold competitive advantage in relation to introduction of line extensions as compared to smaller Danish FMCG manufacturers, who have to develop such extensions (scenarios of copy cat products excluded).

As for private labels, the study suggests that manufacturers adopt one of two different approaches to private labels. First, a number of companies, deliberately, choose not to engage in private label production. Secondly, a number of companies do engage in private label production although their commitment to such production is less than one would expect. The purpose of the following paragraphs is to account for these two different approaches to private label production.

The group of companies that have decided not to engage in private label production (PLP) is comprised of "safe playing" manufacturers. The main reason offered by these companies why they do not wish to engage in PLP is that such engagement would harm their brands. Moreover, such reasoning is grounded in actual experiences as most of these manufacturers have been engaged in PLP and subsequently, they have chosen to withdraw from such activities. A closer look at PLP experiences of "safe players" revealed a number of reasons why they engaged in PLP initially. However, as such reasons are very much aligned with the reasons offered by the second group of manufacturers as to why they are currently engaged in PLP, this line of reasoning is not pursued any further at present. Thus, the remainder of the account for "safe playing" manufacturers that are not engaged in PLP is concerned with reasons why *not* to engage in PLP. PLP is considered to be harmful to most "safe played" brands. Especially, such harm is based on similarities between branded and private label products – physical similarity as well as similarity as perceived by consumers; similarities caused by "safe playing" companies' product and production related competencies. In fact, such competencies act as core rigidities as "safe players" are not capable of – effectively and efficiently - producing private label products much different from branded products. As a result, "safe players" deliberately avoid PLP in order not to dilute the brand by means of private label products very similar to branded products – and especially to new attribute line extensions. Consequently, the study suggests that engagement in PLP holds the potential to severely damage and dilute brands – in so far manufacturers are unable to differentiate branded products from private label products. Further, the study suggests that such lack of differentiation is especially problematic for "safe playing" companies. As such, the study suggests that private label products harm "safe played" brands due to the fact that "safe players" have specialised in making high quality products in narrowly defined product categories and thus, private label products would qualify as lower priced products very similar to branded products on every dimension but the emotional (*i.e.* symbolic and/or hedonic) brand dimension.

Most "productors" - and a few "safe players" - engage in PLP. Two main explanations are offered by informants as to *why* they engage in such activities. As mentioned previously, these explanations are quite similar to the reasons offered by most "safe players" as to why they initially engaged in PLP although they withdrew from such activities later on. The first explanation is that although PLP may harm branded products and thus, the brand, retailers will offer private labels to consumers "no matter what". Although reluctantly, "productors" and a few "safe players" thus feel that they are better off producing private label products than they would be had they turned down retailers' requests for private label products. Thus, competitors' engagements in PLP qualify as worst case scenarios for "productors" and a few "safe players", who engage in PLP to avoid such scenarios. Deeper investigation of such scenarios revealed that "the greatest private label fear" of such companies is that "foreign competitors" (*i.e.* competitors (1) whose brands are heavily affiliated with, or even market leaders within, the category in other geographical markets while (2) their brands are not to be found on retailers' shelves in countries, in which the focal brand dominates) may engage in PLP in order to enter this geographical market. Thus, these manufacturers engage in PLP to protect their brands' positions on retailers' shelves although such engagement may dilute branded products. Especially, such dilution is attributable to the fact that these companies produce private label products very similar to their branded products. Further investigation of such similarities revealed that PLP engagement generates products that do not offer retailers (any) differential advantage. On the contrary, private label products qualify as "duplicates" of branded products that are mostly inferior in regard to consumer franchise. As a result, retailers' main objectives in relation to such private label products are to increase margins, primarily through reductions in manufacturers' prices as well as to signal "cheapness" (or quality-for-money) to consumers. Evidently, retailers thus wish to pressure prices on private label products. Turning the table once more, "productors" experiencing such pressures on prices reduce costs of PLP as much as possible. One obvious "cost reduction candidate" is NPD and as a result, even "safe players" who initially wanted to differentiate private label products from branded products may abandon such differentiation attempts in their pursuit of (NPD) cost reductions. In sum, focus on cost reduction and lack of differential advantage lead to situations, in which manufacturers reluctantly produce private label products at the lowest costs possible. Consequently, such situations are characterised by detached manufacturers and price-focused retailers. In some situations, detachment on manufacturers' behalves leads to continuous dilution of quality of private label products in order to decrease material and production costs. In other situations, manufacturers seek to cut costs by producing private label products in the same way that they produce branded products. The reader might recall that these situations equalise the brand damaging core production rigidities that "safe players" identified as a major reason why *not* to engage in PLP. The main advantage gained from producing private label products that qualify as branded products "in disguise" (*i.e.* identical physical products differentiated through logos and packaging only) is that manufacturers do not have to invest in PLP production lines, nor do they experience lay offs in production flows when production is changed to meet private label and branded product specifications respectively. Evidently, such cost reduction attempts hamper the brand in so far consumers are aware of "identicality" of branded and private label products.

The other main reason why "productors" engage in PLP is sales departments' "prominence" in "productor" companies. Further, the pattern of prominence in "productor" companies suggests that short-term bottom-line success criteria at the product level predominate. As a result, "productors" are more likely to engage in PLP and especially so in relation to private label products of inferior quality and/or offered at lower prices than products affiliated with manufacturers' brands. Thus, the study suggests that "productors" engage in PLP to optimise short-term sales and with little consideration as to long-term effects of PLP on brands. However, the study also suggests that the kind of PLP that "productors" engage in dilutes brands. Especially, such dilution is caused by pressures for new product introductions. In practice, what happens is that retailers request that new branded products should be launched as private label products as well – or even before they are introduced as branded products. As such, the study validates that retailers might be more concerned with the well-being of private labels than with that of manufacturers' brands – at least in situations in which manufacturers settle for development and launch of slot-filling line extensions. As an obvious result, retailers are not pleased with situations, in which private labels' product portfolios qualify as "leftovers" from manufacturer brands' portfolios and as another result, retailers wish for private label portfolios to include the "newest" products. In sum, a main reason why "productors" as well as "safe players" are unsatisfied with PLP is that it erodes the ability of new products to build equity for manufacturers' brands. Thus, retailers' "pressures" for introduction of new products as private label products (as enacted by manufacturers) might also be a reason why "productors" prefer development and launch of new products characterised by low degrees of novelty and low levels of development costs. Simultaneously, retailers are unpleased with manufacturers, who settle for development and launch of slot-filling line extensions as such activities are not concordant with retailers' demands on brand manufacturers, *i.e.* demands to expand and extend product categories by means of innovative extension products.

5. Implications for Retailers

One finding of the empirical study is that it corroborates Ailawadi's (2001) claim that although private brands qualify as a profitable strategy for retailers, retailers need national brands as well. However, a key contribution of this paper to extant knowledge on retailer-manufacturer relations is that it elaborates on the duality of retailers' needs for manufacturers (*i.e.* retailers need to collaborate both with manufacturers of strong national brands *and* with manufacturers supplying retailers with private brand products). Obviously, a key managerial implication – although not a normative piece of advice – is that consistency is to be pursued across the multiple decisions and activities that "productors" and "equators" engage in. In table 1 an attempt is made to summarise the managerial implications for manufacturers.

Table 1. Managerial Implications for Manufacturers

	Safe Players	**Productors**
Purpose of NPD	To preserve and enhance brand position within extant product categories as well as to drive these product categories	To enable the company to develop and launch (incrementally) new products that satisfy retailers
Marketing's key NPD responsibility	Develop and launch new attribute (and slot-filler) line extensions in order to expand/extend and hence, to drive category (protect brand) and increase brand equity	Develop slot-filler line extensions to maintain facings and satisfy retailers' requests for continuous launch of new products. Develop private label products
Perspective	Thinking brands within the scope and limits of products categories currently affiliated with the brand	Thinking products in order to satisfy retailers and sales departments
"Brand" thinking	High	Low
Risk aversion	Moderate - Due to brand myopia and inertia	High - Due to marketing' limited resources
Main deficits	Safe playing and brand myopia may qualify as "blindfolds" or "bias against innovation". Brands may act as core rigidities in relation to NPD	Due to decades of product emphasis it may be "too late" and "too costly" for productors to change paths. Product emphasis acts as a core rigidity in NPD
Key advantages	Building strong brands within focal product categories. Marketing departments qualify as "experts" on such categories	"Experts" on products – especially cost and production related skills and competencies within productor companies
Possible NPD KSFs	Brand fit related considerations; Commitment from top management Development and launch resources "Newness" compared to extant products	Sales departments' commitment and support Gaining retailers' support Production efficiency and effectiveness

One way in which we may interpret table 1 is that the set of competencies necessary in order to be "excellent" – or at least competitive – differs across the archetypes identified by the current study. Thus, "productors" and "safe players" build different sets of competencies. Consequently, retailers should be aware of the fact that "productors" and "safe players" hold different sets of competencies. Drawing on the different sets of competencies of "safe players" and "productors" respectively, retailers are thus able to manage relations with each type of manufacturers in ways that maximise benefits offered to the retailer by manufacturers. As such, primarily the study advocates that (1) retailers may rely on "safe players" in relation to category drive and expansion whilst (2) retailers are best off approaching "productors" with requests for private labels. Conversely, certainly it is *not* recommendable for retailers to approach "safe players" with requests for private labels; nor should they rely on "productors" in relation to category drive and expansion. Consequently, the study suggests that retailers should "pay due respect" to the two different types of purposes for manufacturers' NPD and henceforward, "safe players" new attribute line extensions should be evaluated against their ability to expand and/or extend the focal product category whereas other evaluation criteria, e.g. optimisation of product categories, should be employed when retailers are confronted with slot-filler line extensions.

Due to the fact that "productors" and "safe players" hold different sets of competencies and thus offer different things to retailers, a key concern of retailers seems to be to build portfolios of manufacturer relations that correspond with retailers' strategic intents for the various product categories carried by the retailer in question. As such, in relation to product categories of importance to retailers' image it seems necessary to collaborate with both "productors" and "safe players"; at least if the retailer wishes to offer consumers strong brands capable of driving the category by means of new attribute line extensions *and* a "suitable" private label substitute. On the other hand, for product categories that are not focal to the retailer, a deliberate choice can be made to either "source" category drive and management to the manufacturer, the brand of whom defines the category the most *or* to rely on "productors" to develop private label products that satisfy consumers' needs in relation to that specific category.

Apart from the managerial implications for retailers at a "portfolio" level, the study suggests that – at a "dyadic" level – manufacturers' brand or product emphasis hold severe implications for communication and collaboration. Broadly speaking, the study suggests that retailers should "talk" brands with "safe players" whereas communication with "productors" should concentrate on "talking" products. Consequently, the study offers retailers a way to "tap in" on realities as enacted by "productor" and "safe player" marketing departments respectively. As such, a key implication of the study is that it should facilitate retailers' "enactment" of the prominence of brand thinking for manufacturers with whom they collaborate.

Furthermore, the study advocates that retailers are aware of underlying power structures within manufacturer companies (prod; sales and safe players; marketing). Thus, retailers should communicate more with "safe playing" marketing departments than with "safe playing" sales departments whereas collaboration with "productors" should be based on relations with sales departments to a far greater extent.

Finally, if retailers wish to *collaborate* with FMCG manufacturers, they should pay due respect to the competencies and key success factors of safe players and productors respectively. Hence, retailers should offer to help "productors" in relation to NPD phases and activities in regard to which "productors" lack fundamental competencies. Conversely, retailers should demand that "safe players" new attribute line extensions are developed on the basis of thorough completion of (all) stages and activities fundamental to such NPD projects.

Closing this section of the paper, table 2 (below) summarises key implications for retailers' management of "safe player" and "productor" relations respectively.

Table 2. Implications for Retailers' Management of Manufacturer Relations

	Relations with "Safe Players"	**Relations with "Productors"**
Key reason why to collaborate	To assure that manufacturer actually expands and extends focal product category	To build retailer image by means of private labels and/or to offer consumers other alternatives to safe played brands
Perspective to underlie communication	Brands	Products
Levels of collaboration	Low – no collaboration in relation to e.g. NPD	High – in relation to NPD retailers should assume control of e.g. the "brand" dimension of private labels
Key challenges in collaborating with these manufacturers	To understand ways in which brands act as NPD related core rigidities. To be able to communicate with marketing departments on the basis of "brand thinking"	To "move productors beyond" extant product focus. To communicate knowledge on consumers to "productors" in order for such knowledge to underlie NPD

6. Conclusion

Drawing on a theory-building, multiple case study, the paper elaborates on brand manufacturers' development of line extensions. On the basis of the enriched understanding of such development activities, the study identified two archetypes of FMCG companies (*i.e.* "safe players" and "productors"). Due to the characteristics discriminating between "productors" and "safe players" line extending NPD activities, the paper further suggests that retailers' relations with "safe players" and "productors" might differ fundamentally.

As for retailers' management of relations with manufacturers, the study suggests that retailers are "best off" collaborating with "productors" in development and management of private brands whilst “equators” should provide retailers with a portfolio of national brands that build store traffic. Furthermore, the study advocates that retailers should base collaboration with “productors” and “safe players” on thorough understanding of fundamental characteristics and competencies of these archetypes of FMCG brand manufacturers. Consequently, the hope is that the paper contributes to enrichment of retailers’ understanding of manufacturers; however incremental such enrichment might be.

7. References

[1] Aaker, D. A. (1991). Managing Brand Equity – Capitalizing on the Value of a Brand Name. New York: The Free Press.

[2] Bloom, P. N. and V. G. Perry (2001). Retailer Power and Supplier Welfare: The Case of Wal-Mart. Journal of Retailing, 77, pp. 379-396.

[3] Eisenhardt, K. E. (1989). Building Theories from Case Study Research. Academy of Management Review, 14 (4), pp. 532-550.

[4] Gallo, A. E. (1992). Record Number of New Products in 1992, Food Review, 15(2), pp. 4-16.

[5] Gjøls-Andersen, P. (2001). *The Internal Dimensions of Branding*. Ph.D.serie 18.2001. Copenhagen: Copenhagen Business Scholl.

[6] Glaser, B. G. & A. L. Strauss (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research*. Chicago: Aldine Publishing Company.

[7] Heap, J. (1989). The Management of Innovation and Design. London: Cassell.

[8] Howley, M. (2002). The Role of Consultancies in New Product Development. *Journal of Product and Brand Management*, 11(7), pp. 447-458.

[9] Keller, K. L. (1998). Strategic Brand Management – Building, Measuring, and Managing Brand Equity. Upper Saddle River: Prentice Hall.

[10] Leonard-Barton, D. (1992). Core Capabilities and Core Rigidities: A Paradox in Managing New Product Development. *Strategic Management Journal*, 13, pp. 111-118.

[11] Majaro, S. (1988). *Managing Ideas for Profit*. Maidenhead, UK: McGraw-Hill.

[12] Miles, M.B. & M. A. Huberman (1994). *Qualitative Data Analysis - An Expanded Sourcebook*. California: Sage.

[13] Osborn, A. (1963). *Applied Imagination*. New York: Scribners.

[14] Randall, G. (1994). Trade Marketing Strategies – The Partnership Between Manufacturers, Brands and Retailers. Oxford: Butterworth-Heinemann.

[15] Von Hippel, E. (1978). Successful Industrial Products From Customer Ideas. *Journal of Marketing*, 42(1), pp. 39-49.

[16] Yin, R. K. (1989). Case Study Research - Design and Methods. California: Sage.

[17] Zhuang, L., D. Williamson & M. Carter (1999). Innovate or Liquidate – Are All Organisations Convinced? *Management Decisions*, 37(1), pp. 57-71.

Department of Environmental and Business Economics
Institut for Miljø- og Erhvervsøkonomi (IME)

IME WORKING PAPERS

ISSN: 1399-3224

Issued working papers from IME
Udgivne arbejdspapirer fra IME

No.		
1/99	Frank Jensen Niels Vestergaard Hans Frost	*Asymmetrisk information og regulering af forurening*
2/99	Finn Olesen	*Monetær integration i EU*
3/99	Frank Jensen Niels Vestergaard	*Regulation of Renewable Resources in Federal Systems: The Case of Fishery in the EU*
4/99	Villy Søgaard	*The Development of Organic Farming in Europe*
5/99	Teit Lüthje Finn Olesen	*EU som handelsskabende faktor?*
6/99	Carsten Lynge Jensen	*A Critical Review of the Common Fisheries Policy*
7/00	Carsten Lynge Jensen	*Output Substitution in a Regulated Fishery*
8/00	Finn Olesen	*Jørgen Henrik Gelting – En betydende dansk keynesianer*
9/00	Frank Jensen Niels Vestergaard	*Moral Hazard Problems in Fisheries Regulation: The Case of Illegal Landings*
10/00	Finn Olesen	*Moral, etik og økonomi*
11/00	Birgit Nahrstedt	*Legal Aspect of Border Commuting in the Danish-German Border Region*
12/00	Finn Olesen	*Om Økonomi, matematik og videnskabelighed - et bud på provokation*

13/00	Finn Olesen Jørgen Drud Hansen	*European Integration: Some stylised facts*
14/01	Lone Grønbæk	*Fishery Economics and Game Theory*
15/01	Finn Olesen	*Jørgen Pedersen on fiscal policy - A note*
16/01	Frank Jensen	*A Critical Review of the Fisheries Policy: Total Allowable Catches and Rations for Cod in the North Sea*
17/01	Urs Steiner Brandt	*Are uniform solutions focal? The case of international environmental agreements*
18/01	Urs Steiner Brandt	*Group Uniform Solutions*
19/01	Frank Jensen	*Prices versus Quantities for Common Pool Resources*
20/01	Urs Steiner Brandt	*Uniform Reductions are not that Bad*
21/01	Finn Olesen Frank Jensen	*A note on Marx*
22/01	Urs Steiner Brandt Gert Tinggaard Svendsen	*Hot air in Kyoto, cold air in The Hague*
23/01	Finn Olesen	*Den marginalistiske revolution: En dansk spire der ikke slog rod?*
24/01	Tommy Poulsen	*Skattekonkurrence og EU's skattestruktur*
25/01	Knud Sinding	*Environmental Management Systems as Sources of Competitive Advantage*
26/01	Finn Olesen	*On Machinery. Tog Ricardo fejl?*
27/01	Finn Olesen	*Ernst Brandes: Samfundsspørgsmaal - en kritik af Malthus og Ricardo*
28/01	Henrik Herlau Helge Tetzschner	*Securing Knowledge Assets in the Early Phase of Innovation*
29/02	Finn Olesen	*Økonomisk teorihistorie* *Overflødig information eller brugbar ballast?*
30/02	Finn Olesen	*Om god økonomisk metode* *– beskrivelse af et lukket eller et åbent socialt system?*
31/02	Lone Grønbæk Kronbak	*The Dynamics of an Open Access: The case of the Baltic Sea Cod Fishery - A Strategic Approach -*

32/02	Niels Vestergaard Dale Squires Frank Jensen Jesper Levring Andersen	*Technical Efficiency of the Danish Trawl fleet: Are the Industrial Vessels Better Than Others?*
33/02	Birgit Nahrstedt Henning P. Jørgensen Ayoe Hoff	*Estimation of Production Functions on Fishery: A Danish Survey*
34/02	Hans Jørgen Skriver	*Organisationskulturens betydning for vidensdelingen mellem daginstitutionsledere i Varde Kommune*
35/02	Urs Steiner Brandt Gert Tinggaard Svendsen	*Rent-seeking and grandfathering: The case of GHG trade in the EU*
36/02	Philip Peck Knud Sinding	*Environmental and Social Disclosure and Data-Richness in the Mining Industry*
37/03	Urs Steiner Brandt Gert Tinggaard Svendsen	*Fighting windmills? EU industrial interests and global climate negotiations*
38/03	Finn Olesen	*Ivar Jantzen – ingeniøren, som beskæftigede sig med økonomi*
39/03	Finn Olesen	*Jens Warming: den miskendte økonom*
40/03	Urs Steiner Brandt	*Unilateral actions, the case of international environmental problems*
41/03	Finn Olesen	*Isi Grünbaum: den politiske økonom*
42/03	Urs Steiner Brandt Gert Tinggaard Svendsen	*Hot Air as an Implicit Side Payment Arrangement: Could a Hot Air Provision have Saved the Kyoto-Agreement?*
43/03	Frank Jensen Max Nielsen Eva Roth	*Application of the Inverse Almost Ideal Demand System to Welfare Analysis*
44/03	Finn Olesen	*Rudolf Christiani – en interessant rigsdagsmand?*
45/03	Finn Olesen	*Kjeld Philip – en økonom som også blev politiker*
46/03	Urs Steiner Brandt Gert Tinggaard Svendsen	*Bureaucratic Rent-Seeking in the European Union*
47/03	Bodil Stilling Blichfeldt	*Unmanageable Tourism Destination Brands?*

48/03	Eva Roth Susanne Jensen	*Impact of recreational fishery on the formal Danish economy*
49/03	Helge Tetzschner Henrik Herlau	*Innovation and social entrepreneurship in tourism - A potential for local business development?*
50/03	Lone Grønbæk Kronbak Marko Lindroos	*An Enforcement-Coalition Model: Fishermen and Authorities forming Coalitions*
51/03	Urs Steiner Brandt Gert Tinggaard Svendsen	*The Political Economy of Climate Change Policy in the EU: Auction and Grandfathering*
52/03	Tipparat Pongthanapanich	*Review of Mathematical Programming for Coastal Land Use Optimization*
53/04	Max Nielsen Frank Jensen Eva Roth	*A Cost-Benefit Analysis of a Public Labelling Scheme of Fish Quality*
54/04	Frank Jensen Niels Vestergaard	*Fisheries Management with Multiple Market Failures*
55/04	Lone Grønbæk Kronbak	*A Coalition Game of the Baltic Sea Cod Fishery*
56/04	Bodil Stilling Blichfeldt	*Approaches of Fast Moving Consumer Good Brand Manufacturers Product Development* *"Safe players" versus "Productors": Implications for Retailers' Management of Manufacturer Relations*