

Retail Innovation Shout Out: What's in a Brand?

by Sonia Parekh

For as long as I can remember, I have been trained to shop by brand in the grocery store. For most consumer product companies, the ability to build and maintain successful brands is their competitive advantage. They have worked hard to ensure that customers, like me, choose products based on an affinity for the brand.

Last month, a San Francisco based startup company entered the market with a new business model that challenges the traditional consumer product brands. Appropriately named “[Brandless](#)”, the company sells a wide assortment of products across multiple categories including food, household supplies, beauty, personal care and home office. All products are sold only through the company’s website, and every single product on the website is sold for the same price – three dollars. The packaging is simple and calls out only the important details that they believe matter to consumers. Labels tell you which products are non-GMO, organic, kosher, gluten free, fair trade, etc. Most importantly, by stripping away what the company calls the “brand tax” – which includes all costs related to the traditional distribution and national brand model – and going straight to the consumer, Brandless claims that they can offer their products at 40% less on average.

Besides cutting out costs associated with selling through retail stores, Brandless seeks to build a strong direct relationship with its consumers, a role typically played by retailers, not CPG brands.

Taking on the grocery market is a tough challenge, but with an innovative business model and disruptive pricing strategy Brandless seems poised for the challenge.



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