

The Impact of Category Management on the Retailer–Supplier Coopetitive Relationship Within Private-Label Food Projects

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ABSTRACT

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Introduction: This research explores the influence of category management (CM) on the dynamic between retailers and suppliers, specifically within the context of private-label (PL) new food product development (NFPD) in the Saudi Arabian grocery sector. It addresses the interplay of cooperation and competition, known as coopetition, in this relationship.

Objectives: The primary purpose of this study is to investigate how CM affects the power balance within the retailer-supplier relationship in PL NFPD. A key objective is to develop a deeper understanding of how this coopetitive relationship ultimately impacts the level and success of innovation in the market.

Methods: A case study methodology exploring eight PL NFPD projects was employed that used semi-structured in-depth interviews with 32 participants from seven Saudi firms within the fast-moving consumer goods industry. Data were analysed using the thematic approach.

Results: The findings reveal that as both suppliers and retailers strive to protect their respective brands from competitive exclusion, it escalates "fighter behaviours" between them. This heightened tension inhibits the realization of the intended benefits of Category Management and, crucially, acts as a significant barrier to innovation within the NFPD process.

Conclusions: This study is understood to be the first empirical research of its kind focusing on Saudi firms, providing original insights into how CM is used by retailers to assert power over suppliers in PL food projects. Practically, it offers valuable insights for retail decision-makers on managing power tensions and resolving conflict to achieve mutual benefits and reduce the failure rate of PL NFPD projects.

Keywords: Category management; Coopetition; FMCG; New product development; Private-label; Power balance.

INTRODUCTION

Lorem ipsum Category management (CM) is seen as a joint process whereby retailers and suppliers manage product categories as strategic business units to improve retailing efficiency, returns and category performance to satisfy customers' needs (Chimhundu, 2018). CM strategies are developed based on corporate goals, the competitive environment and customer needs through establishing positive channel relationships. Specifically, retailers and suppliers establish collaborative relationships (e.g., activating point-of-sale materials and developing new product projects) (Rajendran et al., 2012; Romat & Biliavska, 2018). This enables them to achieve mutual benefits (e.g., decreased costs, increased value, development of private-label [PL] products) (Cohen & Cotterill, 2011; Han et al., 2014).

Conventionally, large multinational suppliers, such as Procter & Gamble, Coca-Cola and Unilever have dominated the fast-moving consumer goods (FMCG) industry. However, retailers' PL products are increasingly competing with these suppliers (Sansone, 2015). Nonetheless, suppliers may collaborate in developing PL products with retailers that, at the same time, have own-branded products (Benson et al., 2019). Therefore, suppliers may face serious challenges with retailers through their category managers, particularly if they compete in the same category (Martos-Partal, 2012). Thus, when suppliers collaborate with retailers' category managers to produce PL products, they might at the same time compete with them in the same kind of product or in the same category. This position forms a coepetitive relationship, that is, one where there is simultaneous collaboration and competition between firms (Sindakis et al., 2019). Coepetition can hence be defined as '*a paradoxical relationship between two or more actors simultaneously involved in cooperative and competitive interactions*' (Bengtsson & Kock, 2014, p. 182). Consequently, the relationship is dynamic between retailers' category managers and suppliers within PL new food product development (PL NFPD). This study explores the influence of CM on the retailer–supplier coepetitive relationship within PL NFPD in the Saudi grocery sector.

Literature exploring the influence of CM on retailer–supplier relationships within PL NFPD is limited (Benson et al., 2019), especially as it relates to roles of CM such as developing new products of PL projects (Nakkas et al., 2020). Likewise, the influence of CM roles on innovation has not been investigated in PL projects (Chimhundu, 2018). Based on these limitations, the objectives of this study are twofold: first, to understand how CM influences collaboration between retailers and suppliers within PL NFPD; and, second, to explore the influence of CM on the power balance within the retailer–supplier coepetitive relationship for PL NFPD, and how this power balance might affect innovation. To address the research objectives, the study focuses on CM within PL NFPD and is based on data gathered using an embedded case study approach involving seven firms within the FMCG sector: a leading retailer in Saudi Arabia, and six food suppliers working with that retailer to deliver PL NFPD projects.

The food retail market in Saudi Arabia has rapidly transformed and grown during the past 10 years, due to the rising population and their increasing disposable income (Abunar et al., 2016). Moreover, the Saudi Vision 2030 (Kingdom of Saudi Arabia, 2017) focuses on supporting major national companies by promoting their products regionally and globally (e.g., PL products), aiming to stimulate the economy and diversify revenues. However, Abunar et al. (2016) note a lack of research into the Saudi food retailing sector. Likewise, there is no CM literature focusing on PL NFPD in the Gulf Cooperation Council region, and studies with other regional focus may not have relevance for the Saudi retail market, given the cultural, religious, social and demographic differences between the Saudi retail market and the European and American markets that form the basis of the majority of CM studies. Therefore, Saudi Arabia's market distinctiveness supports the case for a focused and specific study that evaluates key CM retail variables within this unique market.

The previous literature states that identifying new product opportunities is a key role of CM that aims to develop new PL products (e.g., Han et al., 2014; Lorino & Mourey, 2013). This means that retailers need a collaborative relationship with suppliers to develop creative ideas for their PL products. However, our findings reveal that the retailer–supplier relationship could be affected by several factors (e.g., opportunistic supplier behaviour, opportunistic retailers, bargaining power) that impact the power balance between partners. These factors lead to unintended consequences associated with many types of actions that can threaten the coepetitive relationship within PL NFPD projects. The factors can inhibit the intended benefits of CM for collaboration in PL, and hinder innovation. Therefore, the contribution of this research is to build on the existing literature about retail relationships (Chicksand, 2015; Ellström & Rehme, 2016; Hamister & Fortsch, 2016) by providing further insights into CM roles in the retail sector.

This article is organised as follows. The present section presents the research context. Next, the literature review, research framework and propositions are presented. These are followed by the methodology, focusing on the study design and selection of the case study method. Following that, the research findings are presented along with discussion. Finally, the managerial implications of this study are detailed.

LITERATURE REVIEW

NFPD is a primary activity of FMCG retail brand owners and international brands, as FMCG is a highly competitive industry (Trott & Simms, 2017). Through NFPD, some retailers, such as Aldi, Walmart and Tesco, have developed PL food brands that can compete effectively with suppliers' brands (Chimhundu et al., 2015). As a result, PL grocery products have increased their market share and differentiation, and producing PL goods has become a significant retail strategy (Mitchell et al., 2012). This has resulted in a shift of power and control towards the retailer as the focus of CM has moved from supplier products to retailer products (Bianchi-Aguilar et al., 2021).

Retailers and suppliers may compete and collaborate simultaneously, in 'coopetition'. The objectives of coopetition involve enhancing production capacity and operational flexibility; decreasing risks, costs and uncertainties; fulfilling market potential; and merging resources (Devece et al., 2019). Food products can thus be developed more efficiently through coopetitive relationships (Bengtsson & Kock, 2000).

However, Chopra and Dasgupta (2017) note that many suppliers regard PL products as '*category killers*'. According to Chimhundu (2018, p. 17) a category killer is 'a retail organisation that is dominant in a particular product category, and is so dominant to the extent of offering very low prices that smaller stores are not able to match'. PL products have largely destroyed 'fighter brands'. Fighter brands are versions of the suppliers' original product that are scaled down and priced lower. They are considered one of the strategies of suppliers for combating the problem of copycatting (Hou et al., 2020). Therefore, suppliers may be vulnerable to competitive exclusion of their branded products due to the complexities of meeting retailer agreements regarding PL products (Qiu, 2018). These agreements are legally binding and involve a supplier agreeing to produce predefined recipes and formulas that will be marketed as the retailer's brand (Valaskova et al., 2018). Supermarkets thus perform several roles of CM, including a role in relationship management aimed to increase the close relationship between the retailers and suppliers within PL NPD projects (Chimhundu et al., 2015).

Nakkas et al. (2020) reflect that CM plays a substantial role in promoting good collaboration between suppliers/producers and retailers. Through access to additional resources and knowledge via category captain (CC) arrangements, the CC is usually responsible for the category strategies and for sharing information about customer and product performance with suppliers. However, the CM role in promoting good collaboration may not be appropriate for all retailer-supplier relationships, specifically NFPD; there is some evidence that CM may hinder innovation within the food supply chain by copycatting leading brands (Simms & Trott, 2014). The prevalence of copycat brands may hinder innovation by reducing creativity, as suppliers have less autonomy when creating new products (Golubovic Svensson, 2015). Hence, there is a need for greater understanding of how CM can affect innovation within PL NFPD projects. Chimhundu et al. (2015) have called for further research into the relationships between retailer and supplier brands and how these relationships can be explained in different contexts. For example, insight into the influence on innovation of power balance among category managers, food suppliers and retailers is limited. Therefore, the purpose of this research is to address this gap in the literature by investigating how CM influences the retailer-supplier coopetitive relationship, and how it affects the balance of power within such relationships on PL NFPD projects (Brown et al., 2019; Hingley et al., 2015).

The above analysis gives rise to the following research questions:

RQ1: How does CM influence coopetition between retailers and suppliers within PL NFPD?

RQ2: How does CM influence the balance of power between retailers and suppliers in their coopetitive relationship within PL NFPD, and how might this affect innovation?

The above discussion indicates that CM roles could benefit the retailer-supplier relationship in PL NPD. The next subsection explains these benefits and explores factors that could affect their realisation.

1. Access to Additional Resources and Knowledge in NPD

In supplier integration, participating channel members access knowledge and resources. This is one of the benefits of CM for the retailer–supplier relationship within NPD (Ranganathan et al., 2011) and the practice is referred to as category captainship arrangements. The CC is usually responsible for the following: category strategies, such as product assortment; contributing new NPD ideas; and the marketing programme, which involves developing a merchandising plan to improve the performance of the retailer's categories (Kurtuluş, Nakkas, et al., 2014; Subramanian et al., 2010).

CCs can help retailers only if retailers give suppliers permission to access their overall plans about all the products in the category (González-Benito et al., 2010; Nijs et al., 2014). An example of retailer–supplier collaboration within NPD is the development of PL projects for retailers that involves collaboration with suppliers (Cohen & Cotterill, 2011). However, Arkader and Ferreira (2004, p. 50) note 'despite the exchange of information with suppliers, Brazilian grocery retailers mostly feel uncomfortable and insecure in the relationship due to traditional channel antagonism'. Therefore, when retailers provide access to their information and overall plans, this can create competitive vulnerability, as the supplier can take advantage of the situation through CC decisions (Gundlach et al., 2019). For example, CC opportunism can increase 'fighter behaviours' between the retailers and suppliers in a category, leading to competitive exclusion for the retailers, which reduces retailer category performance (Morgan et al., 2007). Based on the preceding discussion, the following proposition, P1, is generated:

P1. The CC arrangement enables the supplier to monopolise and utilise its position to provide its own-brand products with an advantage, leading to competitive exclusion and decreased product variety. This, in turn, is negatively associated with retailer–supplier integration and collaboration within PL NPD due to the lack of a power-balanced relationship.

2. Increased Information-Sharing and Joint Decision-Making in NPD

CM requires close collaboration between retailers and suppliers to achieve mutual benefits (e.g., Aastrup et al., 2007; Dupre & Gruen, 2004). Collaboration means that the two firms share information and face the same degree of pressures, and that their relationship is in symmetry (Grewal & Dharwadkar, 2002). Category managers have retail information, as some of their roles involve defining and conducting go-to-market initiatives, primarily partnering, and communicating with marketing and sales teams (Desrochers & Nelson, 2006). For example, category managers could help the supplier to improve their national brand (NB) performance in the retailer's stores through sharing information on their product's performance; this would result in the supplier collaborating with the retailer and acting in a manner that is symmetrical to them (e.g., helping the retailer to produce their PL brands and vice versa). The 'equal power balance' is built on a balance in power that is made collaborative through orientation and amiable personal relations between the retailer and supplier, and joint decision-making and collaborative agreement on objectives (Andersen & Munksgaard, 2009; Rehme et al., 2016). However, critics such as Hogarth-Scott (1999) and Dapiran and Hogarth-Scott (2003) contend that the development of CM has not necessarily increased collaboration in supply chains, and that CM can be used by retailers to reinforce power.

It has been noted that control of information by retailers is a source of power and has the potential to result in partner dependency on strategically important knowledge (Takashima & Kim, 2016). Dobson (2004) describes this manner of control as one in which the retailer effectively becomes the 'gatekeeper' for access to the consumer. Moreover, Rehme et al. (2016) provide evidence that the supplier greatly depends on the retailer, which creates a situation of retailer dominance. Thus, this research suggests the following proposition, P2:

P2. Where the retailer has higher control of information than the supplier, it increases retailer power and leads to supplier dependence. This, in turn, decreases the extent of joint decision-making within PL NPD, due to the lack of a power-balanced relationship.

3. Competition Increases Variety of Products and Improves Products

Dhar et al. (2001) suggest that when retailers adopt the CM strategy, they can improve their category performance,

such as by introducing PLs as a strong retail brand and competing with leading brands; this can drive PLs to compete within a category. Therefore, retail competition leads the category manager to consider adding competitive structure plans to their own-brands, such as developing unique PL products at a competitive price with competitive packaging to improve performance (González-Benito et al., 2010; Moorthy, 2005).

This leads the retailer and supplier to compete for shelf space (Hübner & Kuhn, 2012). However, Kurtuluş and Toktay (2011) observed that there is persistent scarcity of shelf space, which has two important implications. First, using CM, the retailer will determine category goals according to category shelf space, as the category manager has responsibility for making within-category decisions. Category managers can thus use their position to secure an optimal shelf position for their PL brands (Du et al., 2005); category managers want to protect their PL products, which allows them to develop plans to enhance demand for the PL brands in the category (Kurtuluş & Toktay, 2011; Subramanian et al., 2010). Second, shelf-space scarcity intensifies supplier competition in the form of ‘store wars’. For example, if a brand cannot compete efficiently, it would be better to remove it from the retailer’s shelves (Subramanian et al., 2010). Therefore, category managers can use a competitive exclusion strategy to protect their PL products from competitors (Alan et al., 2017).

Hingley (2005) cites the dangers of such a power-imbalanced relationship between the retailer and supplier, namely, where the retailer has control of shelf space. The dominant firm disadvantages the weaker firm, which leads to reduced collaboration between partners. As such, this research proposes P3:

P3. The category manager’s desire to protect retailer PL products, combined with their control of shelf space, enables them to provide PL products with advantageous shelf-space positioning. This leads to competition between each partner due to shelf-space scarcity. This competition between each firm is negatively associated with retailer–supplier collaboration in PL NFPD, due to the lack of a power-balanced relationship.

4. *Greater Openness of Communication in NPD*

Retailer–supplier relationships must be based around trust, openness and recognition of mutual dependence (Glynn, 2007; Lorino & Mourey, 2013). Hoffman and Mehra (2000) note that effective CM involves partnering, trust and sharing of information. Each partner is willing to share confidential information, which positively affects the NPD performance of both partners (Sjoerdsma & van Weele, 2015). Therefore, suppliers can use their product knowledge when working with several retailers and, in turn, the retailers can use their information databases containing customer demand data when working with several suppliers. Sharing information thus requires trust between retailers and suppliers, as well as the protection of sensitive information (Wu & Chiu, 2018).

However, suppliers are wary of retailers stealing their ideas to create similar PL products and copycat brands (Duke, 1998; Ter Braak et al., 2013), and this situation leads to low levels of innovation in products (Hughes, 1997; Martos-Partal, 2012). Informing retailers about future products can seem like ‘briefing the enemy’. In addition, there are challenges in the retailer–supplier cooperative relationship when the retailer is a downstream partner but also competes in the PL market and becomes a ‘poacher-turned-gamekeeper’ (Wagner et al., 2005). This leads to reduced trust and collaboration in product development (Castaldo et al., 2009) – and this, in turn, reduces innovation. As such, this research proposes P4:

P4. Where a supplier collaborates with a number of retailers, or a retailer collaborates with a number of suppliers, this presents the risk of information leakage to competitors, potentially leading to the development of copycat products. This, in turn, is negatively associated with retailer–supplier trust and collaboration within PL NFPD.

5. *Higher Extent of Cooperation and Coordination in NPD*

Doyle and Murgatroyd (2011, p. 633) note that:

at first glance, it may appear counterintuitive that manufacturers of branded products would also want to produce private labels given that they would be creating additional competition for themselves at the retail level, but there are in fact a number of reasons why they may choose to do so.

For example, suppliers may collaborate with retailers on PLs depending on the benefits they derive from PL projects, such as using spare production capacity, retailer preference and positive effects on sales volume and market share (Alan et al., 2017; Gooner et al., 2011; Oubiña et al., 2006). The retailer benefits from the development of PL products that meet their objectives while ensuring low costs (Alan et al., 2017; Gooner et al., 2011). Therefore, category managers build relationships with suppliers to obtain their support and commitment to develop PL products (González-Benito et al., 2010; Kaipia & Tanskanen, 2003).

It is significant that the use of PL brands by retailers gives them bargaining power, especially during retailer–supplier negotiation when PL products become more of a threat to suppliers (Doyle & Murgatroyd, 2011). Indeed, PL products are a critical tool to ‘offset the tyranny’ of leader suppliers when working together (Wang & Coe, 2018). Numerous authors (e.g., Corsten & Kumar, 2005; Dapiran & Hogarth-Scott, 2003; Hamister & Fortsch, 2016) agree that CM gives retailers power and control, which leads to an imbalance of power between retailers and suppliers.

Retailers use different means (e.g., bargaining power and punitive actions) to coerce suppliers into cooperation, aiming to develop products in response to a predefined brief as well as to force them to quickly respond to their demands (Cox, 2007; Takashima & Kim, 2016). However, Kim et al. (2017, p. 990) mention that ‘mediated power sources, such as coercive power, tend to exploit the supply chain and, thus, lead to dissension and underperformance’. Therefore, coercive power increases the supplier’s commitment to producing PL projects according to the retailer’s demands, which hinders the supplier’s ability to innovate in NPD projects. Based on the above discussion, this study posits the following proposition, P5:

P5. When a retailer has greater power and control than a supplier, it leads to the potential for opportunistic behaviour. This opportunism enables the retailer to use punitive actions towards suppliers that coerce them into cooperation to develop products in response to a predefined brief. This coercion increases commitment while hindering the supplier’s ability to innovate.

The conceptualisations from these parts of the literature have led to the development of the framework shown in Figure 1.

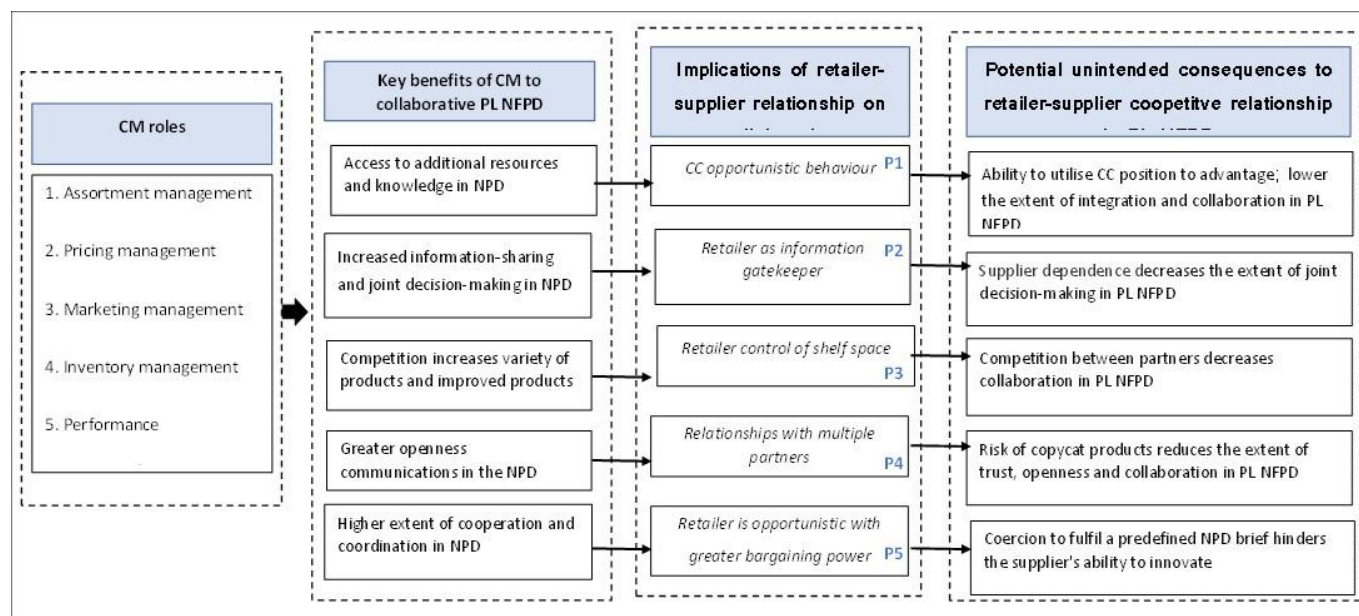


Figure 1: The Conceptual Framework.

OBJECTIVES

The primary objectives of this study are to investigate how CM influences the cooperative relationship between retailers and suppliers within PL NFPD in the Saudi Arabian grocery sector, and to explore its impact on the balance of power between these actors. Specifically, it seeks to understand how CM shapes collaboration dynamics and how the resultant power imbalances affect innovation outcomes. The study aims to examine the roles of CM in fostering or hindering mutual benefits such as resource sharing, joint decision-making, and information exchange, while also identifying factors like opportunistic behavior, shelf-space control, and coercive power that may disrupt these relationships. By focusing on the unique context of Saudi Arabia's rapidly evolving retail market, the research provides original insights into how CM is utilized by retailers to assert dominance over suppliers, thereby influencing the success and innovation of PL NFPD projects. Ultimately, it aims to offer practical strategies for managing power tensions and enhancing collaboration to reduce project failure rates.

METHODS

1. Design

The research methodology for this study follows an abductive approach based on qualitative research. Several authors have agreed that this approach is appropriate for understanding how CM affects the balance of power between retailers and suppliers on PL NFPD projects. The abductive approach helps in the development of new or current theory by moving from data to theory and back again (e.g., Bell et al., 2022; Blaikie, 2009; Bryman, 2012). In this study, it was particularly appropriate for the following reasons:

- ◇ the lack of insight that currently exists regarding CM roles within the context of PL NFPD;
- ◇ the current lack of a model or framework providing detailed insight into the influence of CM on the balance of power within the retailer–supplier cooperative relationship in PL NFPD in FMCG; and
- ◇ the currently limited understanding about the impact of the retailer–supplier cooperative relationship on PL NFPD and innovation.

The abductive approach was used to develop theory through the findings emerging from the primary data and the conceptual framework developed from the literature. This framework recognises factors that may inhibit the intended benefits of CM from being realised within PL NPD. The framework seeks to depict the influence of CM on the retailer–supplier cooperative relationship in PL NPD.

2. Data Collection

A multiple-case-studies method was employed, which is an especially apt method when a 'how' question is being asked in relation to describing relationships (Yin, 2003). Moreover, it is preferable to conduct multiple case studies because these cases aid data analysis and are more likely to overcome any bias (Yin, 2009). Therefore, eight embedded case studies in the FMCG industry were studied, with each project involving collaboration between a food supplier and a retailer within a PL NFPD project from the established leading retail chain in Saudi Arabia. The chosen cases, then, were each selected based on their 'intrinsic value' (Stake, 1995) to the research aims. Interviews were conducted with 32 decision-makers, acting as key informants, who were involved in the PL NFPD (see Table 1). The retailer was asked for referrals to a number of suppliers with both joint involvement in PL NPD and an own-brand product in the same category. Two interview plans were organised, one for the retailer and one for the supplier. The focus of the case studies was on discovering the influence of CM on the balance of power between the retailer–supplier cooperative relationship within PL NFPD. Following on from that, there was also a focus on exploring category manager roles to understand, from both the retailer's and supplier's perspectives, the factors affecting category manager decisions about the new products that they introduce. This was explored for the insight it could give into how CM roles affect innovation in PL NFPD projects. The analysis used was thematic content analysis. According to Braun and Clarke (2006), including a procedure for analysis is important for building on prior research where theory has already been developed. After the interviews were recorded they were transcribed, and the researchers reread the transcripts to become familiar with the data (Braun & Clarke, 2012). During this stage, open codes were applied on a line-by-line basis. An example is the role of CM in relation to PL NFPD. This section was open-coded as 'Role of CM' to draw attention to it, while it was allowed to continue being open to more detailed coding at the next stage. In this

way, the data gathered from this research provided findings that helped to develop the framework alongside the propositions (see the Appendix).

Table 1: Retailer and Supplier Participants' Details.

P code	Job Title	Retailer or Supplier	Types of Product Category	Project (Embedded Cases)
R1	Director of Private Label	Retailer	Food and Drinks, Non-Food Products, non-FMCG items, Electronic.	All the case studies
R2	Head of Quality Assurance			
R3	Regional Quality Assurance Manager			
R4	Category Manager, Food Private Label			
R5	Category Manager, Food Private Label			
R6	Category Manager, Food Private Label			
R7	New Director of Private Label			
S8	Quality Assurance Manager	Supplier	Food & Drinks	Case D Long-Life Milk
S9	Sales Manager			
S10	Regional Key Account Manager			
S11	Production Manager			
S12	Category Manager			
S13	Key Account Manager	Supplier	Food & Fine Pastries	Case E Potato Chips
S14	Brand Manager			
S15	Production Manager			
S16	Marketing Manager			
S17	Sales Director	Supplier	Cooking Oil & Sugar	Case F Cooking Oil
S18	Brand Manager			
S19	Production Manager			
S20	Marketing Manager			
S21	Sales Director	Supplier	Food & Fine Pastries	Case G Toast
S22	Key Account Manager			
S23	Production Manager			
S24	Packaging Manger	Supplier	Food & Fine Pastries	Case B Dried Tomato
S25	Brand Manager			
S26	Marketing Manager			
S27	Brand Manager	Supplier	Food & Ingredients	Case A & C Tuna Slices & Pasta
S28	NPD Manager			
S29	Production Manager	Supplier	Food & Drinks	Case H Chocolate Spread
S30	Sales Director			
S31	Marketing Supervisor			
S32	NPD Manger			

RESULTS

Based on the framework (Figure 1) and the cross-case analysis, a new framework has been developed. This revised framework reflects the updated factors for the retailer–supplier relationship during collaboration within PL NFPD that lead to potential unintended consequences in PL NFPD (Figure 2).

The following discussion is divided into three updated themes based on the thematic analysis. Each is explored to highlight the relationships in the CM roles within NPD and their impact on the balance of power between retailer–supplier collaborative relationship in PL NFPD projects and innovation.

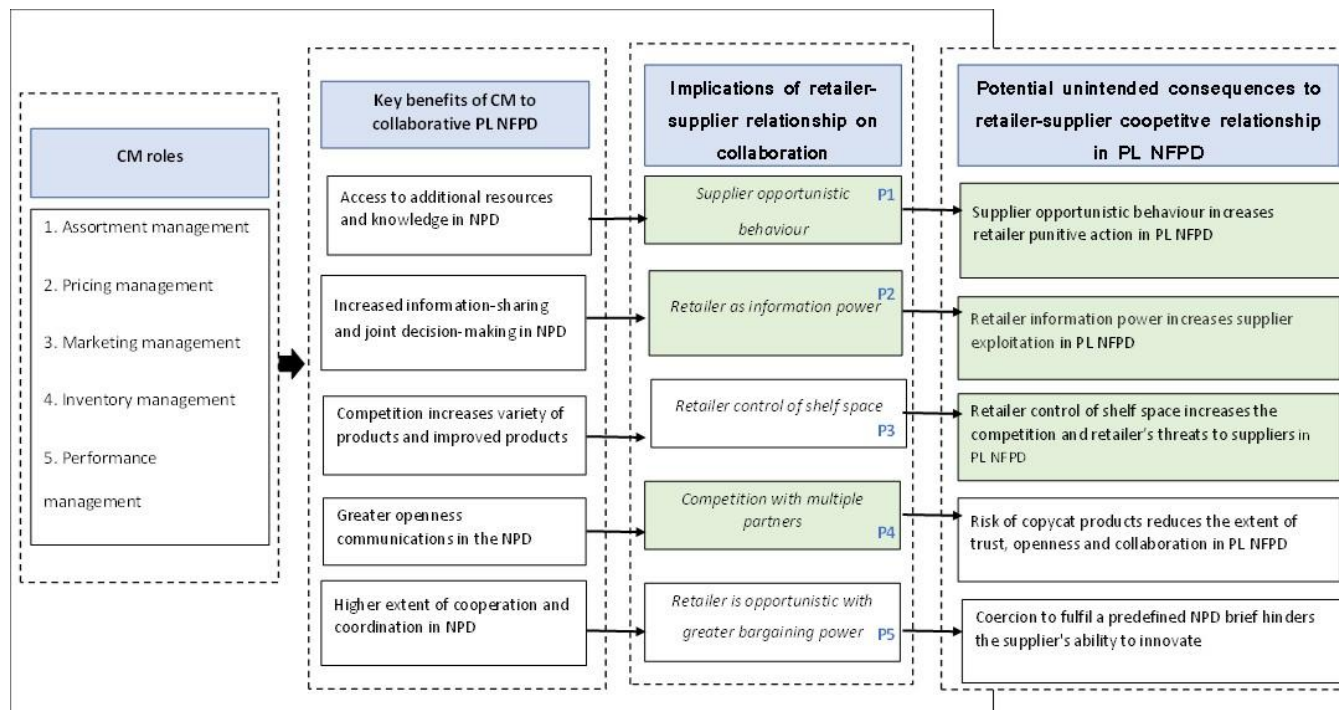


Figure 2: The Updated Conceptual Framework.

1. CM Within the PL NFPD Process

The findings demonstrate that category managers play an important role in PL NFPD, as they can analyse data (e.g., market information, customer information and product performance). Through this information, they can identify the sizes that customers prefer to purchase and which new PL products to develop; also, they can make improvements to the quality or taste of existing products based on customers' purchase reports in their stores. In addition, previous studies (e.g., Kurtuluş, Ulku, et al., 2014; Tsafarakis et al., 2016) have noted that category managers can increase category competition between retailers and suppliers due to shelf-space scarcity through their assortment management role. The findings concur that this leads category managers to create and develop more new products, particularly PL products. This enables the retailer to gain competitive advantage and power, improve their store image and obtain greater margins and profits. However, the previous NPD studies did not highlight the importance of CM in this context. By contrast, the findings of the present study reveal that CM roles can have a positive effect on innovation. However, all these roles influence the coopetition between retailers and suppliers within PL NFPD projects.

2. Supplier Integration in CM Within PL NFPD

The findings reveal a variety of ways in which supplier integration in CM can affect the balance of power between the retailer–supplier coopetitive relationship within PL NFPD. According to the findings, the CC role does not exist in the Saudi market. The importance of the CC role includes improvement to the performance of the retailer's categories through developing a merchandising plan (Kurtuluş, Nakkas, et al., 2014). However, appear in the literature (e.g., Alan et al., 2017). Therefore, the findings reveal that PL NFPD projects in the Saudi retail market seem to be suffering as a result of not having CCs involved. The findings highlight that suppliers can play an integral role within CM:

I am the private-label director of this retailer and I haven't heard any of the supplier and PL teams mention the category captain role before. However, any supplier [that] wants to collaborate and provide us with the

appropriate recommendations can work alongside with our category managers and develop PL products for us ... (R1)

However, also shown in the findings is that the supplier's position in PL NFPD enables them to monopolise the category in terms of providing their own-brand products at an advantage to achieve their interests (e.g., delaying the PL project or killing it) with the aim of inhibiting the PL project's success. Therefore, suppliers can formulate errors to delay PL projects, so that they can spend extra time on their own-brand products to gain benefits: *'... the supplier's packaging team were formulating error[s] in the product packaging ...'* (R6).

This leads category managers to use their power to apply punitive actions on the suppliers to prevent them from using their position to monopolise the category: *'... we impose punitive actions on our suppliers when necessary ...'* (R3).

In this way, the findings show the 'dark side' of a coopetitive relationship and the almost mediating role that category managers can play. Category manager actions such as imposing punishments warn suppliers that they can impede supply chain efforts through competitive actions to decrease collaboration, with the aim of protecting their products from being excluded. The findings illustrate that suppliers may collaborate when they want to affect their competitors' sales, that is, they use opportunistic behaviour to achieve competitive exclusion:

'We have the data and the information that shows this supplier wanted to affect their competitor's sales; by hitting them from our side by private-label's price, and from their side by quality, team up to affect the common enemy' (R5).

Therefore, suppliers can often impede PL NFPD, particularly when they are competitors in the marketplace. This is a major obstacle to the success of NFPD and reduces retailer–supplier integration and collaboration within PL NFPD. Consequently, this hinders innovation. However, retailers are forced to work with this leading supplier, as there are direct benefits for retailers' category performance (e.g., selling a large number of products from this supplier in the category, as the supplier has a good reputation and customers are loyal to its brands). Therefore, competing forces that retailers have to balance – e.g., the fact that leading suppliers in some ways may hinder innovation, yet the retailers need them.

3. The Balance of Power Between Retailer–Supplier Coopetitive Relationships Within PL NFPD

According to our findings, competition with multiple partners in PL NFPD leads to information leakage and the development of copycat products, which 'enjoy relatively low production costs while plagiarizing and imitating the innovative designs of brand manufacturers' (Hou et al., 2020, p. 2). Some of these copycat products have been developed as a competitive action to affect competitor sales, whether by NB or PL brands, and this inhibits innovation:

... because any suppliers want to show off about who their clients are, they came to us and offered for us to develop a copycat PL product of the leader supplier. We didn't believe them until they developed a sample for us, which was similar to the leader product with excellent quality and low costs (R4).

Further, as a result of competitive action, the findings demonstrate that the lack of a power-balanced relationship between retailers and suppliers negatively affects their collaboration through CM activities and, in turn, decreases the extent of joint decision-making within PL NFPD: *'... if suppliers didn't apply what we ask, we would have to intervene ... they better set their priorities straight before we have to set them for them'* (R7).

Moreover, the current research demonstrates that retailers have greater power and control than suppliers within PL NFPD. It shows that retailers are able to exert their power through CM and can engage in opportunistic behaviour, applying punitive actions against suppliers through their category managers to coerce them into cooperation to develop PL NFPD:

If there is an issue in the PL project, this leads to a delay. The category managers never understand; they will just simply say: you've got a choice to fix the problem immediately or remove your products from the shelf. They are a very powerful beast. We had to act fast or they will take an action that we don't like (S28).

The retailer's position as an information gatekeeper gives the category manager the power to withhold information or sell the information at a high price to suppliers, or to dictate access to information in exchange for PL development in PL NFPD, which increases their control over the supplier.

As we have seen, this results in the lack of a power-balanced relationship between the retailer and supplier, which increases exploitation of suppliers so that retailers might obtain exclusive PL products or transfer the supplier's brand to their PL brand: *'The category managers regularly keep you afraid. They have taken power to the next level as they are fully aware how much we need them'* (S26).

The category manager can use shelf space as a form of exchange to encourage suppliers to develop PL products for them: *'The category managers monopolised the potato chips category, and they controlled us and squeezed our shelf space ...'* (S15).

This sometimes includes category managers exercising opportunistic behaviour, employing punitive actions towards suppliers to coerce them into cooperation to develop PL products in response to a predefined brief:

They always keep you guessing: when will they remove your product from their shelf, how much will they let you pay for the shelf space, how will they treat you if you don't apply their demands ...?. We don't act proactively with them; we often fit into whatever the category managers want because they have [a] dictatorship with most of the suppliers. However, they still need the supplier to help them with their PL projects (S28).

This opportunistic behaviour by retailers increases the suppliers' commitment to PL NFPD while hindering the suppliers' ability to innovate in NPD, particularly PL food products (e.g., retailers force suppliers to develop PL as a copycat of the leading suppliers' brand). Therefore, the findings show that category managers use their roles to wield power:

We try to never apply the actions; however, we applied some of them only to a few cases. Some of the suppliers are trying to inhibit the success of our PL brands so we need to show them some of our power to maintain our position (S5).

Our findings highlight that CM is a strategy for increasing competition, and that it has an impact on the retailer–supplier collaborative relationship in PL NFPD projects. That is, there is complexity in the collaborative relationships within these projects. There is hence a need for PL suppliers/manufacturers in Saudi Arabia, as suppliers are lacking in that country who only develop PL projects for retailers and do not have their own branded products. Meeting this need will, in turn, allow the suppliers to maintain their relationships within PL NFPD projects. In addition, the findings show that suppliers are frustrated because retailers focus only on their own interests, brands and position through demonstrating their power and control, rather than working towards the goal of mutual satisfaction. Moreover, suppliers believe that CM is considered a weapon by the retailer in PL NFPD projects. Therefore, suppliers considering opening their own stores to sell their products will lead to retailers losing customers as a consequence. This will negatively affect retailers' sales and profits.

Based on the above, the findings from this research offer new insights into the implications of the retailer–supplier relationship for cooptation, which can lead to unintended consequences and inhibit the intended benefits of CM. These insights may be summarised as follows:

- ◇ opportunistic supplier behaviour increases punitive action by retailers in PL NFPD;
- ◇ retailer information power increases supplier exploitation in PL NFPD;
- ◇ retailer control of shelf space increases competition and threats made by retailers to suppliers in PL NFPD;
- ◇ the risk of copycat products reduces the extent of trust/openness and collaboration in PL NFPD; and
- ◇ coercion to fulfil a predefined PL NFPD brief hinders suppliers' ability to innovate.

DISCUSSION

This empirical research study is understood to be the first of its kind, investigating firms' management of CM within their PL NFPD activities. This study focused on two areas. Firstly, CM roles were investigated in order to understand their effect on the retailer–supplier collaborative relationship in PL NFPD projects. Secondly, a cross-case analysis

of eight PL NFPD projects within the FMCG industry was undertaken to provide an in-depth exploration of the influence of CM on the balance of power within retailer–supplier collaborative relationship. The aim was to understand how firms manage PL NFPD projects and attempt to maintain the retailer–supplier relationship within CM.

The new framework demonstrates the role of CM in PL NFPD and its benefits, which impact the balance of power in retailer–supplier relationships within firms. Moreover, the framework captures the implications of the retailer–supplier relationship for collaboration in PL NFPD projects and innovation. This unique framework provides new and more-detailed insights, enabling a more in-depth understanding of this subject. The literature has not yet examined the influence of CM and the views of a range of suppliers and retailers within PL NFPD projects in a single study (Chicksand, 2015; Ellström & Rehme, 2016; Gooner et al., 2011; Guisconi et al., 2013; Hamister & Fortsch, 2016). The current research therefore contributes to NPD literature through the synthesis of additional areas of literature, such as of CM, PLs, retail, network, marketing and innovation. These different areas all underpin the conceptual framework and create a lens through which to understand the process of PL NFPD in this unique context. Therefore, category managers should maintain their relationships with all suppliers because doing so appears to be sufficient to reduce suppliers' motivation to behave opportunistically, particularly in the Saudi retail sector.

MANAGERIAL IMPLICATIONS

This research offers several insights for retail managers aiming to resolve conflicts between category managers and their suppliers, which will help to maintain relationships within PL NFPD. To this end, suppliers' recommendations to retailer managers should be unbiased and factually based. These recommendations should also be flexible and able to be quickly changed in line with moving challenges. However, the retailer's category manager should be the ultimate decision-maker about any decisions in PL NFPD projects so as to minimise bias. Importantly, category managers need to be more collaborative with their suppliers and not use their power and position to affect supplier decisions. This leads us to argue that category managers need to use allowances rather than apply punitive actions to maintain their relationships within PL NFPD projects. Otherwise, leading suppliers will leave, and sell their products and brands at small retailers who do not apply the CM strategy and don't have PL products, as this will protect them from exploitation by leading retailers aimed at developing PL products. Consequently, such suppliers would gain more power over small retailers. Finally, suppliers need to develop their research and development departments and improve their skills regarding the collection and analysis of data. This, in turn, would reduce supplier dependency on retailers, which would decrease retailer control over them.

LIMITATIONS AND FUTURE RESEARCH

The research findings indicate a need to further explore the impact of CM on relationships involving one supplier and other retailers within PL NFPD. The findings reveal that many retailers sell products supplied by multiple competing suppliers who could be developing PL products for several retailers. In this context, a relationship with a single leading supplier can meaningfully impact a retailer's relationships with others in the supply chain. These are academically and managerially vital aspects of this topic that have not been sufficiently addressed in the extant literature. Moreover, the research findings reveal that although the CC role appears in the literature, it does not exist in the Saudi marketplace. Further research is needed to understand the CC role in the Saudi retail market.

The present study does not claim to be representative of the general population; instead, the case study methodology is exploratory and theory-building in nature. The findings therefore have limited generalisability. To test the developed propositions in different FMCG sectors, further research is required, with quantitative research of particular benefit. For example, questionnaires using a larger sample of non-food household and beauty goods or of electronics products could be administered to survey the PL NPD processes and perceptions of the impact of CM roles on retailer–supplier collaboration.

This research was conducted in Saudi Arabia, and all firms are Saudi firms. This research could therefore be extended to involve international suppliers with local retailers to investigate the influence on effective implementation and management of CM strategies and tactics in the development of PL NFPD products. Moreover, given the cultural, social and demographic differences between the Saudi retail market and the European, US and other markets (e.g., consumer behaviour, distribution of wealth, climate, size of the market, competitive dynamics, status signalling

trends, shopping habits and other similar variables), conducting this research in other countries could be of benefit. Furthermore, there are opportunities for comparative CM studies within the European region. In particular, CM's influence on the retailer–supplier collaborative relationship within PL NFPD could be assessed across different national grocery retail sectors, and the similarities and differences evaluated and reported.

Research related to this topic would further validate the framework and may aid a variety of firms in identifying a greater number of new PL product opportunities. Studies examining the development of PL products within other industries would also contribute to NPD and the innovation management literature. Existing research in the FMCG industry has revealed high levels of NPD failure. Considering the significance of CM to NPD success, exploring potential links between new PL innovations and product success would provide a valuable avenue for future research. This would benefit our understanding of the potential role of CM in improving the low success rates in the industry, and may also reveal a need for further research into how category managers can capture new opportunities for PL NFPD projects.

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APPENDIX

Table A.1: Evidence in Support of Propositions.

Proposition	Details of projects (embedded cases)						
	Case A (tuna slices)	Case B (dried tomatoes for salads)	Case C (low-price pasta)	Case D (long-life milk)	Case E (potato chips)	Case F (cooking oil)	Case G (toast)
P1. CC arrangement and competitive exclusion	Partial evidence: No CC exists. Supplier delayed the PL project's timeframe. The retailer decreased the production costs.	Partial evidence: No CC exists. Supplier refused to change the PL product size.	Partial evidence: No CC exists. Supplier refused to make any changes to the PL product quality.	Partial evidence: No CC exists. Supplier refused to produce a PL product of their leader product. The retailer was not flexible regarding shelf space.	Partial evidence: No CC exists. Supplier withdrew from the PL project.	Partial evidence: No CC exists. Supplier developed a competing flanking product. The retailer took the best place for this product.	Partial evidence: No CC exists. Supplier developed a copycat product for a competitor retailer. The retailer applied many punishments .
P2. Retailer information power and dependence	Evidence to support: Controlled access to supplier product information.	Insufficient evidence: The supplier has exclusive production information.	Evidence to support: Retailer shared information to help supplier develop the PL.	Partial evidence: Controlled access to information for NPD suppliers to dictate access to information in exchange for PL development .	Partial evidence: Identified the supplier's lies. To solve delayed, of restock PLs. Controlled access to supplier product information for their competitor.	Partial evidence: Gained information for NPD to develop a unique size of PL.	Partial evidence: Controlled access to information for suppliers.
	Partial evidence:	Partial evidence:	Partial evidence:	Partial evidence: Shelf-space	Partial evidence: Shelf-space	Partial evidence: Shelf-space	Partial evidence: Shelf-space

Proposition	Details of projects (embedded cases)						
	Case A (tuna slices)	Case B (dried tomatoes for salads)	Case C (low-price pasta)	Case D (long-life milk)	Case E (potato chips)	Case F (cooking oil)	Case G (toast)
P3. Retailer– supplier coopetition	Shelf-space priority for PL; best shelf-space location for Ps; removed weaker brands from the shelves. Supplier delayed the PL project's timeframe to inhibit the success of the PL.	Shelf-space priority for PL; best shelf-space location for PL. Supplier refused to change the PLs size to inhibit the success of the PL.	Shelf-space priority for PL. Supplier refused to make any improvement s to PL quality to inhibit the success of the PL.	priority for PL. Supplier refused to produce a PL product of their leader product due to fear of the competition.	priority for PL. Supplier's withdrawal of PL projects with retailer to exclude the product as a competitor to their own- branded product.	priority for PL. Supplier developed a competing flanking product to inhibit the success of the PL.	priority for PL. Supplier developed a copycat product for a competitor retailer to inhibit the success of the PL.
P4. Trust and information leakage	Partial evidence: Sell their brands with several retailers.	Evidence to support: Supplier helped Supplier X in production, and shared Supplier X's information with the retailer on the development of copycat products.	Insufficient evidence: No evidence of information leakage and the development of copycat products.	Partial evidence: Multiple relationships in the market led to information leakage and the development of copycat products.	Partial evidence: Development of copycat products due to the competition.	Partial evidence: Development of competing flanking product due to the competition.	Partial evidence: Development of copycat products due to the competition.
	Evidence to support: Due to the retailer's punitive actions, the supplier fixed the packaging	Evidence to support: Due to the retailer's punitive actions, the supplier developed PL as per a	Evidence to support: Due to the retailer's punitive actions, the supplier developed PL as per a	Evidence to support: Retailer coerced supplier to develop PL with inferior- quality	Insufficient evidence: Supplier's withdrawal of PL projects with the retailer.	Partial evidence: Retailer coerced supplier to develop PL with unique size.	Partial evidence: Due to the retailer's punitive action, the supplier develops PL

Proposition	Details of projects (embedded cases)						
	Case A (tuna slices)	Case B (dried tomatoes for salads)	Case C (low-price pasta)	Case D (long-life milk)	Case E (potato chips)	Case F (cooking oil)	Case G (toast)
P5. Coercion and commitment	problem quickly.	predefined brief (400g plain flavour).	predefined brief (fast cooking time).	versions of successful branded products; inhibited the supplier's creation of innovative new product concepts.			for a low price.