WOMEN'S RETAIL BRAND AWARENESS

A Survey Of Private Label Fashion, Food, And Storewide Brands

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By Melanie Shreffler Editor, Research Alert

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INTRODUCTION

Sales of private label brands are experiencing strong growth in both unit and dollar sales according to several researchers — including the Private Label Manufacturer's Association, Nielsen, and Information Resources Inc., to name just a few — but do consumers know what they are buying? In this proprietary survey from EPM Communications, publisher of RESEARCH ALERT, THE LICENSING LETTER, and MARKETING TO WOMEN, we examine how well consumers know 46 private label brands available at 20 retailers (see chart, p. 6), and the factors that influence their brand awareness.

We included brands displaying a wide range of products, marketing efforts, and longevity. Some direct-to-retail powerhouses (such as Martha Stewart) were not included because their lines are in transition from one retailer to another, or because they have multiple exclusive lines at different retailers.

The women in this survey are not luxury shoppers or fashionistas; they represent mainstream America and have incomes that closely match the income breakdowns of the U.S. Census Bureau's 2008 American Community Survey.

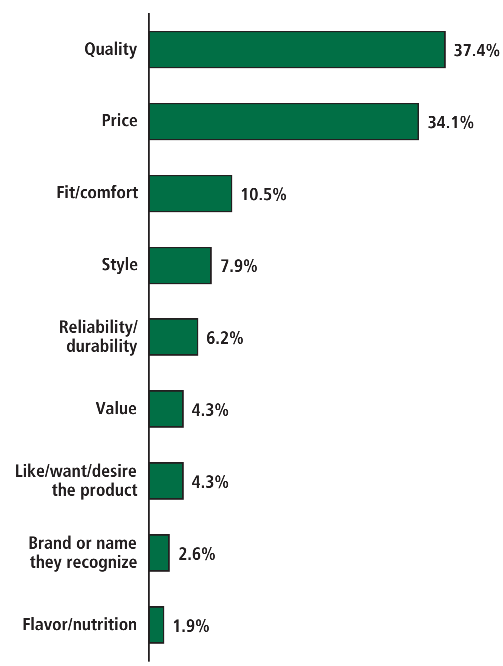
Two in 10 women (20%) can correctly identify the retailers that carry the brands in this survey. The same proportion (20%) incorrectly identify the retailer. Three times as many women (60%) are not sure who carries the brands.

Identifying Brands And Their Retailers

Sales of private label goods have taken off in recent years not only because manufacturers have put more effort into offering more attractive packaging and labeling, but also because a majority of consumers who have tried them have deemed them as good as national brands. In addition, consumers who may have been reluctant to buy private label brands were driven to try them during the recession as they explored ways to save money. Private label products are an easy way for shoppers to trade down to less expensive items while still meeting their everyday needs.

Women say their top concern when choosing which brand to buy is quality (cited by 37%), but nearly as many cite price (34%). Only 3% of women claim that buying a brand name they know is important to them. That is particularly good news for private label food manufacturers — food brands have the

MOST IMPORTANT FACTOR THAT INFLUENCES WOMEN'S CHOICE OF WHETHER OR NOT TO BUY A BRAND, 2009



SOURCE: EPM Communications

DURATION BRANDS HAVE BEEN CARRIED AT THEIR RESPECTIVE RETAILERS, ALPHABETICAL BY BRAND, 2009

BRAND	RETAILER	YEARS AT STORE
APPAREL		
Abbey Dawn	Kohl's	1 year
Alfani	Macy's	12 years (approximately)
American Living	JC Penney	1 year
apt. 9	Kohl's	5 years
Arizona Jeans	JC Penney	25 years
Bootheel Trading	Dillard's	1 year
C9 by Champion	Target	2 years
Charter Club	Macy's	12 years (approximately)
Cherokee	Target	13 years
Converse One-Star	Target	1 year
Daisy Fuentes	Kohl's	5 years
Danskin Now	Wal-Mart	Less than 1 year
Elle	Kohl's	2 years
Faded Glory	Wal-Mart	14 years
Fisher-Price Apparel	Kmart	Less than 1 year
Jessica Simpson	Macy's	2 years
Joe Boxer	Kmart	7 years
L.E.I.	Wal-mart	1 year
Liz Lange	Target	7 years
Mossimo	Target	8 years
Nicole by Nicole Miller	JC Penney	4 years
Norma Kamali	Wal-Mart	1 year
Sparks	Wet Seal	1 year
Simply Vera Vera Wang	Kohl's	2 years
FOOD BRANDS		
365	Whole Foods	7 years
Archer Farms	Target	7 years (estimated)
Disney Magic	Kroger	3 years
Equate	Wal-Mart	10 years (estimated)
Great Value	Wal-Mart	16 years
Kirkland Signature	Costco	12 years
Looney Tunes	Safeway	Less than 1 year
Market Pantry	Target	5 years (estimated)
Master Choice	A&P	22 years
Nature's Promise	Stop 'N' Shop	4 years (estimated)
O Organics	Safeway	4 years
Rancher's Reserve	Safeway	6 years
Value Time	Piggly Wiggly	7 years (estimated)
STOREWIDE		
Berkley & Jensen	BJ's	10 years
Better Homes & Gardens	Wal-Mart	1 year
Craftsman	Sears/Kmart	82 years
Jaclyn Smith	Sears/Kmart	24 years
Kenmore	Sears/Kmart	82 years
Insignia	Best Buy	5 years
Member's Mark	Sam's Club	11 years
Parent's Choice	Wal-Mart	3 years
Sonoma	Kohl's	13 years

SOURCE: EPM Communications

DURATION BRANDS HAVE BEEN CARRIED AT THEIR RESPECTIVE RETAILERS, BY RETAILER, 2009

BRAND	RETAILER	YEARS AT STORE
APPAREL		
Bootheel Trading	Dillard's	1 year
American Living	JC Penney	1 year
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Nicole by Nicole Miller	JC Penney	4 years
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Kenmore	Sears/Kmart	82 years
Better Homes & Gardens	Wal-Mart	1 year
Parent's Choice	Wal-Mart	3 years

SOURCE: EPM Communications

lowest level of awareness (17%) among the categories studied.

Storewide brands enjoy the highest levels of awareness among women shoppers (31%). More than three quarters (78%) know the Sears/Kmart brands Kenmore and Craftsman — women know tools as well as appliances! Both benefit from being long established brands (82 years each).

Brand longevity positively influences awareness, as evidenced by brands that top this survey. Among apparel labels, the three best-known brands have been in existence for eight to 25 years; among food brands, seven to 16 years; and among storewide brands, 24 to 82 years.

However, some relatively young brands, such as the Better Homes & Gardens label at Wal-Mart, have rapidly established strong awareness by leveraging their well-known names. Celebrity apparel brands have had similar success, but it is key that they include the celebrity name in the brand name; those that do not fail to reap the benefit. For example, Kohl's Abbey Dawn label from Avril Lavigne scores low despite the pop star appearing in the brand's advertising push. (Admittedly, this survey was administered only to women 18 years and older; Lavigne's line may be better known among younger girls.

External Factors Affecting Brand Awareness

The frequency with which women shop is highly correlated to how likely they are to know brands. In general, the more often they shop a store, the more likely they are to know the brands that store carries. Among the notable exceptions is Jessica Simpson at Macy's; women are equally likely to know the brand regardless of how often they shop Macy's. Simpson was prominently featured in the retailer's widespread holiday campaign in 2008, which likely boosted awareness among all women.

Nearly a third of women (31%) say that a brand's exclusive presence at a store makes it a destination for them when they shop. The younger the women, the more likely they are to say brands bring them to stores.

Exclusive brands are not only beneficial in generating foot traffic to the store, but also drive sales: 33% of women are likely to spend more at a store that carries a favorite brand exclusively.

Brand names are key, even among non-"name brand" products. When consumers associate a retailer with a particular position, they tend to associate brands that reference that position with that retailer. For example, women think Safeway's O Organics is sold at Whole Foods because they know that Whole Foods focuses on offering organic and natural products. Women also think that budget-friendly extensions of designer brands, such as Simply Vera Vera Wang, are available at higher-end department stores Dillard's or Macy's, rather than at mid-tier retailer Kohl's, by nature of the designer name attached to the brand.

The word "parent" in Wal-Mart's Parent's Choice brand explains women's relatively high awareness (24%) of the three-year-old brand. It benefits from being marketed to moms who are more likely than women in general to discuss and share product reviews. In fact, women who learn about brands via word-of-mouth are more likely to know Parent's Choice than women who learn about brands in other ways.

Wal-Mart, whose historic positioning has been based on low prices, has also coopted the word "value." Women largely ascribe Piggly Wiggly's Value Time brand to Wal-Mart.

Women are more likely to first learn about brands via store circulars and in-store promotions than they are to learn about them through television, magazines, radio, and Internet combined.

The way in which they discover brands has an impact on their brand awareness. Women who learn about brands via in-store promotions and circulars are more likely than women overall to know storewide brands. Those who learn about brands via magazines are more likely than women overall to know licensed apparel lines, such as Kohl's Daisy Fuentes or Target's Mossimo.

Licensed brands face an additional set of challenges to build awareness — only 17% of women correctly identify retailers of the licensed brands included in this survey. Women are confused about where to find exclusively licensed extensions of national brands (Target's C9 by Champion and Wal-Mart's Danskin Now, for example). The challenge is compounded at some retailers. For example, Wal-Mart's price-conscious shopper is more likely to know the store's private label offerings than its more-expensive licensed brands. On the other hand, women who shop Target, which caters to a trendier clientele, are more likely to know the store's licensed brands than its store brands.

Survey Methodology

The Women's Retail Brand Awareness research was conducted online by EPM Communications. Data was collected October 19-20, 2009 from 305 women aged 18+ who reside in the U.S. concerning their knowledge and opinions of 46 private label and licensed brands and 20 retailers.

PART I:
IDENTIFYING BRANDS AND THEIR RETAILERS

APPAREL BRAND AWARENESS

None of the 24 apparel brands surveyed achieve 50% awareness among women shoppers. Nearly half (48%) correctly identify Faded Glory as a Wal-Mart brand, 44% know Arizona Jeans is available at JC Penney, and 35% know Mossimo is carried at Target. No other brands can boast even 30% awareness.

Among some of the better-known brands (Joe Boxer and Cherokee, for example), an equally large proportion of consumers incorrectly think they are carried at other retailers.

The recent push to offer designer-brand apparel at affordable prices has not necessarily benefited retailers. While 24% of women know Kohl's Simply Vera Vera Wang brand, 34% of them incorrectly assume it is sold at higher-end retailers Macy's or Dillard's. The same fate befalls Wal-Mart's Norma Kamali label — only 1% of women know it is exclusive to Wal-Mart, compared to 10% who believe it is sold at Macy's or Dillard's.

The dramatic difference in women's knowledge of the designer labels Simply Vera Vera Wang and Norma Kamali can be attributed to the retailers' treatments of the brands. Norma Kamali is less critical to Wal-Mart's bottom line because it sells numerous merchandise categories, and gets less promotion in-store and in advertising. On the other hand, Simply Vera Vera Wang is a key line in Kohl's mix and is widely advertised to draw consumers into the store.

Many women are not aware of Macy's Charter Club and Alfani brands, both of which have been around for more than a dozen years and take up substantial floor space in the store. It is probable that women do not make a trip to Macy's in search of these brands but buy them when they find items that suit their needs.

Awareness of celebrity brands among women typically mirrors that celebrity's popularity among different age groups. For example, women aged 18-24 (35%) are more likely than those aged 65 and older (8%) to identify Macy's Jessica Simpson brand. Women aged 25-44 (24%) and 45-64 (29%) are more likely than 18-24 year olds (21%) to know Kohl's sells the Daisy Fuentes brand.

Similarly, young women are more likely to connect Kohl's with Simply Vera Vera Wang than older women who tend to be less concerned about designer labels.

Middle-aged women are a key Wal-Mart demographic, so it is no surprise that the store's brands are best known among those shoppers. However, the retailer can stand to improve in some areas — while its store brands are well known, few women are aware of its licensed apparel.

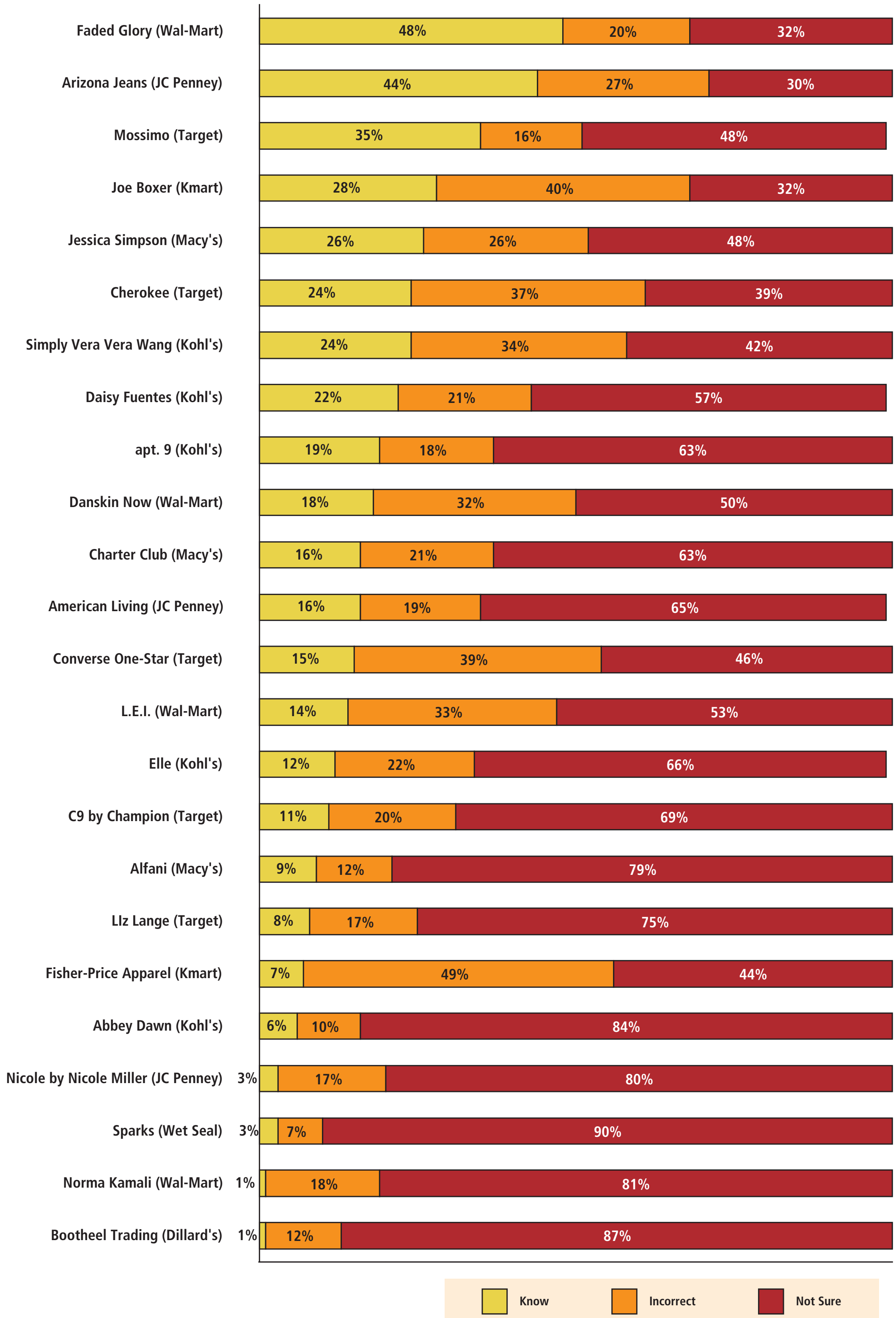
In general, women with annual household incomes higher than $30,000 are more likely than those with incomes lower than $30,000 to be aware of apparel brands, even those carried at lower-end retailers, such as Kmart and Wal-Mart. One exception is the Jessica Simpson brand. The brand has received extensive promotion via television, which is the medium that resonates most strongly with women with lower incomes (see the chapter on media's effect on brand awareness).

Moms have a significantly higher awareness of apparel brands carried at Wal-Mart and Target than do women without children. The two stores cater to time-pressed moms who delight in one-stop shopping in which they can fill their pantries and their closets without having to haul their kids in and out of the car while visiting multiple stores.

Apparel Brand Awareness Overall (see charts pages 16-18)

- Faded Glory and Arizona Jeans have superior awareness, and few associate them with the wrong stores
- Kmart's Fisher-Price Apparel, which is very new, is associated with the wrong store seven times as often as with the right one. The omnipresence of the core brand at other stores means Kmart will have to market the brand heavily before consumers associate it as a store brand exclusive to the chain
- The same may be true for Converse One-Star, Danskin Now, and Simply Vera Vera Wang
- Joe Boxer's history as a national brand — despite being exclusive at Kmart for more than 7 years — may similarly explain the large number of people who associate it with other retailers
- Target has done an effective job for Mossimo, but Cherokee has not achieved comparable awareness; L.E.I.'s position at Wal-Mart may also be vulnerable, though Taylor Swift's exclusive presence as the spokeswoman for the brand at Wal-Mart and the addition of exclusive dresses to the line, if properly leveraged, will help build up the label

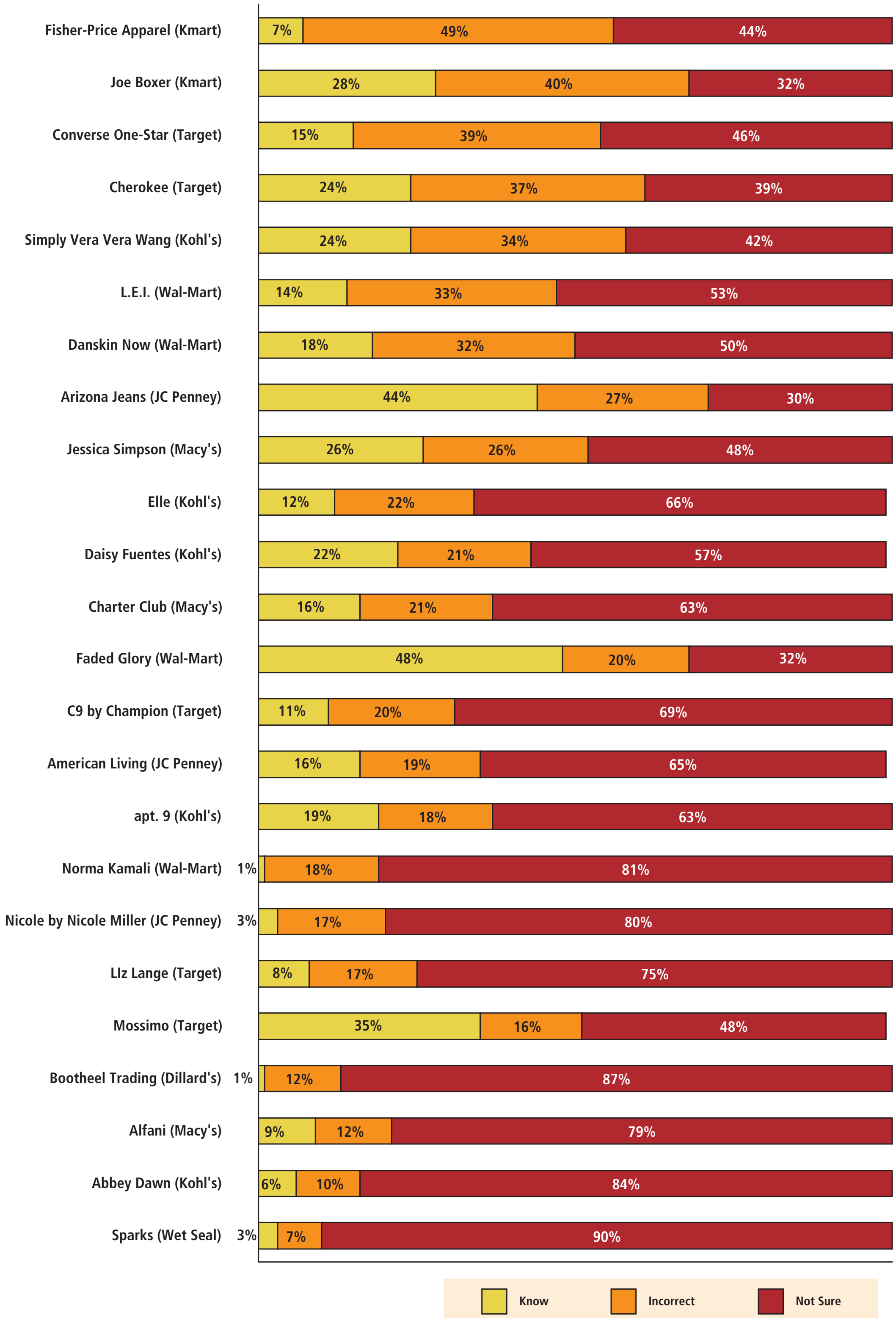
WOMEN WHO KNOW, INCORRECTLY THINK THEY KNOW, AND ARE UNSURE WHERE PRIVATE LABEL APPAREL BRANDS ARE CARRIED, IN DESCENDING ORDER OF THOSE WHO ARE CORRECT, 2009



NOTE: Totals may not equal 100% due to rounding.

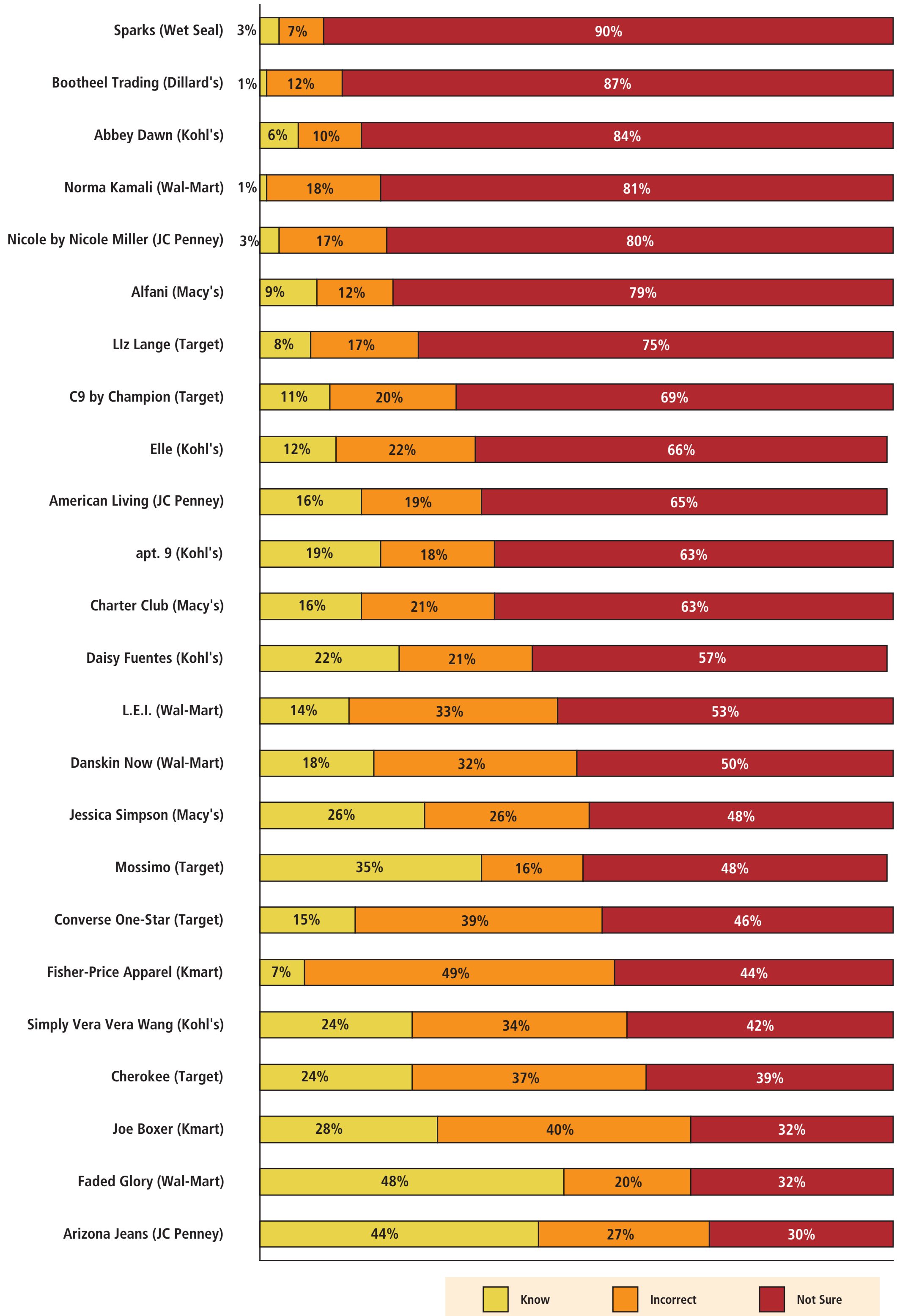
SOURCE: EPM Communications

WOMEN WHO KNOW, INCORRECTLY THINK THEY KNOW, AND ARE UNSURE WHERE PRIVATE LABEL APPAREL BRANDS ARE CARRIED, IN DESCENDING ORDER OF THOSE WHO ARE INCORRECT, 2009



SOURCE: EPM Communications

WOMEN WHO KNOW, INCORRECTLY THINK THEY KNOW, AND ARE UNSURE WHERE PRIVATE LABEL APPAREL BRANDS ARE CARRIED, IN DESCENDING ORDER OF THOSE WHO ARE NOT SURE, 2009

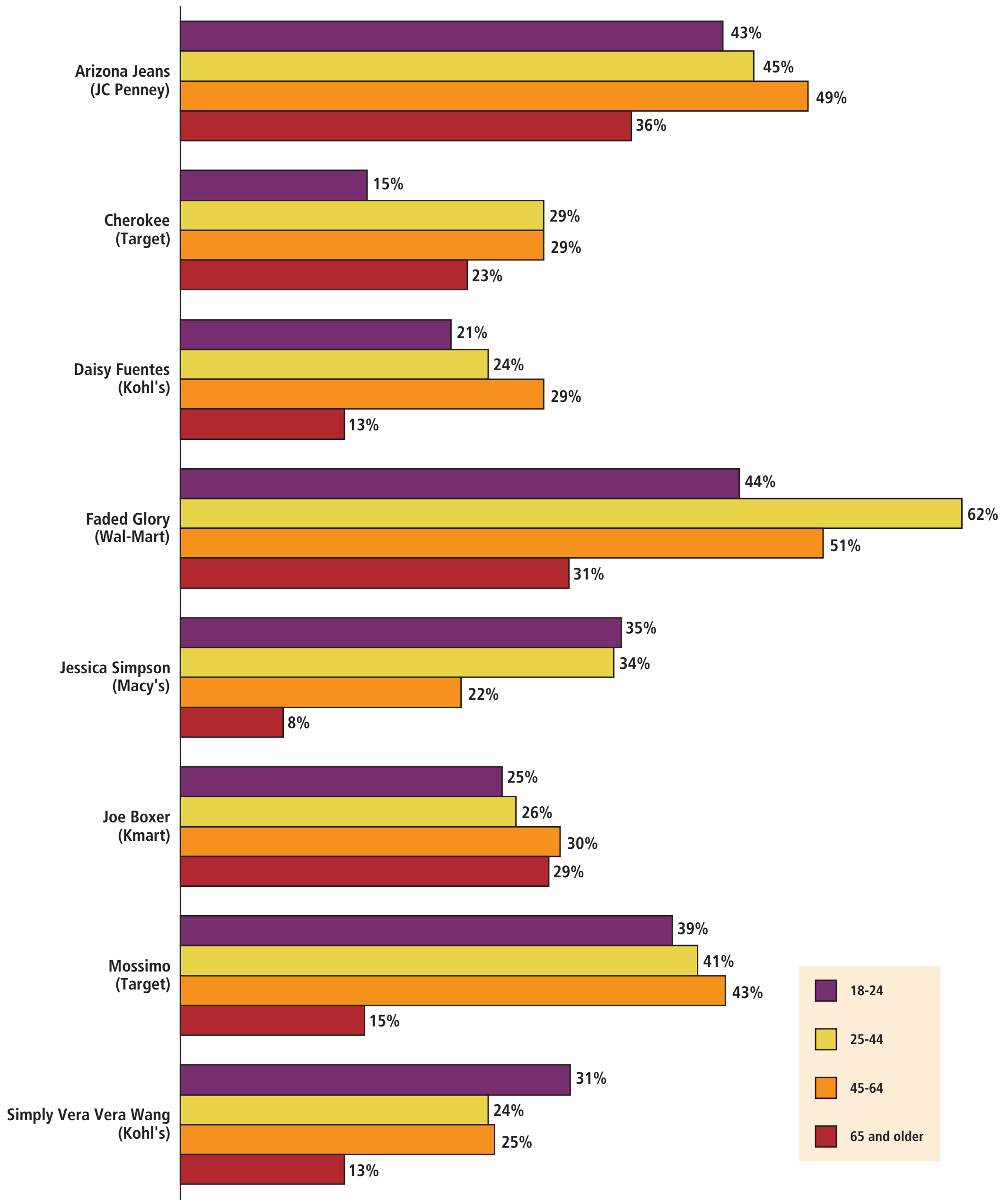


SOURCE: EPM Communications

Apparel Brand Awareness, By Age

- Arizona Jeans and Faded Glory have high and near equal awareness among 45-64 year olds, though Faded Glory is best known among 25-44 year olds
- Mossimo, Joe Boxer, and Daisy Fuentes have the highest level of awareness for their respective brands among 45-64 year olds

WOMEN'S AWARENESS OF APPAREL STORE BRANDS, BY AGE, 2009



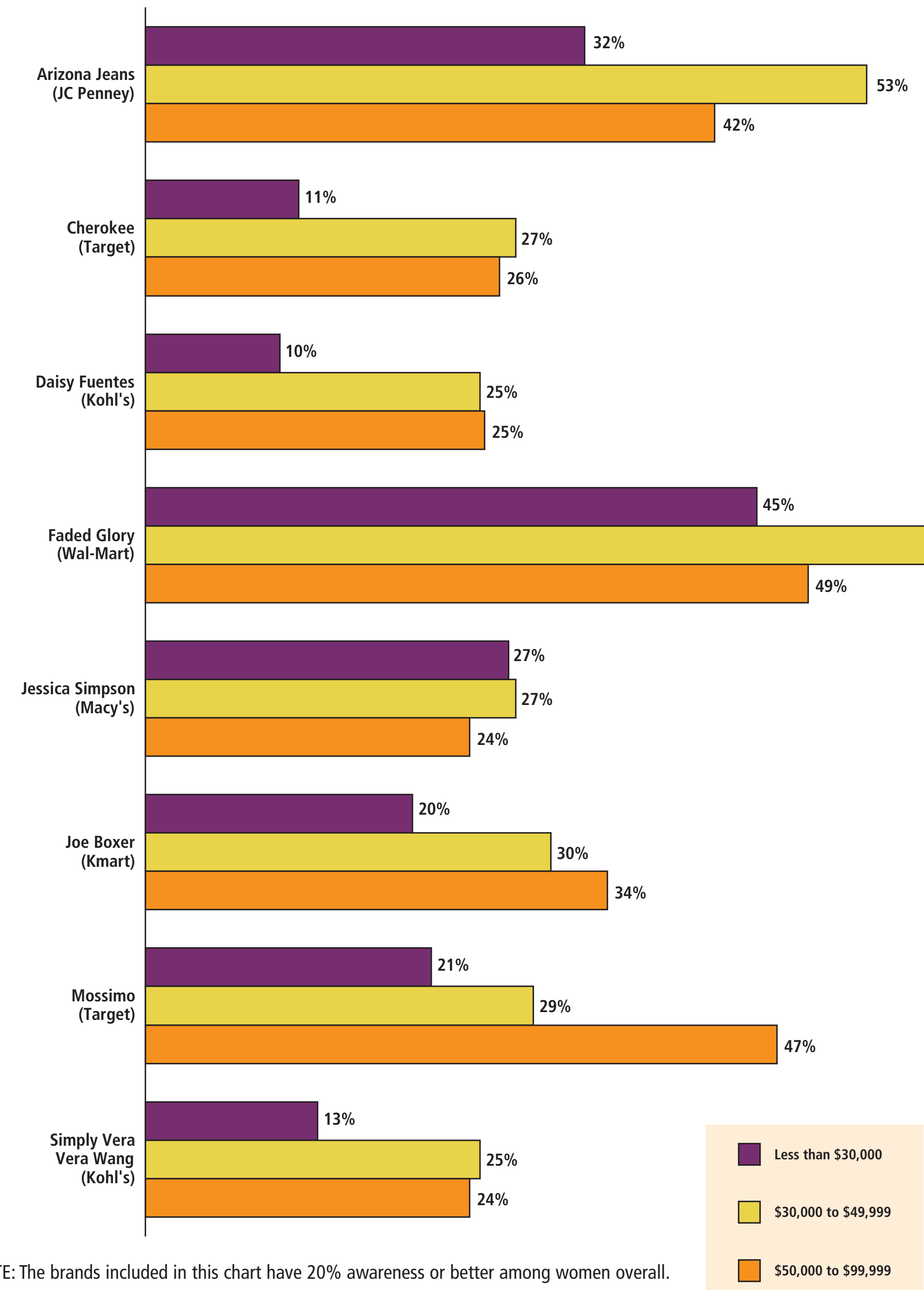
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Apparel Brand Awareness, By Income

- Mossimo is well known among higher-income shoppers
- Faded Glory resonates with women all along the income spectrum, known almost as well among those in the lowest income bracket as the highest.

WOMEN'S AWARENESS OF APPAREL STORE BRANDS, BY INCOME LEVEL, 2009



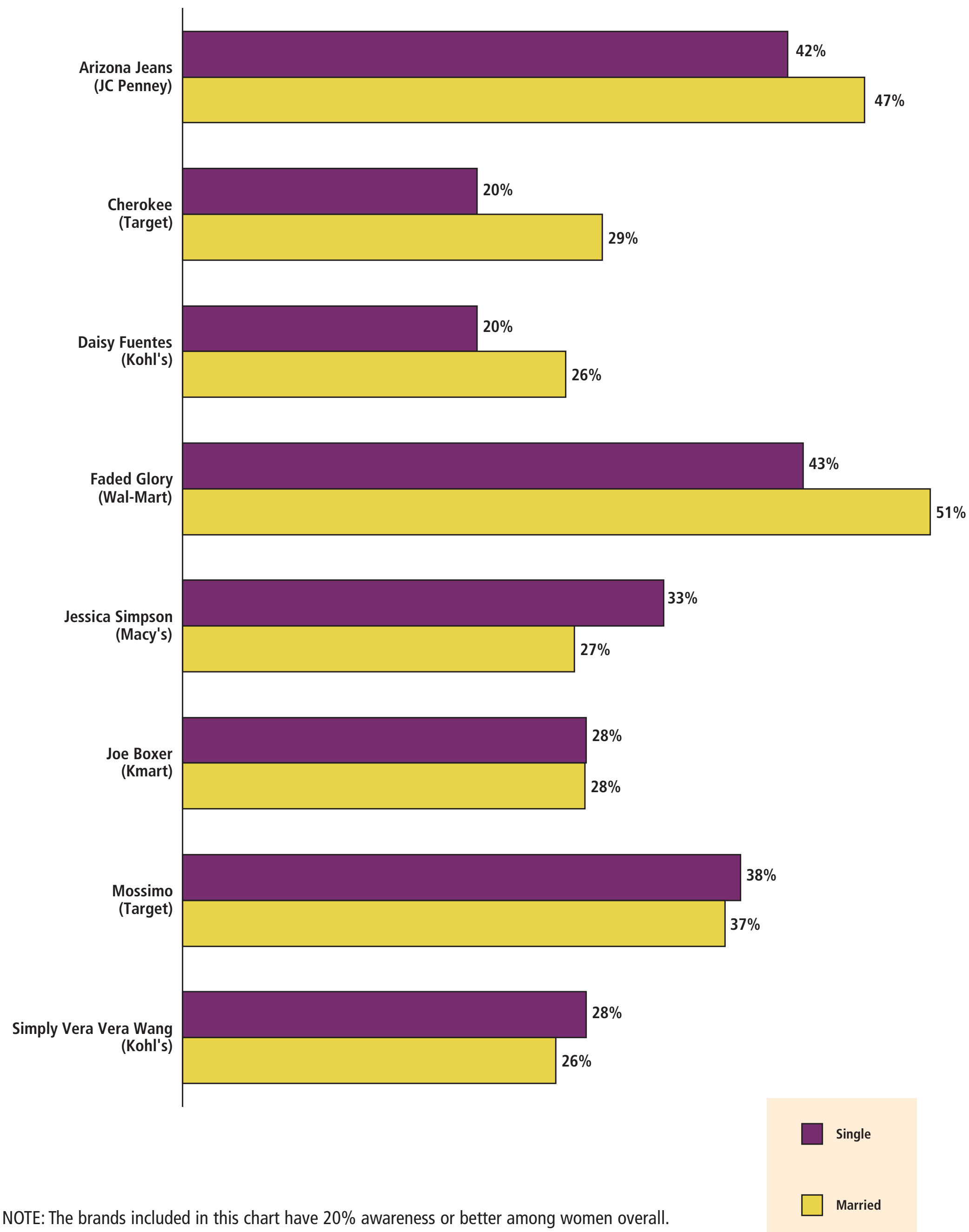
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Apparel Brand Awareness, By Marital Status

- Cherokee and Faded Glory evidence the greatest disparity in awareness between single and married women
- Arizona Jeans and Faded Glory are the strongest brands for both groups

WOMEN'S AWARENESS OF APPAREL STORE BRANDS, BY MARITAL STATUS, 2009



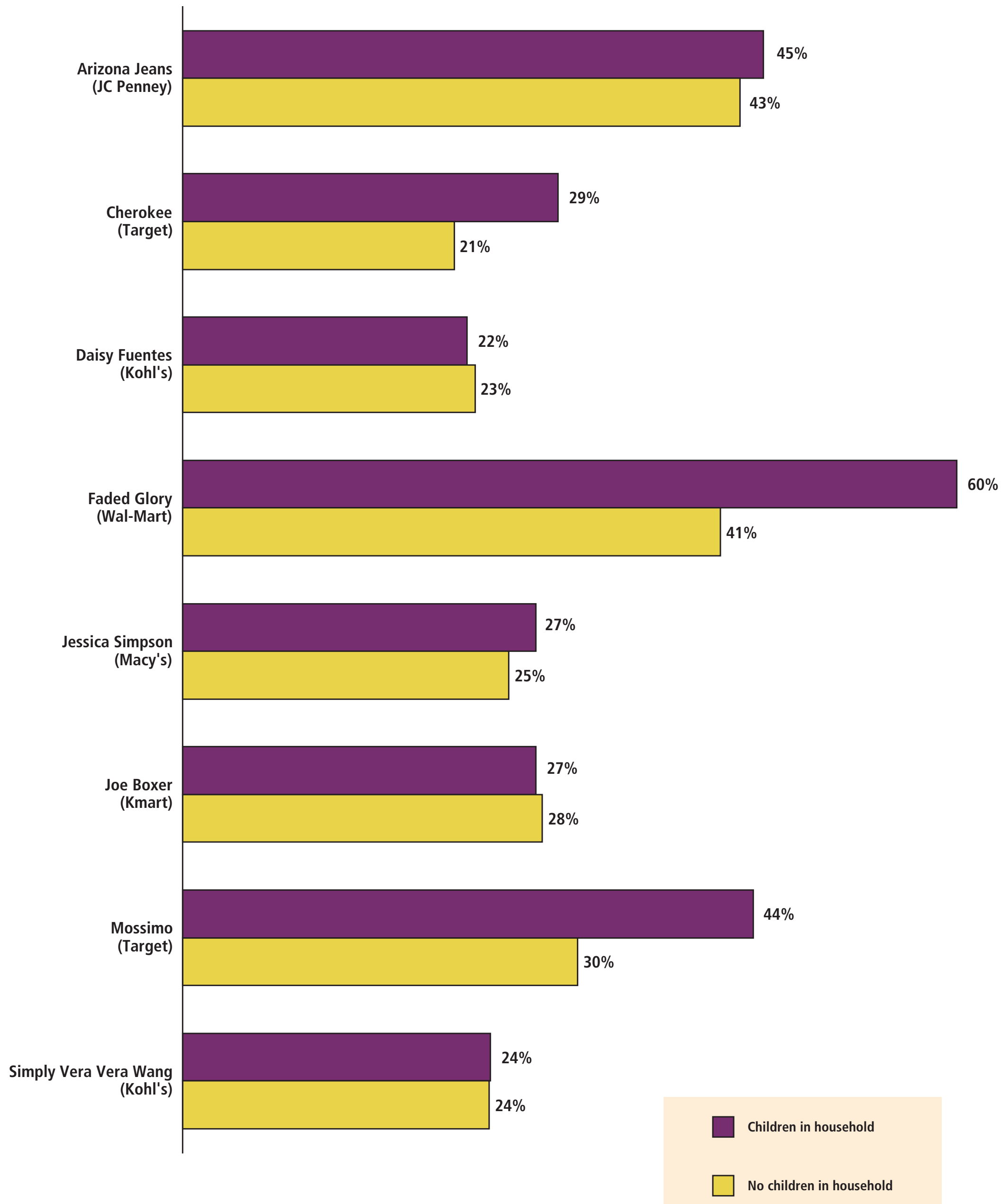
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Apparel Brand Awareness, By Presence Of Children

- Faded Glory and Mossimo — both designed as fashion basics for women of all ages — are better known among women with children than those without
- All other brands are virtually even across both groups

WOMEN'S AWARENESS OF APPAREL STORE BRANDS, BY THE PRESENCE OF CHILDREN IN THE HOUSEHOLD 2009



NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

FOOD BRAND AWARENESS

In recent years, price-sensitive grocery shoppers have decided that private label brands are as tasty and possess the same quality as national brands. But do they know the private label brands they are buying? The low levels of awareness for such food brands suggests they may not.

The low awareness levels for many food brands in this survey can be attributed to the fact that several of the retailers — Safeway, Stop 'N' Shop, Kroger, A&P, and Piggly Wiggly — are regional chains, so few respondents may have those chains (or brands) available to them. However, even some national chain private labels have low awareness, such as Whole Foods' 365 (7%). Even here the awareness level is mitigated by the fact that Whole Foods has relatively few stores, and that those who shop Whole Foods likely shop it less frequently than those who shop traditional grocery stores on a weekly or more basis.

It is perhaps no surprise that retail giant Wal-Mart decisively wins the battle for women's awareness of food brands. Wal-Mart carries the only two brands that at least half of women identify with the store that sells them: Great Value (52%) and Equate (50%). The mass merchandiser draws price sensitive shoppers who are willing to try private label brands to save money, and which would lead to greater awareness of those brands.

The Name Game

Womens' preconceived notions about stores contribute to their errors in identifying which retailers carry which private labels.

Their impression of Whole Foods as a supermarket specializing in natural and organic foods leads them to believe that the retailer carries Safeway's O Organics brand and Stop 'N' Shop's Nature's Promise label. In fact, they are more likely to believe that Whole Foods carries O Organics than they are to correctly identify Whole Foods' own organic private label, called 365. Likewise, their notion of Wal-Mart as a value-driven retailer leads them to believe it carries Piggly Wiggly's Value Time label.

Women are also confused by licensed brands Disney Magic and Looney Tunes. They are more likely to believe the brands are carried at retail powerhouses Wal-Mart and Target than at the regional chains that actually carry the brands, Kroger and Safeway. Both labels are relatively new, which may also be a contributing factor in their low awareness levels.

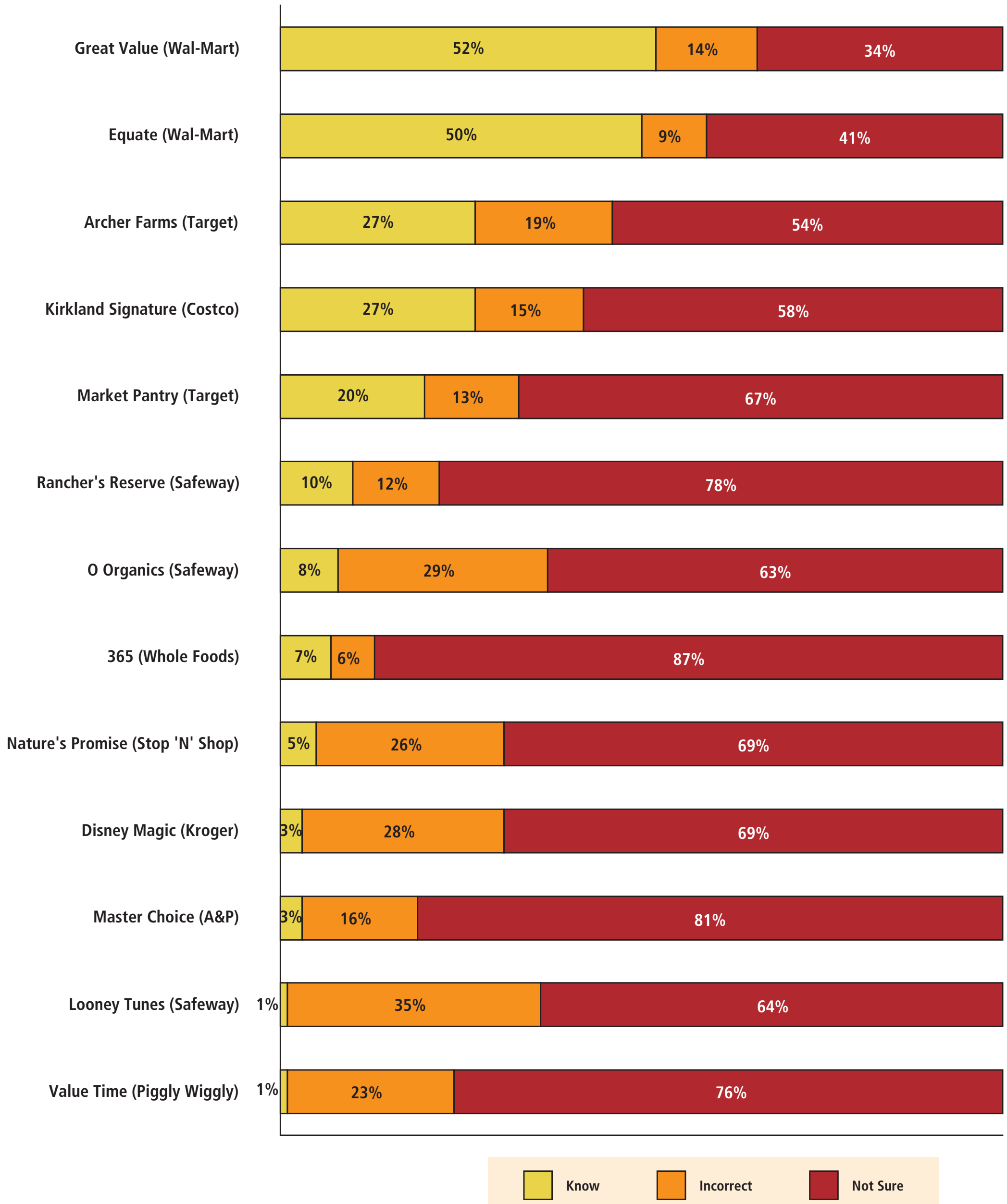
Married, middle-aged women are more likely than single young women to correctly identify which food brands are sold where. This is dictated by their lifestyles: married, middle-aged women are more likely to prepare meals at home for their families, whereas young single women are more likely to eat out and are, therefore, less likely to grocery shop.

Although it may seem counter-intuitive because women with lower incomes are more likely to buy money-saving private label brands, the greater a woman's annual household income, the more likely she is to know food brands. Women with lower incomes focus on price, not the name of the brand they are buying. Women with higher incomes have the leeway to compare brands as well as prices.

Food Brand Awareness, By Retailer

- Wal-Mart is untouchable in food category private label awareness
- Responses in this section are expectedly low for regional supermarket chains, which may have higher awareness within their regions, but are not studied in-depth here

WOMEN WHO KNOW, INCORRECTLY THINK THEY KNOW, AND ARE UNSURE WHERE PRIVATE LABEL FOOD BRANDS ARE CARRIED, 2009



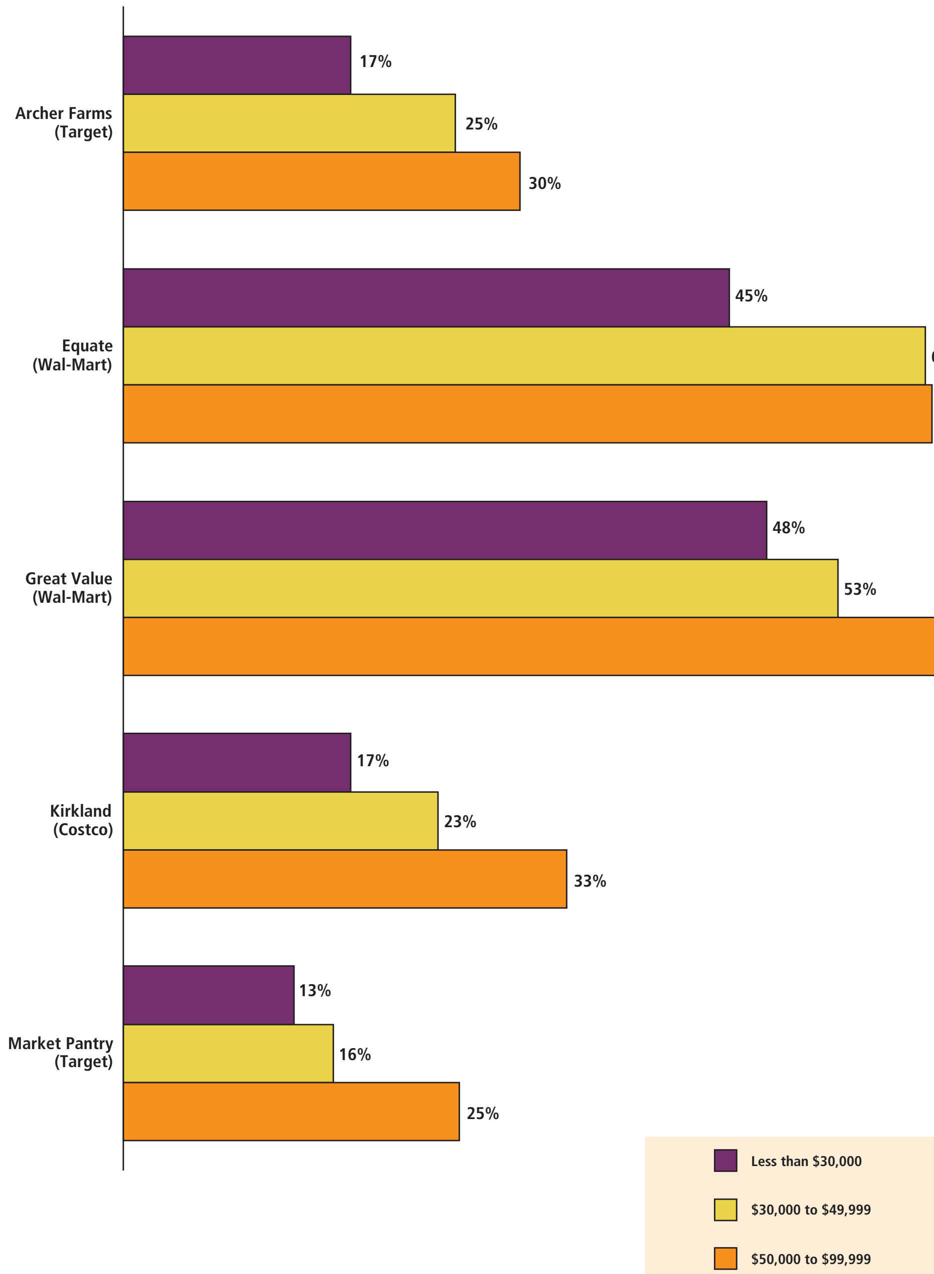
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

Food Brand Awareness, By Income

- Despite store brands' reputation as money-savers, awareness of which brands are associated with which stores increases with income

WOMEN'S AWARENESS OF PRIVATE LABEL FOOD BRANDS, BY INCOME LEVEL, 2009



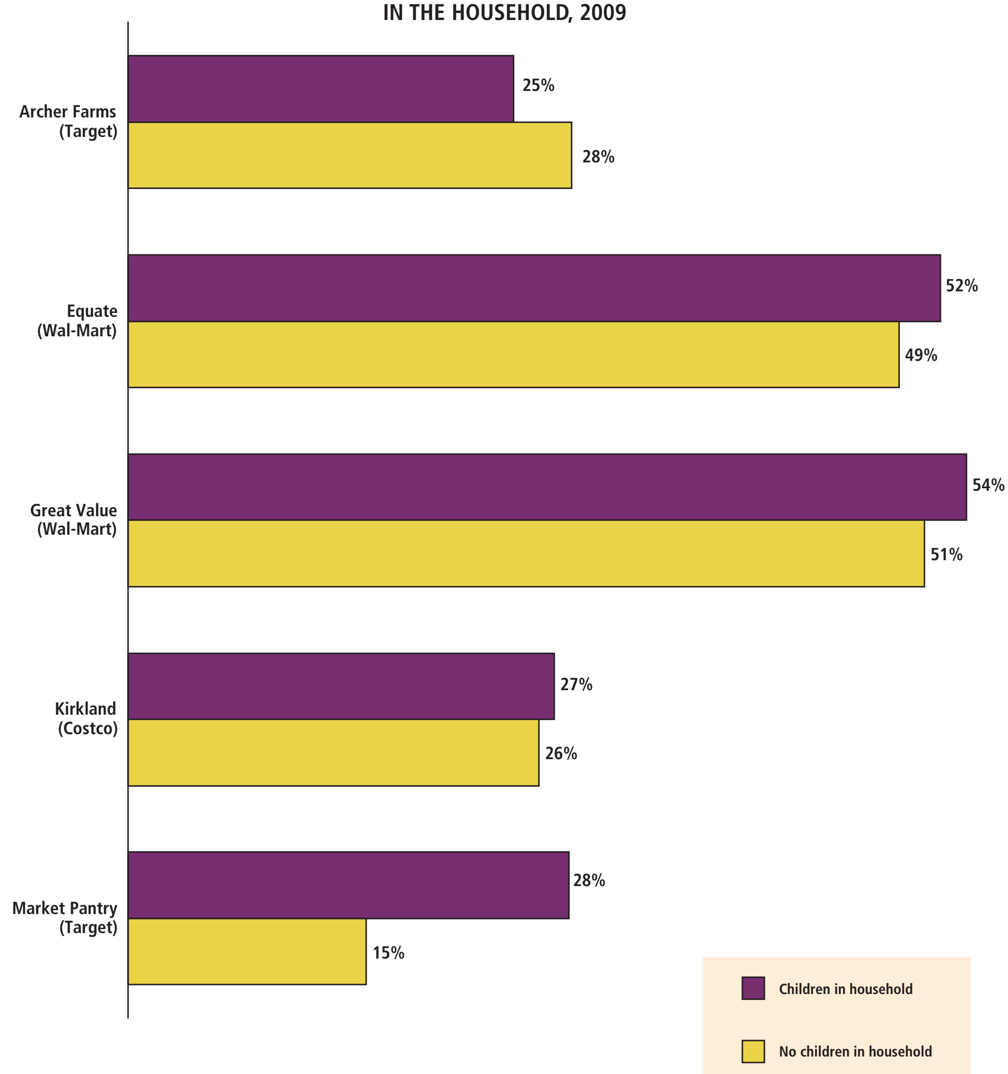
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Food Brand Awareness, By Presence Of Children

- Presence of children in the household minimally impacts awareness levels, except among Target brands Archer Farms (positioned as an inexpensive gourmet option), which is better known among women without children, and Market Pantry (a line of basics, including kid-friendly snacks), which is better known among moms

WOMEN'S AWARENESS OF PRIVATE LABEL FOOD BRANDS, BY THE PRESENCE OF CHILDREN IN THE HOUSEHOLD, 2009



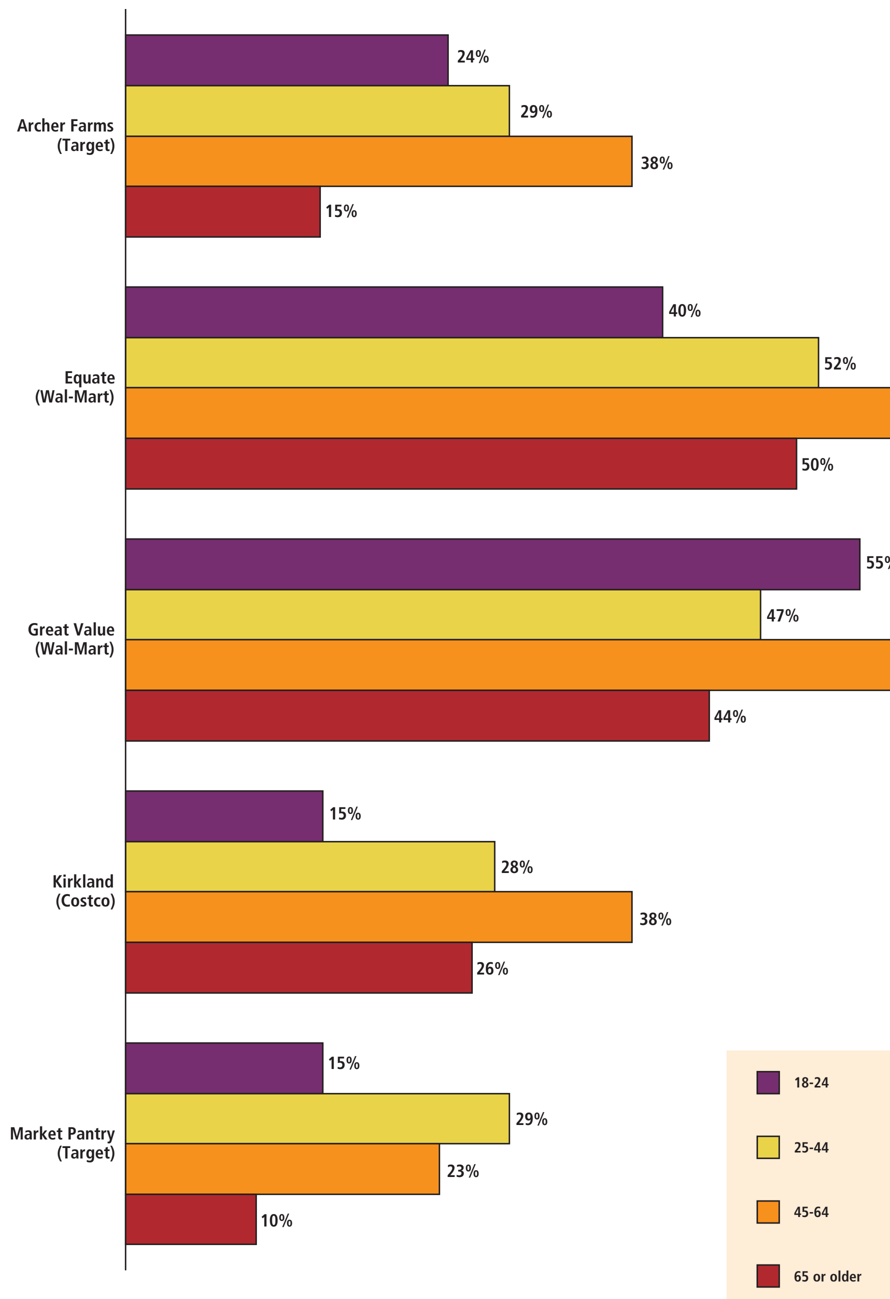
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Food Brand Awareness, By Age

- 45-64 year olds dominate in recognition of which store brands are sold where
- Only Market Pantry is stronger among 25-44 year olds

WOMEN'S AWARENESS OF FOOD PRIVATE LABEL BRANDS, BY AGE, 2009



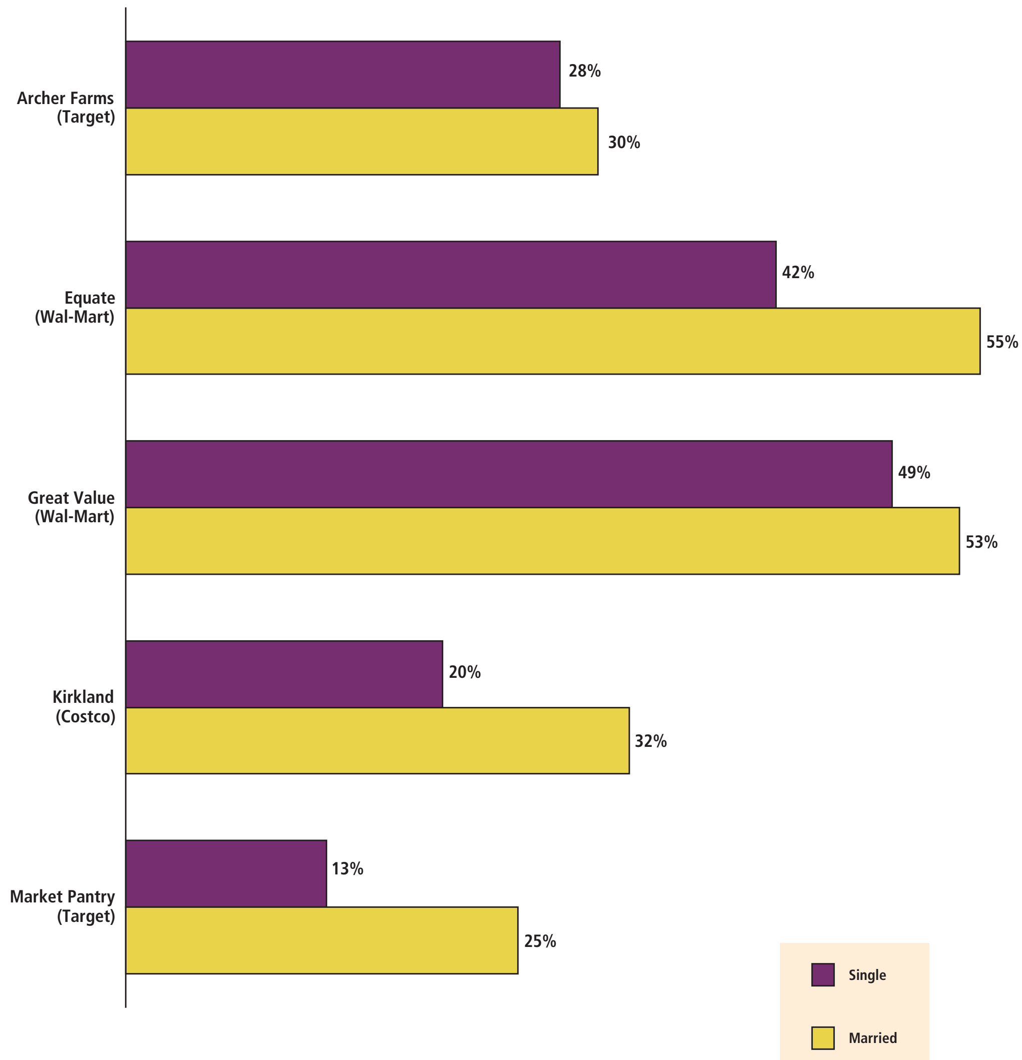
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Food Brand Awareness, By Marital Status

- Married women consistently score higher than singles in accurately associating the right brand with the right store; marrieds are more likely to preprare meals at home and plan shopping trips accordingly

WOMEN'S AWARENESS OF PRIVATE LABEL FOOD BRANDS, BY MARITAL STATUS, 2009



NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

STOREWIDE BRAND AWARENESS

Women are nearly twice as likely to correctly identify storewide brands (31%) as they are to know either food or apparel brands (17% each). However, most of the storewide brands included in this survey have been in existence for more than a dozen years, and longevity positively affects brand awareness.

The Kenmore and Craftsman brands originated by Sears and now also sold at corporate sister Kmart are the two oldest brands surveyed, and have the highest awareness of any brand in any category (78% each). Relatively few women incorrectly guess the brands are carried at other retailers. Sears and Kmart promote the brands heavily in-store, via circulars, and on their websites, all of which improves awareness, according to the survey, though there is indication the brands don't resonate as strongly among younger women — an issue the retailers will need to address to sustain the brands going forward.

But longevity isn't everything. Best Buy's Insignia brand has been in existence for 13 years, with its prominence beefed up in the last 2-3 years. But it has the lowest level of awareness of store brands among women. It is not heavily promoted in store circulars or via Best Buy's website — name brand electronics are more likely to appear in the store's "featured brands" section of its site.

Women are able to correctly identify Wal-Mart as the retailer carrying the year-old Better Homes & Gardens brand. Its high recognition is likely tied to its well-known magazine namesake.

Women aged 18-24 are less likely than older women to be able to identify storewide brands. Most storewide brands are household items — appliances, furniture, and home décor — and women in this age group generally (and single women in particular) are not likely to be setting up their own homes yet.

Women with children are (not surprisingly) more likely to be aware of Wal-Mart's Parent's Choice brand, but also its Better Homes & Gardens and Kohl's Sonoma labels. Women in this life stage are more likely than average to move into a larger home as their families expand and have a greater need for housewares and new décor.

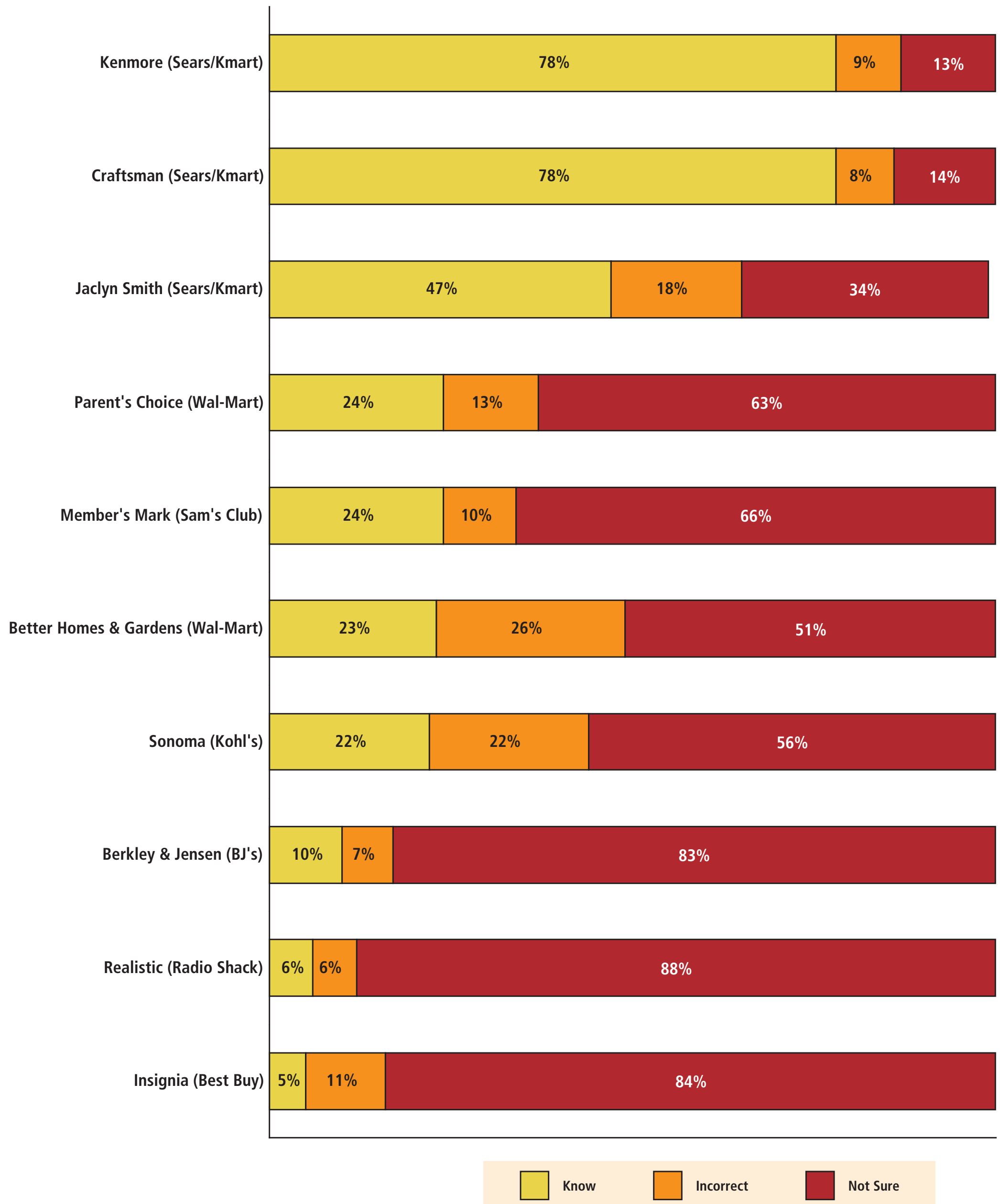
Women without children are more likely than moms to know that the Jaclyn Smith brand is exclusive to Kmart and Sears. This is likely also a function of age, with the typical Jaclyn Smith shopper being Baby Boomers, who are increasingly empty-nesters.

As with other categories, women with higher household incomes are more likely than those with annual incomes of less than $30,000 to correctly identify storewide brands with the retailers that sell them. However, low-income women are more likely than those in other income brackets to recognize that Wal-Mart is home to Parent's Choice and Better Homes & Gardens, proving once again that the mass merchandiser is successful in reaching low-income consumers.

Storewide Brand Awareness, By Retailer

- Sears (now with sister division Kmart) has the highest brand awareness of any brand surveyed for Kenmore and Craftsman; longevity is clearly a key, with each brand originally introduced in 1927
- Yet despite Kmart's difficulty competing, they've also successfully maintained Jaclyn Smith as a brand clearly associated with the chain (the Smith line now extends to Sears as well)

WOMEN WHO KNOW, INCORRECTLY THINK THEY KNOW, AND ARE UNSURE WHERE PRIVATE LABEL STOREWIDE BRANDS ARE CARRIED, 2009



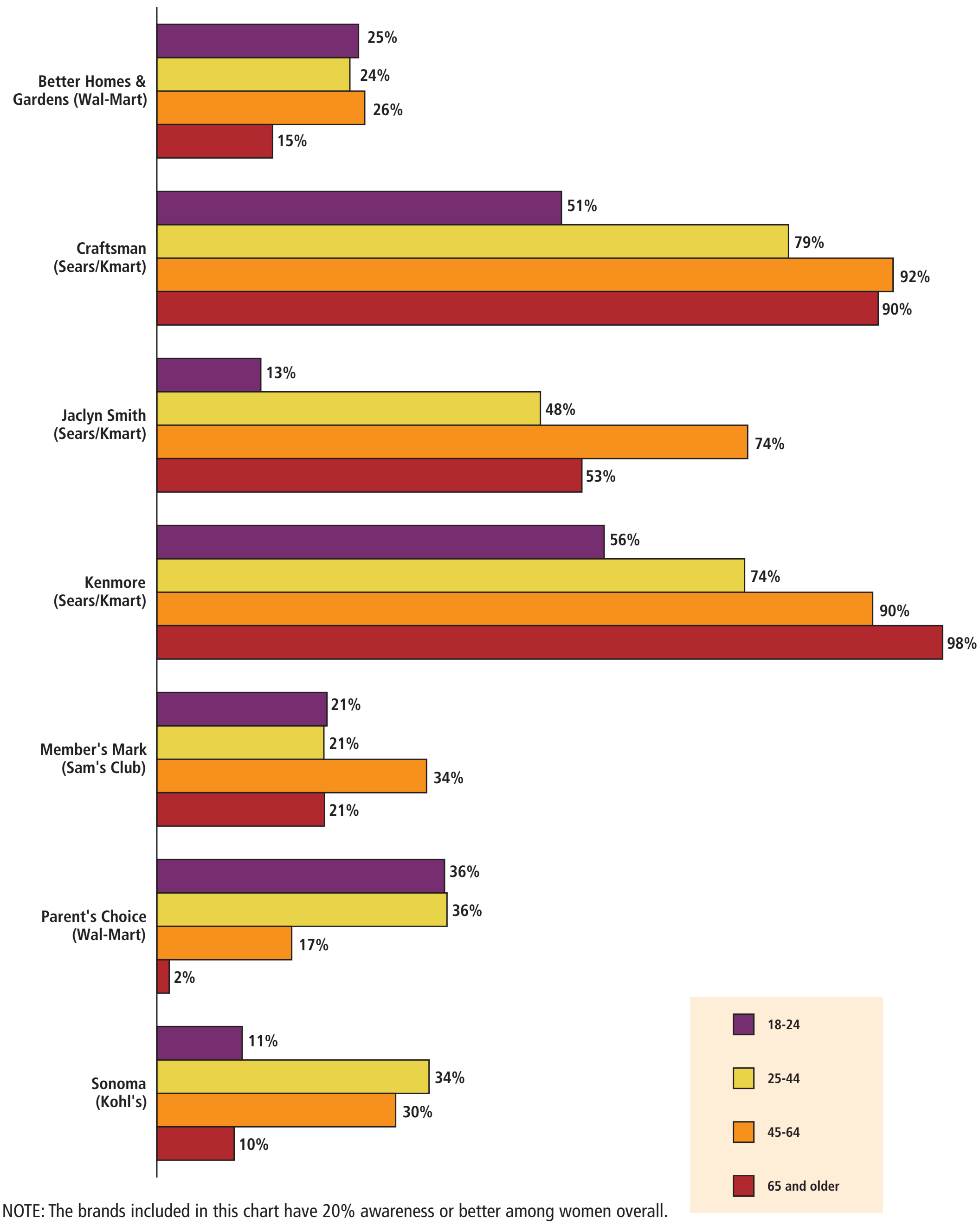
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

Storewide Brand Awareness, By Age

- In order to continue its strength with private labels — and grow its business overall — Sears/Kmart will need to reach younger consumers

WOMEN'S AWARENESS OF STOREWIDE BRANDS, BY AGE, 2009



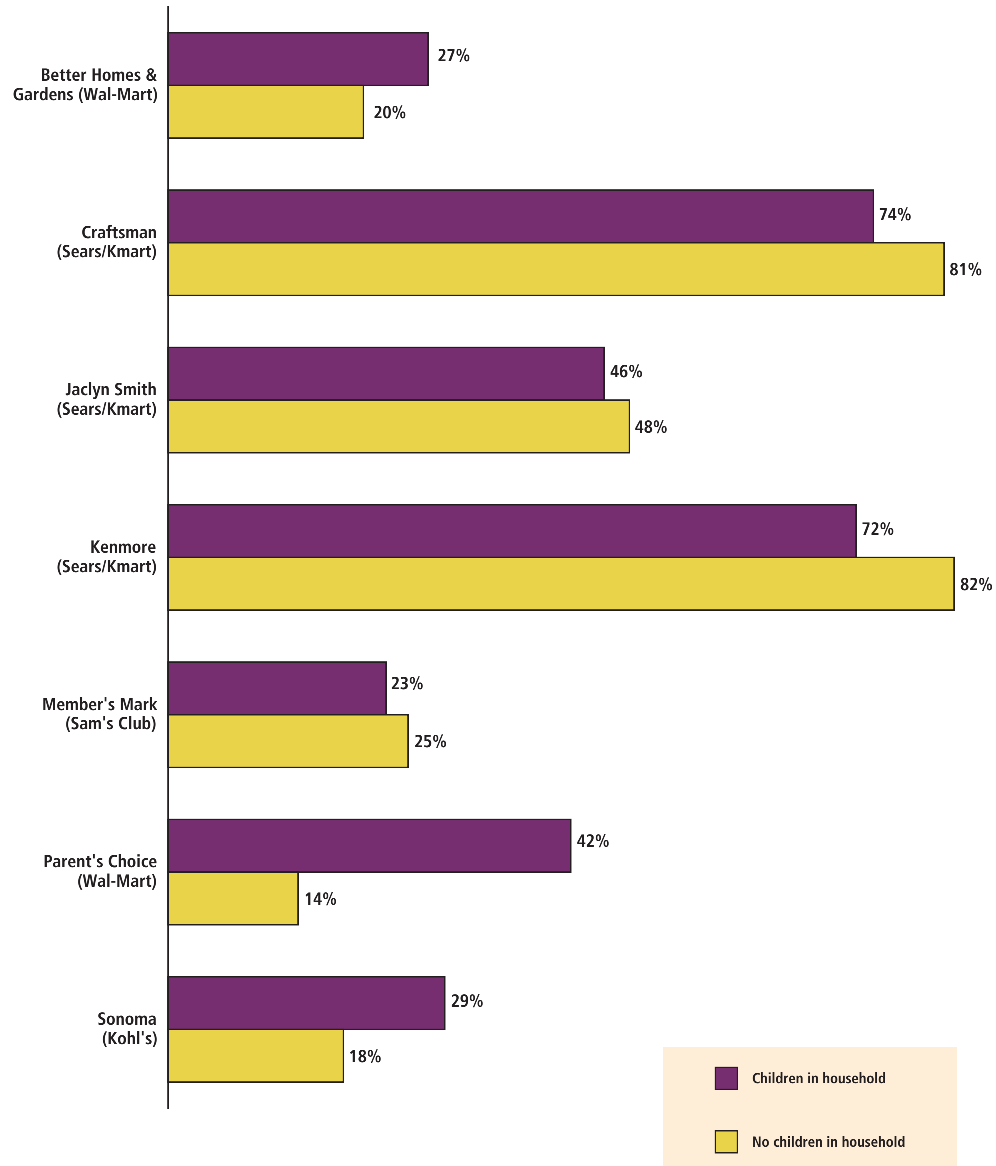
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Storewide Brand Awareness, By Presence Of Children

- That Parent's Choice should have a significant advantage in households with children may be obvious, but the accomplishment is that much greater given that it is a relatively new brand, introduced only in 2006

WOMEN'S AWARENESS OF STOREWIDE BRANDS, BY PRESENCE OF CHILDREN IN THE HOUSEHOLD, 2009



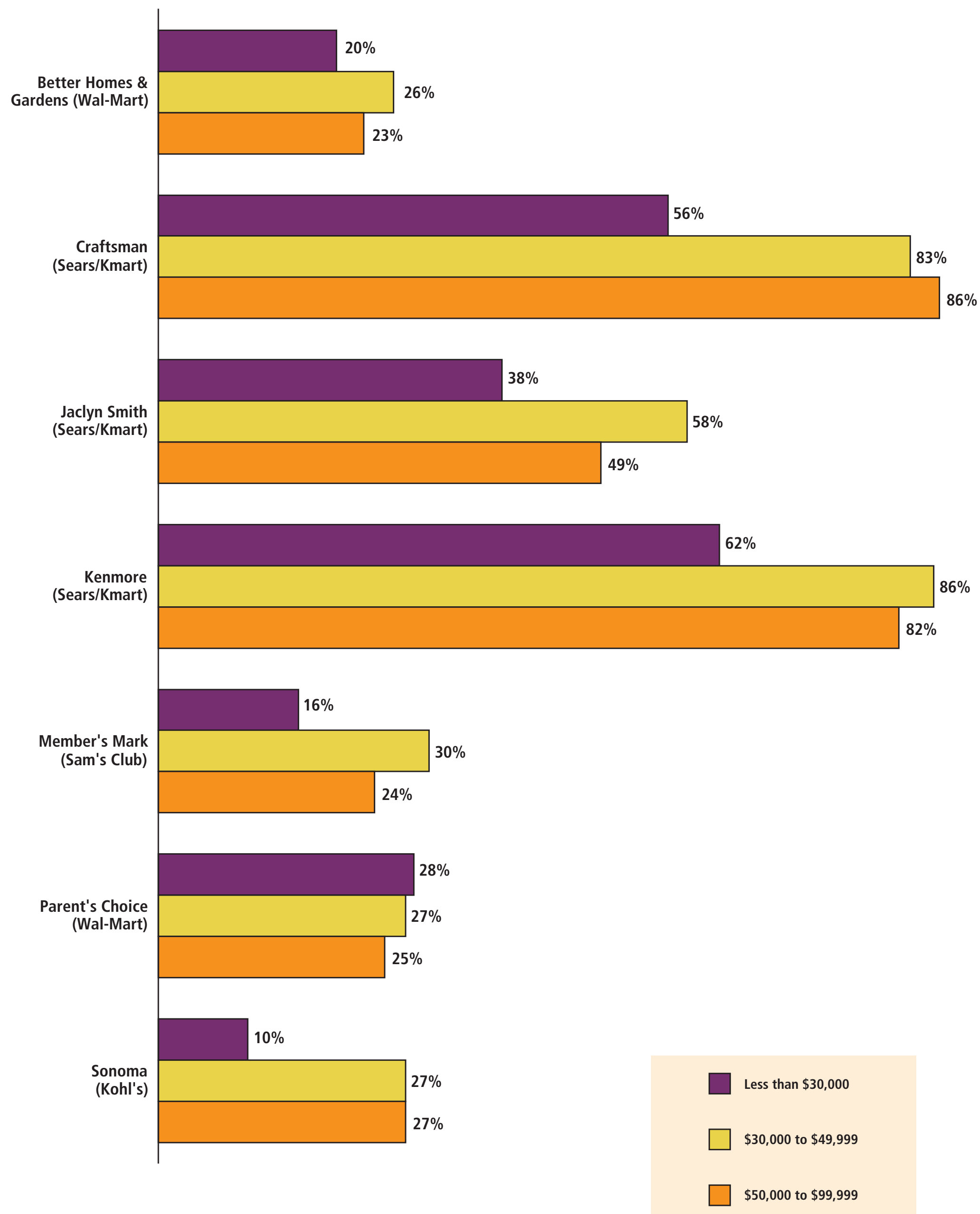
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Storewide Brand Awareness, By Income

- The awareness of Wal-Mart's Better Homes & Gardens and Parent's Choice brands (introduced in 2008 and 2006, respectively) across all income levels bodes well for strong continued growth

WOMEN'S AWARENESS OF STOREWIDE BRANDS, BY INCOME LEVEL, 2009



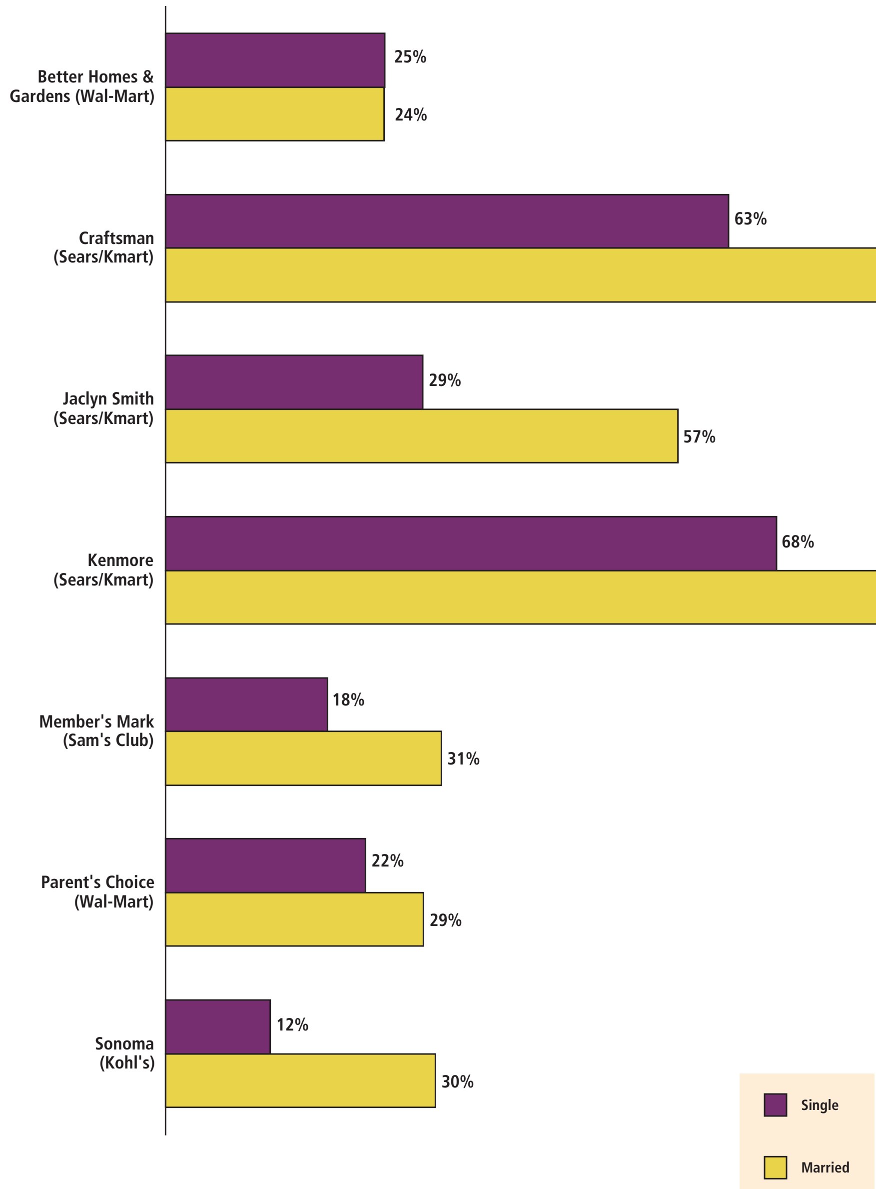
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Storewide Brand Awareness, By Marital Status

- Married women are significantly more likely than single women to know brands that offer housewares, tools, and appliances because they are more likely to have established their own households and have use for such items

WOMEN'S AWARENESS OF STOREWIDE BRANDS, BY MARITAL STATUS, 2009



NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

PART II:

EXTERNAL FACTORS AFFECTING BRAND AWARENESS

FREQUENCY

The frequency with which women shop a retailer also significantly affects their awareness of that retailer's brands. Virtually across the board, the more often a woman shops a retailer, the more likely she is able to recall that retailer's brands. Food brands in particular benefit from this trend, as women shop for food more often than they do apparel, housewares, electronics, and other categories.

In general, awareness of a brand drops by more than a third among those who shop every two to three months compared to those who shop every month. It drops by 60% comparing those who shop every six months or less frequently to those who shop monthly or more often.

Kohl's, Sears, and Kmart are best at maintaining brand awareness among infrequent shoppers. For Sears and Kmart, this can be attributed to the longevity of their brands, which, as previously stated, positively influences awareness. Kohl's strong brand awareness among infrequent shoppers can be attributed to an extensive marketing effort focusing on both store circulars and magazines.

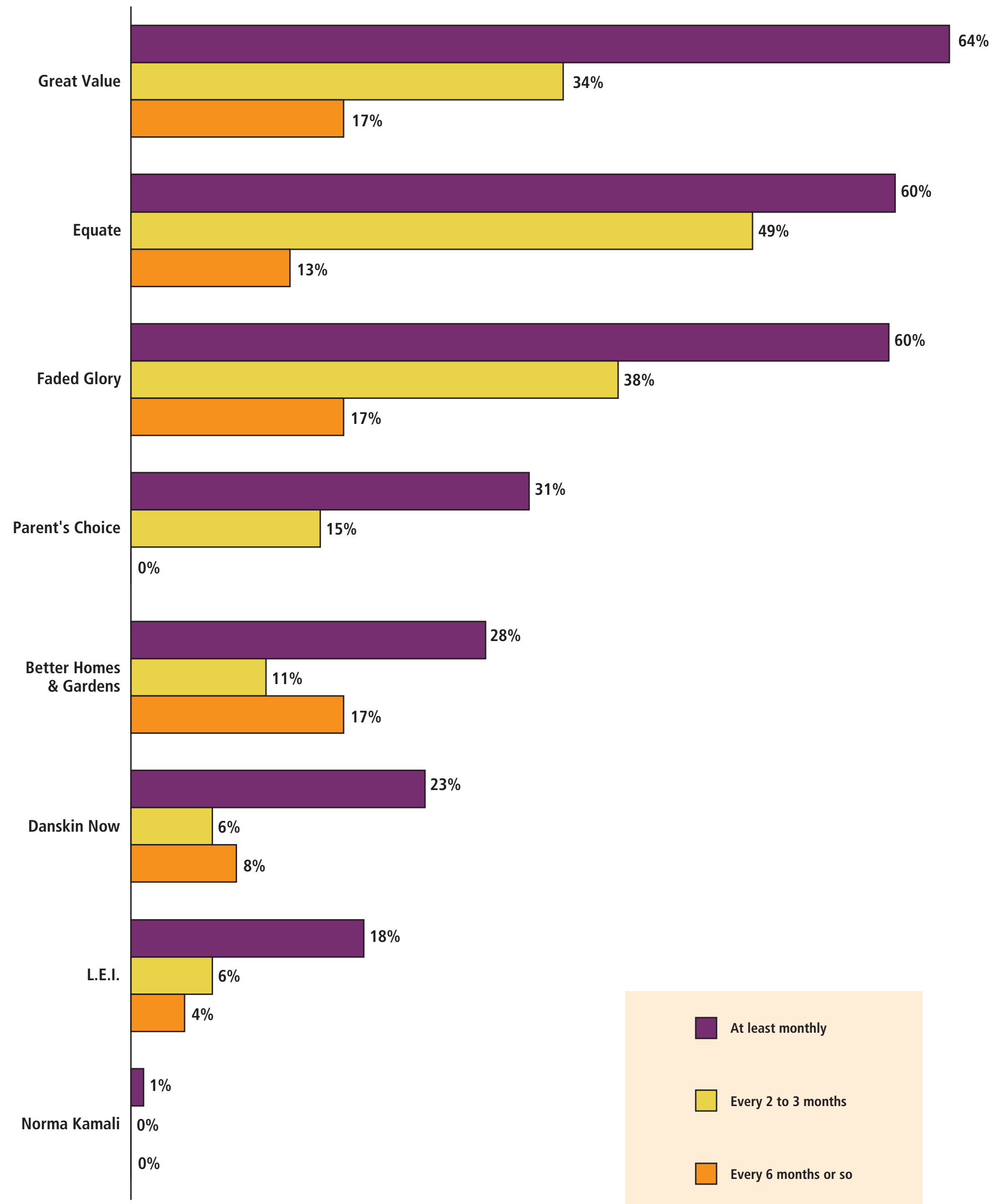
Some exceptions to the rule that more frequent shoppers are more likely to know brands are Macy's Jessica Simpson line and Sears and Kmart's Kenmore brand. Women are as likely to know the Simpson brand whether they shop Macy's every month or every six months. This is likely the result of an extensive advertising campaign by Macy's to support the brand. Kenmore is less known among those who shop Sears monthly, but those shoppers are probably not looking to buy appliances with such frequency.

Those who shop Wal-Mart every six months or less frequently are more likely than those who shop every two to three months to know the retailer's Better Homes & Gardens and Danskin Now lines. This is an advantage that licensed brands have over house-developed brands — shoppers already know their names, which builds awareness among infrequent shoppers.

Wal-Mart Store Brands By Frequency Shopped

- While Great Value has the highest awareness among those shopping monthly, Equate is stronger among those who shop Wal-Mart every 2-3 months
- Strong in-store and television advertising are establishing the newer Better Homes & Gardens and Danskin Now store brands, even among infrequent shoppers
- Nearly one in six infrequent Wal-Mart shoppers know which store brands they will find there

AWARENESS OF WAL-MART STORE BRANDS BASED ON FREQUENCY OF SHOPPING WAL-MART, 2009

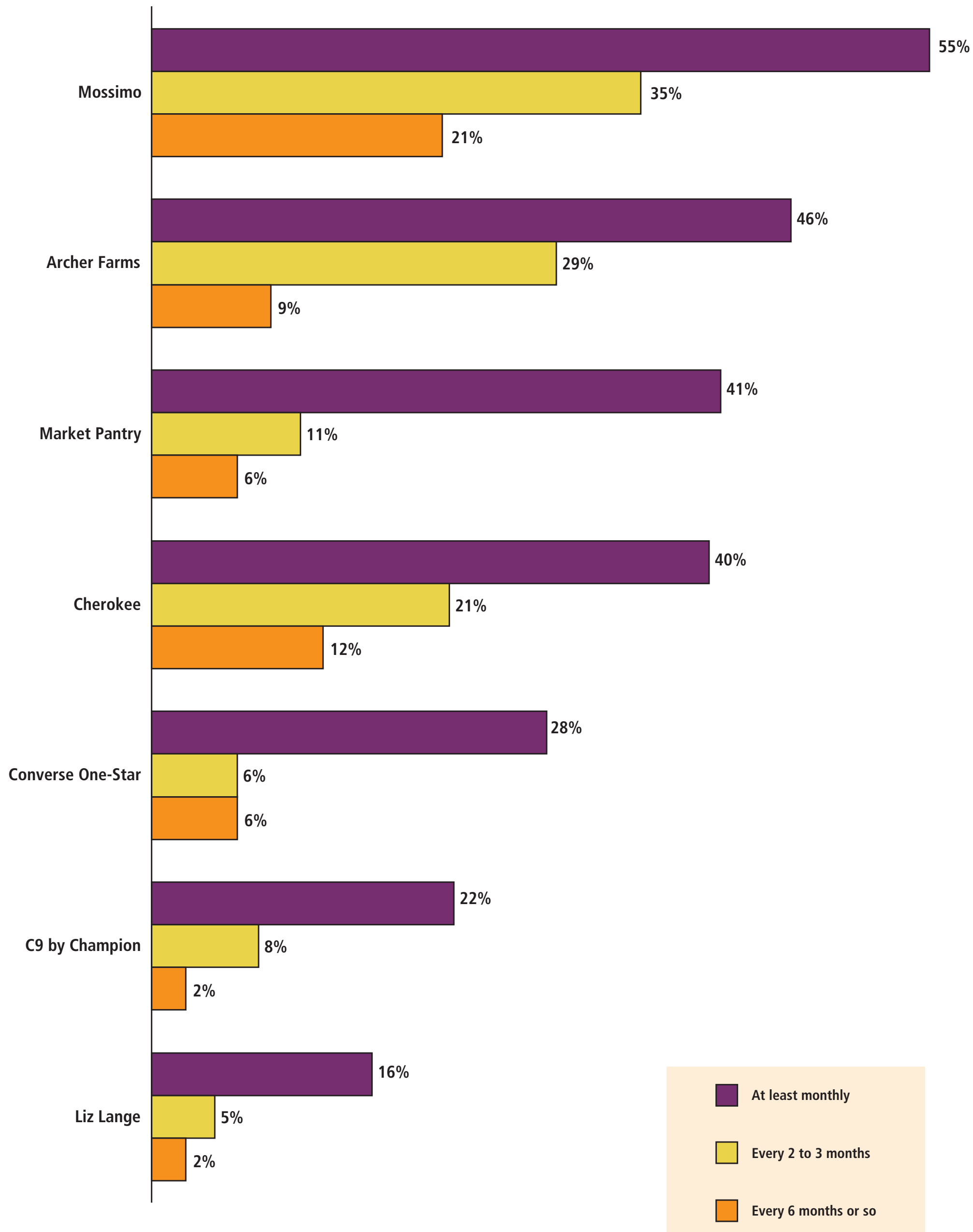


SOURCE: EPM Communications

Target Store Brands By Frequency Shopped

- Only the most frequent Target shoppers are familiar with the chain's store brands
- The ability to identify Target with its Market Pantry, C9, One-Star, and Liz Lange brands among those shopping there less than monthly is a third of the proportion who shops there monthly, while for most other brands (at Target and elsewhere), the drop-off is closer to half
- Target offers frequent short-term designer and celebrity exclusives, which helps draw customers into the store and to its other licensed brands

AWARENESS OF TARGET STORE BRANDS BASED ON FREQUENCY OF SHOPPING TARGET, 2009

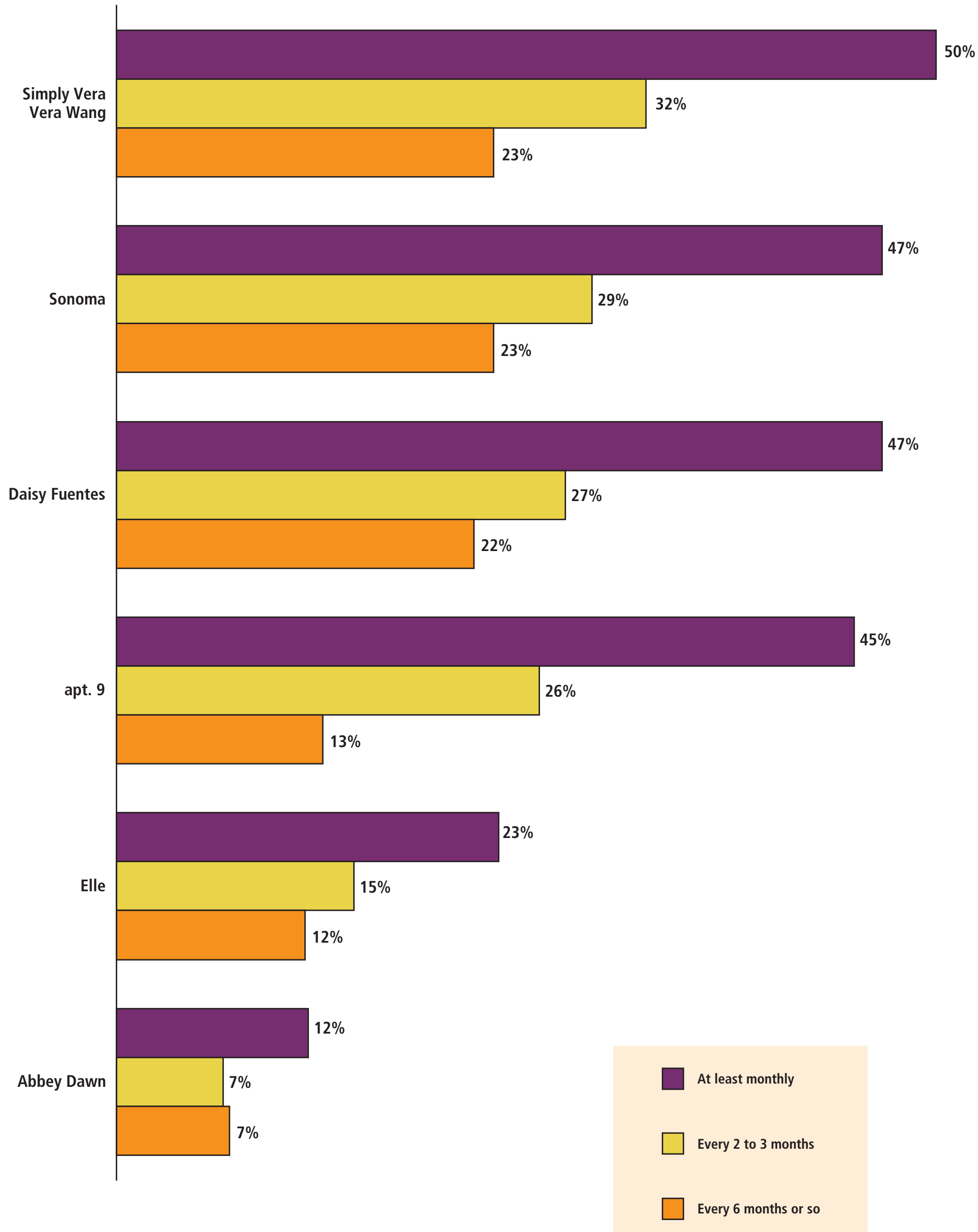


SOURCE: EPM Communications

Kohl's Store Brands By Frequency Shopped

- Kohl's has recently added multiple designer and celebrity names as house brands to create a draw for women shoppers
- Simply Vera Vera Wang has gained recognition as a Kohl's brand despite the wide availability of the designer's Vera Wang label at more upscale locations
- This survey — of women 18 and over — may undercount awareness of the Abbey Dawn brand, which may be more familiar to younger teens

AWARENESS OF KOHL'S STORE BRANDS BASED ON FREQUENCY OF SHOPPING KOHLS, 2009

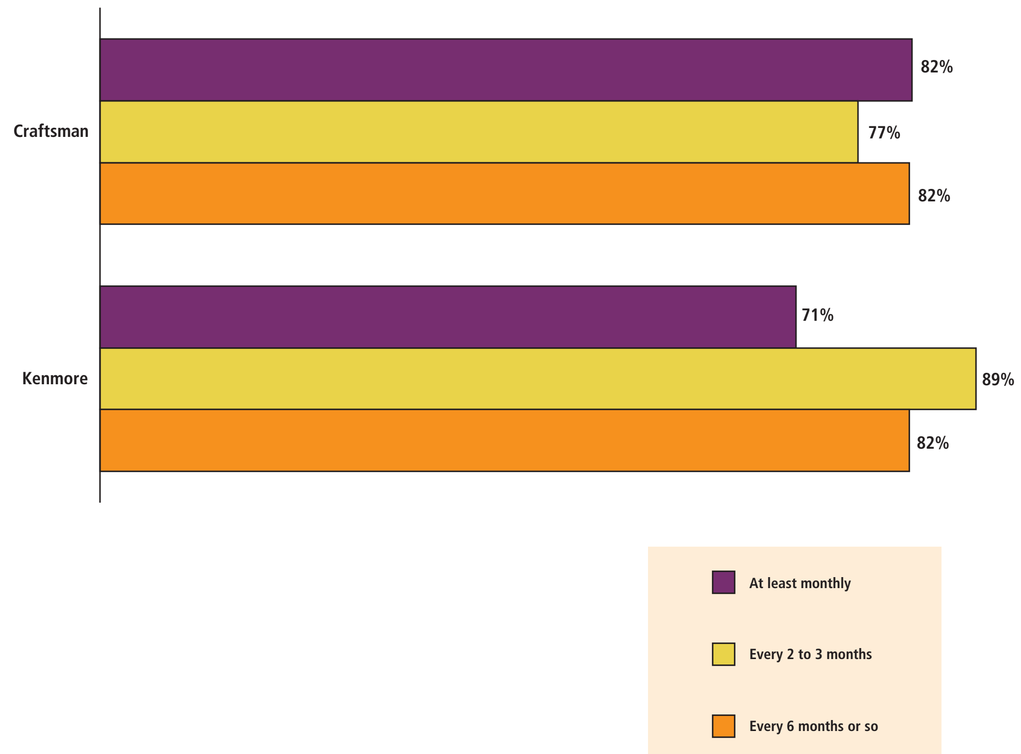


SOURCE: EPM Communications

Sears Store Brands By Frequency Shopped

- Unique among all retailers the Sears Craftsman and Kenmore store brands are almost universally recognized, regardless of how often shoppers visit the store
- Craftsman and Kenmore are also the two oldest store brands in this survey

AWARENESS OF SEARS STORE BRANDS BASED ON FREQUENCY OF SHOPPING SEARS, 2009

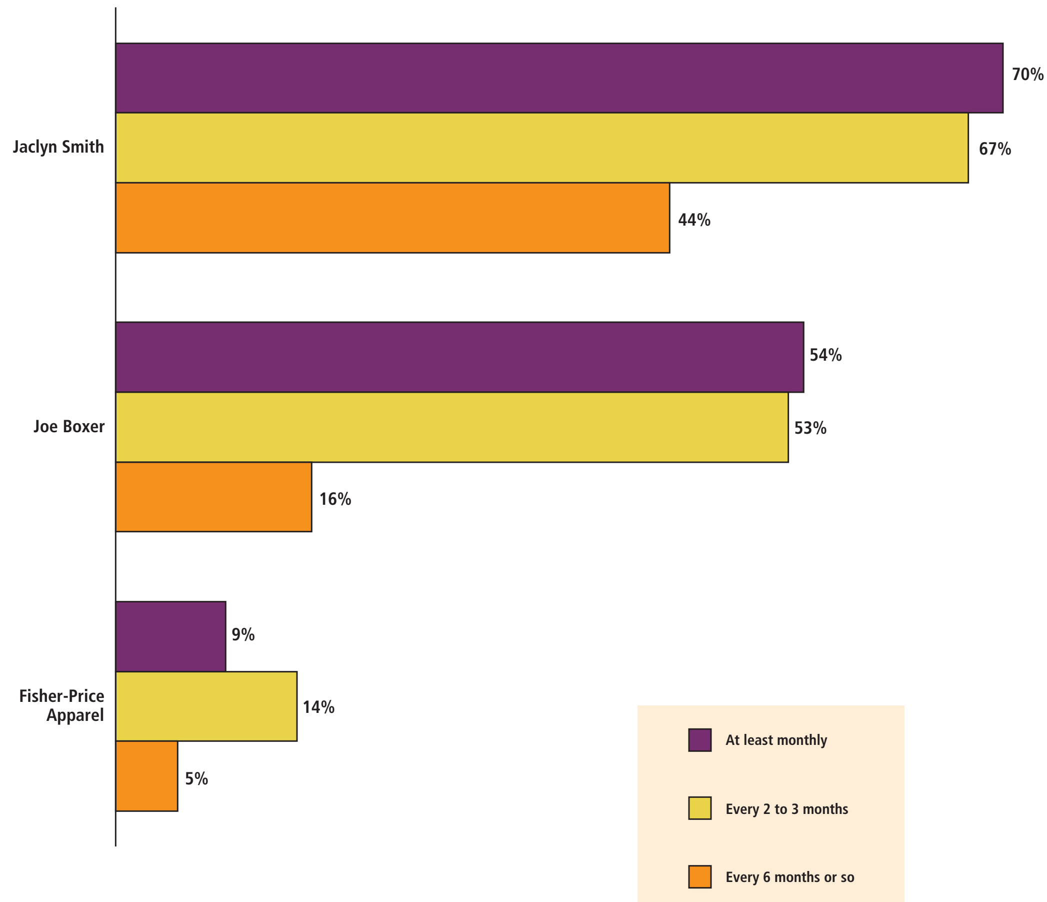


SOURCE: EPM Communications

Kmart Store Brands Based On Frequency Shopped

- Joe Boxer made a transition from bankrupt national brand to retail exclusive for Kmart and, following a merger, Sears
- Given the core brand's ubiquity, it will be interesting to see whether Fisher-Price Apparel becomes identified with Kmart

AWARENESS OF KMART STORE BRANDS BASED ON FREQUENCY OF SHOPPING KMART, 2009

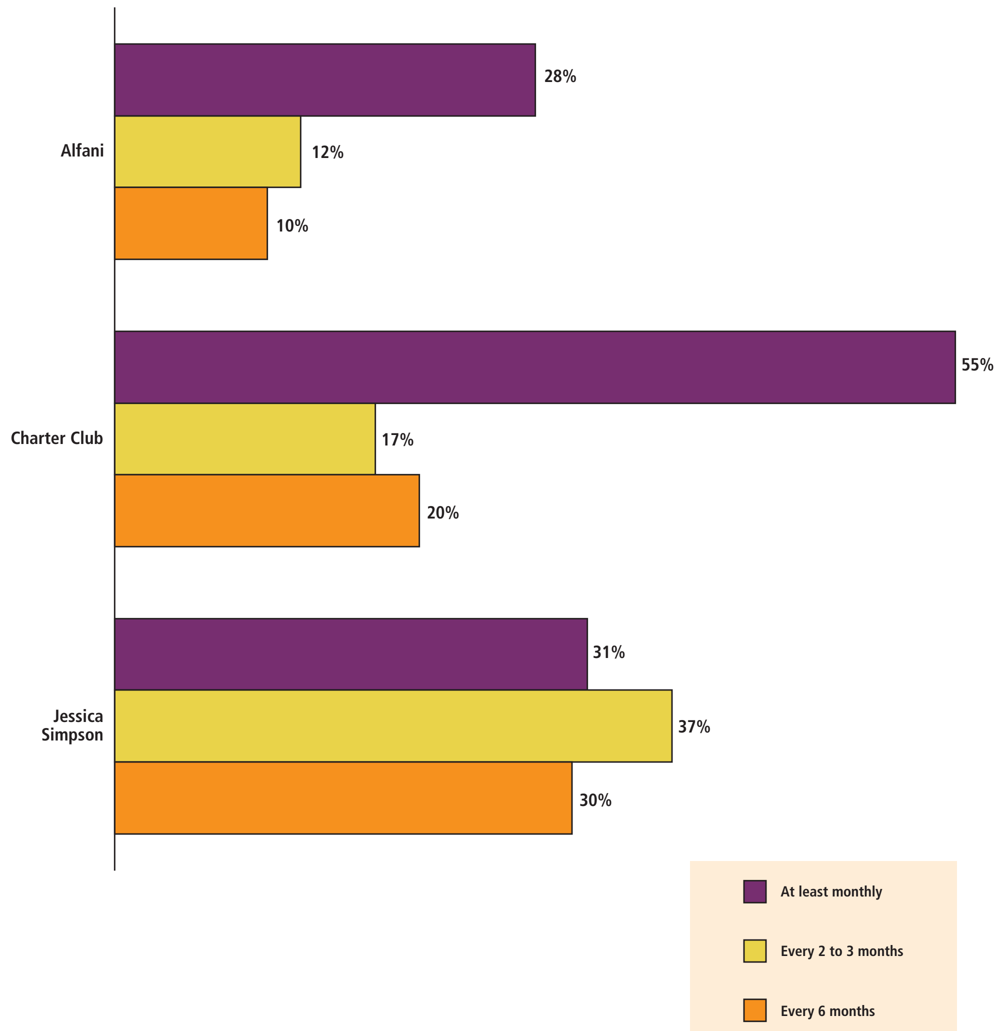


SOURCE: EPM Communications

Macy's Store Brands Based On Frequency Shopped

- Effective use of Jessica Simpson as a spokesperson has rapidly boosted awareness of her eponymous merchandise at Macy's
- Poor recognition of Alfani — despite its long-term presence at Macy's — may be attributable to the brand's focus on basics and business attire

AWARENESS OF MACY'S STORE BRANDS BASED ON FREQUENCY OF SHOPPING MACY'S, 2009

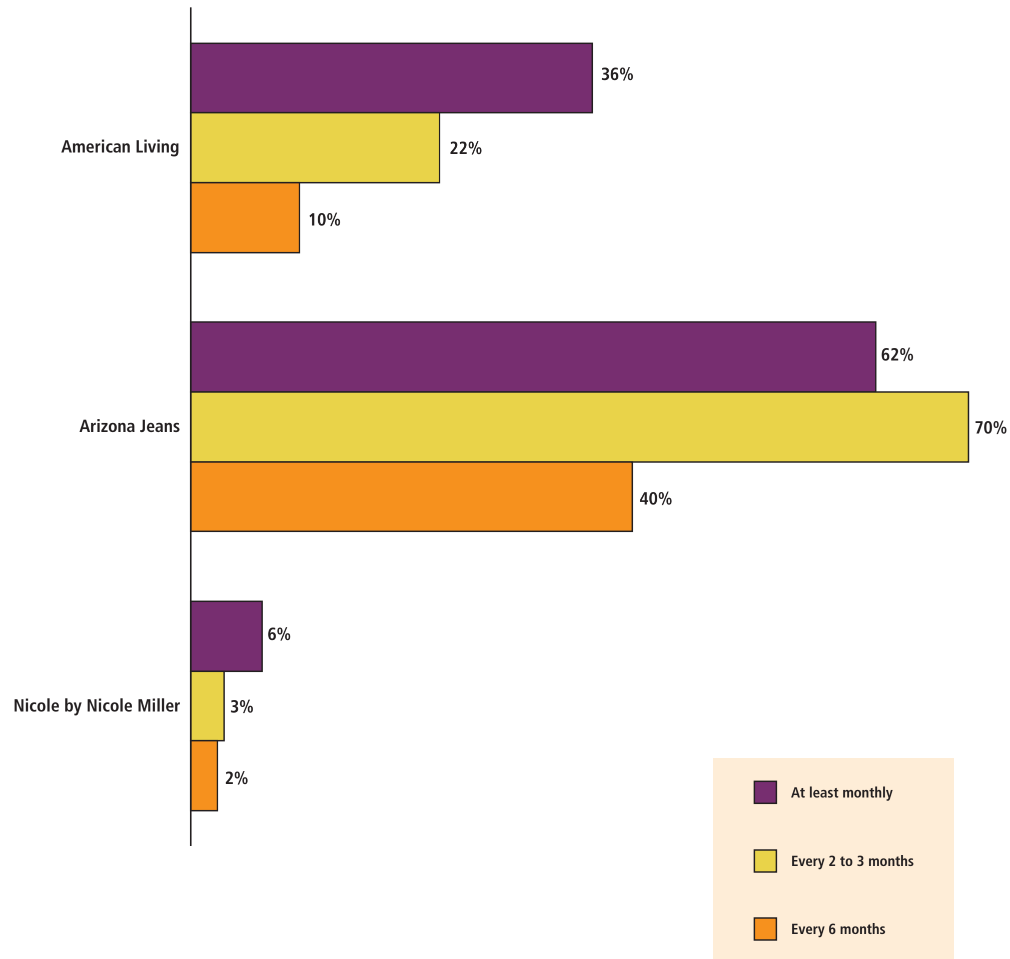


SOURCE: EPM Communications

JC Penney Store Brands Based On Frequency Shopped

- In just one year, Penney has catapulted the Ralph Lauren-designed American Living brand to high awareness
- After four years, Nicole by Nicole Miller languishes at a minimal level of awareness

AWARENESS OF JC PENNEY STORE BRANDS BASED ON FREQUENCY OF SHOPPING JC PENNEY, 2009



SOURCE: EPM Communications

DESTINATION BRANDS

More than three in 10 women (31%) say they shop a certain store because it is the only place they can find a specific brand.

Those who say that a brand can make a store a shopping destination are more likely than those who disagree to correctly identify the stores that carry the brands included in this survey, regardless of whether it is a food brand, apparel brand, or storewide brand. Women who say a brand does not make a store a destination more likely to know Macy's Alfani brand than those who say a brand makes a store a destination — the only brand for which this is true. (Few women overall know where the brand is sold.)

There are significant gaps in the ability to link Macy's and Jessica Simpson, Target and Mossimo, and Kohl's and Simply Vera Vera Wang, suggesting that the exclusive agreements for those apparel brands with those retailers substantially impact shopper traffic to those stores. There is little difference in brand awareness in the storewide category.

The younger a woman is, the more likely she is to say that a brand makes a store a destination for her. In addition, the lower her household income, the more likely she is to say brands make stores destinations.

Singletons (42%) are also more likely than married women (30%) to say they shop certain stores because of the brands they carry. Moms (34%) are more likely than women without children (30%) to say brands draw them to certain stores.

Exclusive Brands

Brands that are carried exclusively at one store offer benefits to both the retailer — increased foot traffic — and vendor — increased spending. Overall, when brands are exclusively available at one store:

- 42% of women are more likely to recommend that store to their friends and family;
- 41% say it increases the frequency with which they shop a store; and
- 33% say they spend more at those stores.

As might be expected, women who say that a brand can make a store a shopping destination for them (64%) are more than twice as likely as those who don't (30%) to say that brands carried exclusively at one retailer will increase how frequently they shop a store. In addition, 52% of women who claim brands make stores destinations say the presence of a brand exclusively at one store increases how much they spend there, and 63% say it increases the likelihood they will recommend the store to friends and family.

Women aged 18-24 are more likely than older women to say that exclusive brands affect their shopping habits and store recommendations. These young women are also more likely than their older counterparts to be more brand conscious. Again, teens and tweens were not included in this survey, which may have led to higher awareness levels for some brands.

Interestingly, women aged 45-64 are the second most likely to say that exclusive brands affect their shopping. Many Baby Boomer women have entered an empty-nest phase of life and have greater discretionary income to spend on themselves. Or they may have older children at home who are in the process of developing their own sense of style, which rubs off on their mothers.

The least likely age group to say their shopping habits are affected by exclusive brands is 25-44 year olds. They are the most likely to have significant demands on their income — such as establishing a household or starting a family — and are less swayed by brands.

While women with the lowest household income are the most likely to say that a brand's presence at a store makes it a destination for their shopping, they are the least likely to say it increases how frequently they shop a store. That may be because women with lower household incomes often avoid making frequent trips to a store in order to lessen the temptation to make impulse purchases.

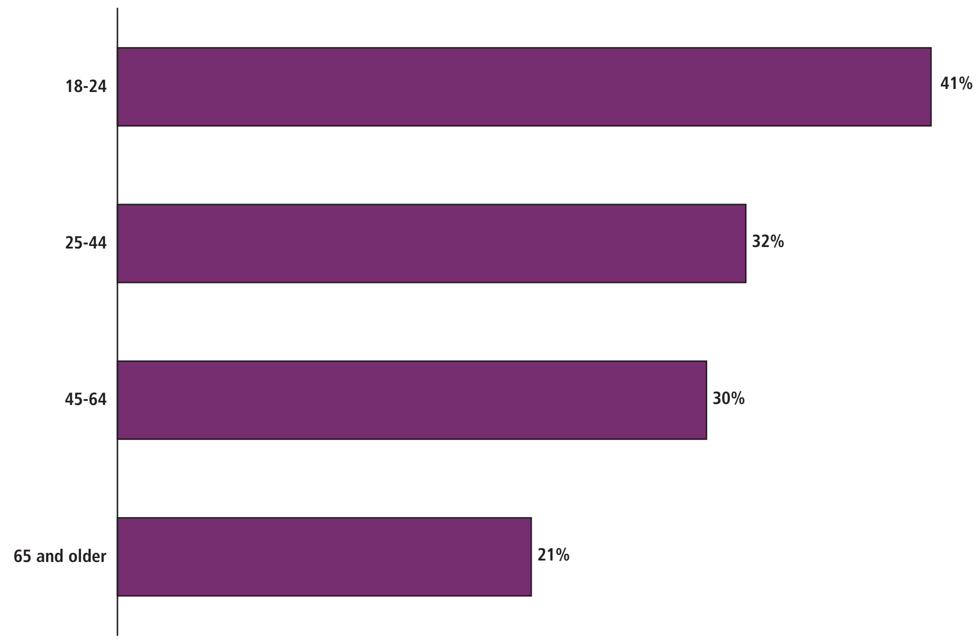
However, this group is also among the most likely to say that a brand's exclusive presence at a store increases how much they spend at that store.

Married women (44%) are more likely than single women (39%) to say that a brand's exclusive presence at a store will increase how often they shop at a store, but single women (37%) are more likely than married women (32%) to say that it will increase the amount they spend at a store. That is perhaps because single women have more discretionary income to spend as they choose.

Brand As Destination By Age

- Women 18-24 have the greatest propensity for a brand making a store a destination
- Brand interest drops significantly for women 65 and older

WOMEN WHO SAY A BRAND'S PRESENCE AT A STORE MAKES IT A DESTINATION FOR THEM, BY AGE, 2009

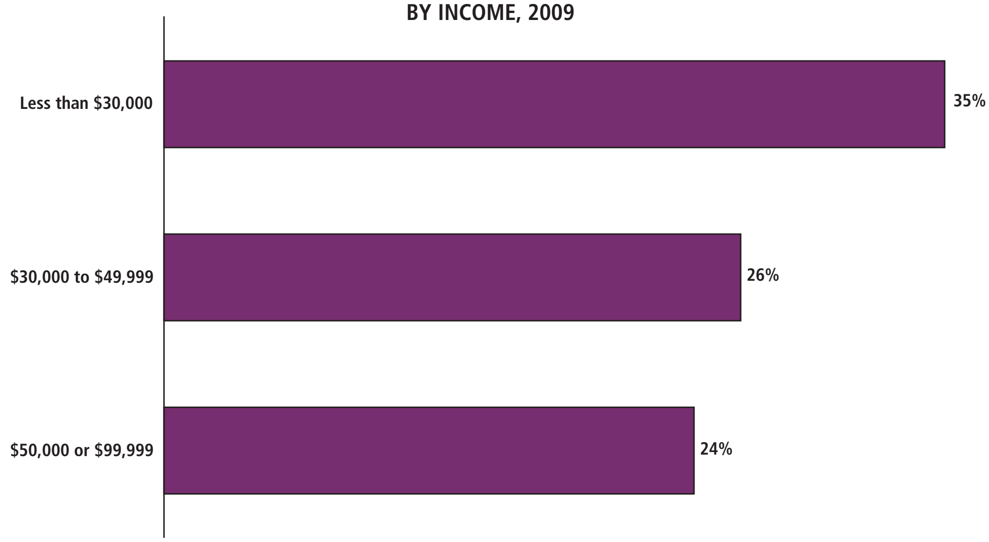


SOURCE: EPM Communications

Brand As Destination By Income

- While most of this research suggests interest in private label brands increases with income, households earning less than $30,000 annually are most likely to shop at a store with an exclusive brand they like and can afford

WOMEN WHO SAY A BRAND'S PRESENCE AT A STORE MAKES IT A DESTINATION FOR THEM, BY INCOME, 2009

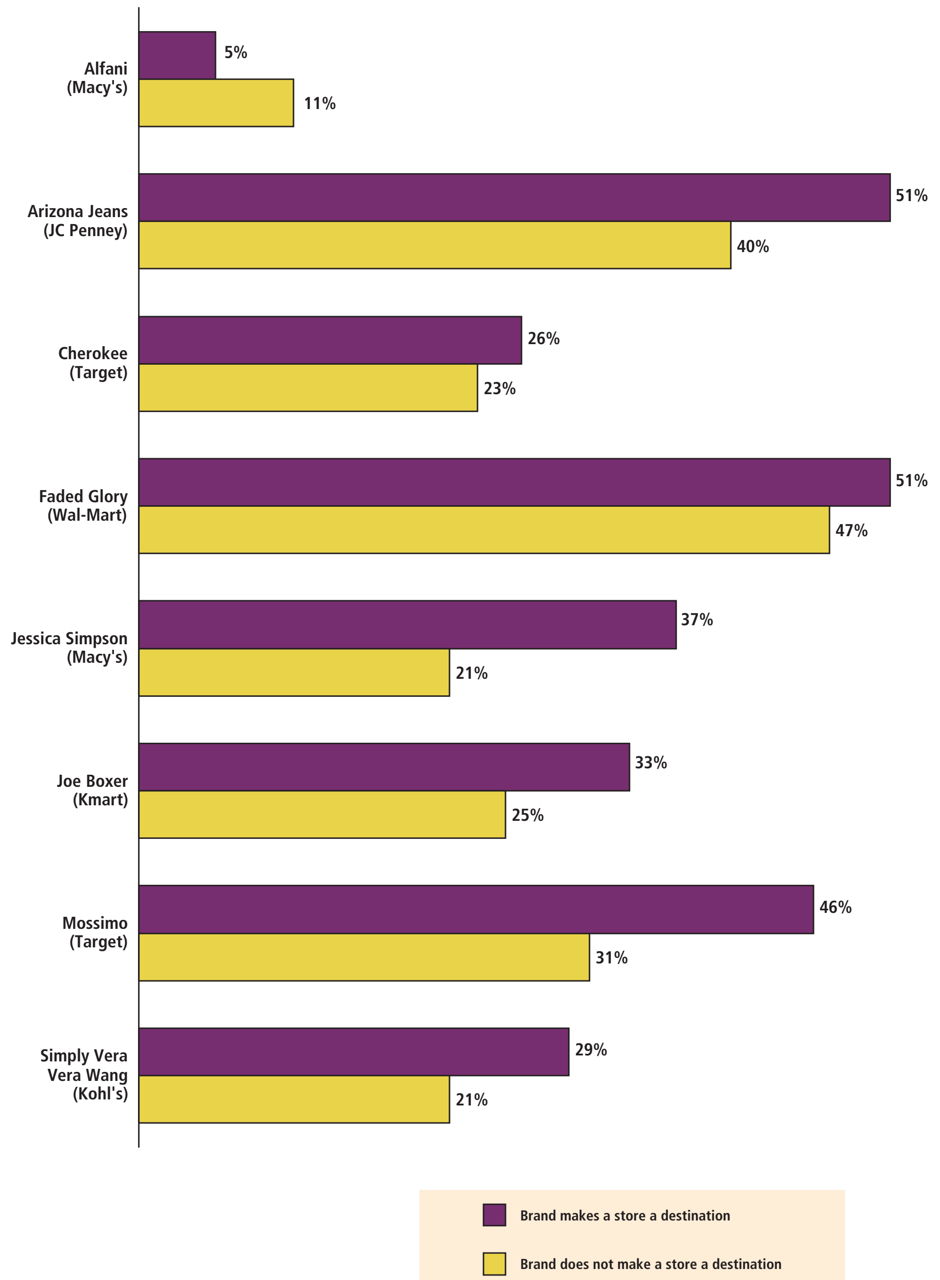


SOURCE: EPM Communications

Apparel Brands As Destination

- People will go out of their way for apparel brands that suit their personal style

APPAREL BRAND AWARENESS AMONG WOMEN WHO SAY A BRAND'S PRESENCE AT A STORE MAKES IT A DESTINATION FOR THEM, 2009



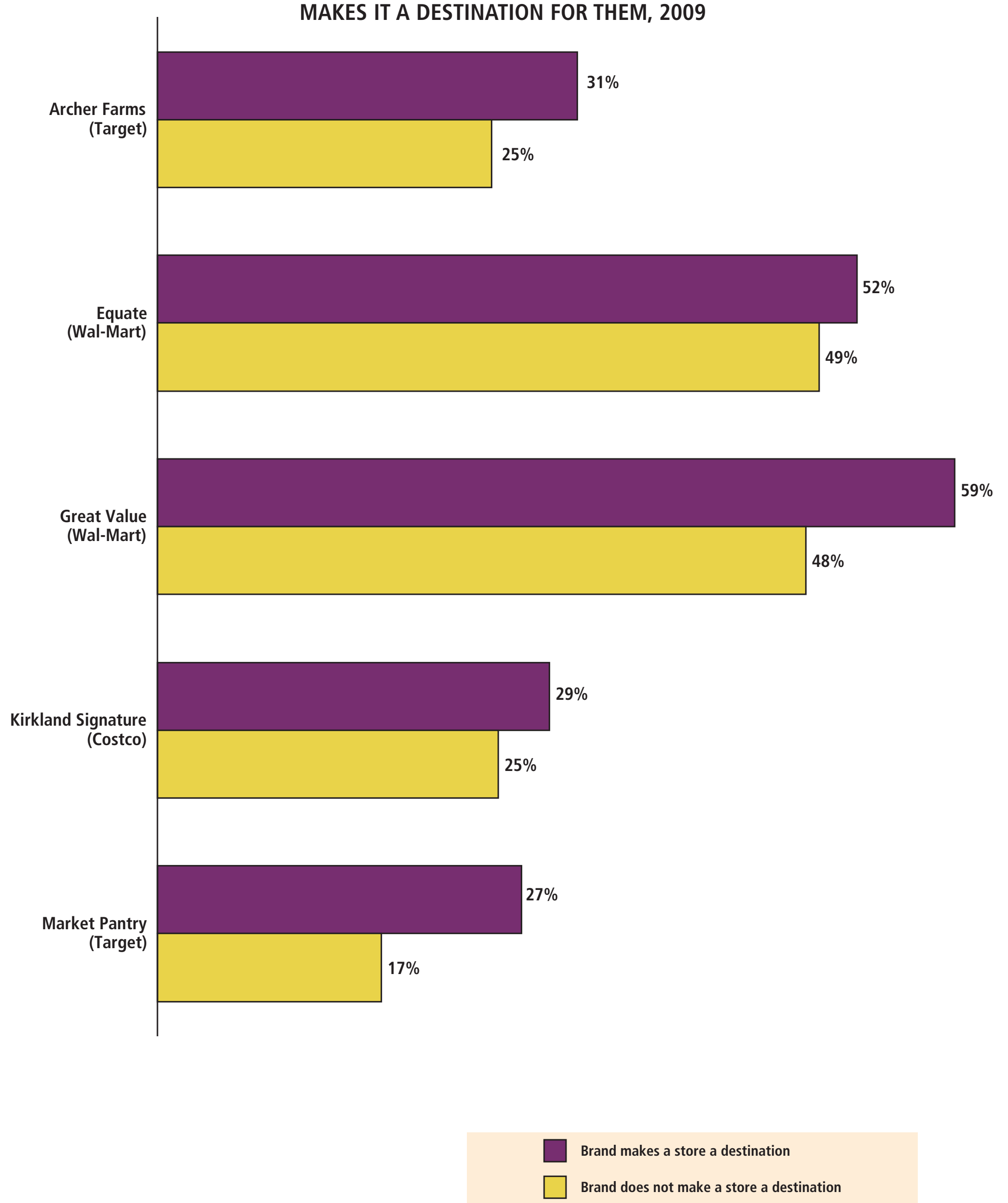
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Food Brands As Destination

- Wal-Mart, with its Great Value brand, and Target, with its Archer Farms and Market Pantry brands, can capitalize on shoppers claiming brands make a store a destination

FOOD BRAND AWARENESS AMONG WOMEN WHO SAY A BRAND'S PRESENCE AT A STORE MAKES IT A DESTINATION FOR THEM, 2009



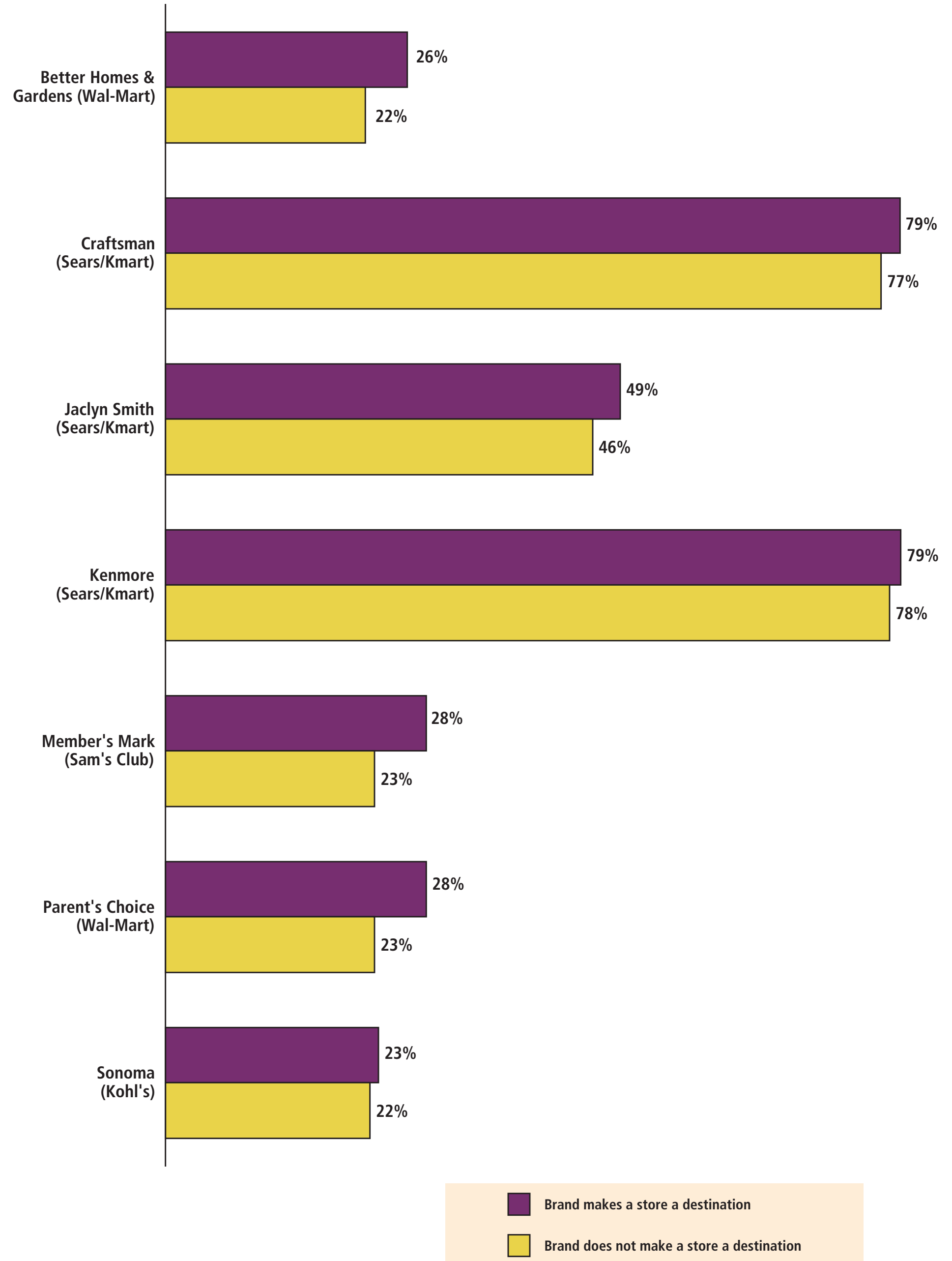
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Storewide Brands As Destination

- Women who say that a brand makes a store a destination are more likely to know Wal-Mart's Better Homes & Gardens and Parent's Choice brands and the Sam's Club brand Member's Mark than those who say brands do not make a store a destination
- Although Sears and Kmart brands score high, there is little difference in awareness among women who say that a brand makes a store a destination or not

STOREWIDE BRAND AWARENESS AMONG WOMEN WHO SAY A BRAND'S PRESENCE AT A STORE MAKES IT A DESTINATION FOR THEM, 2009



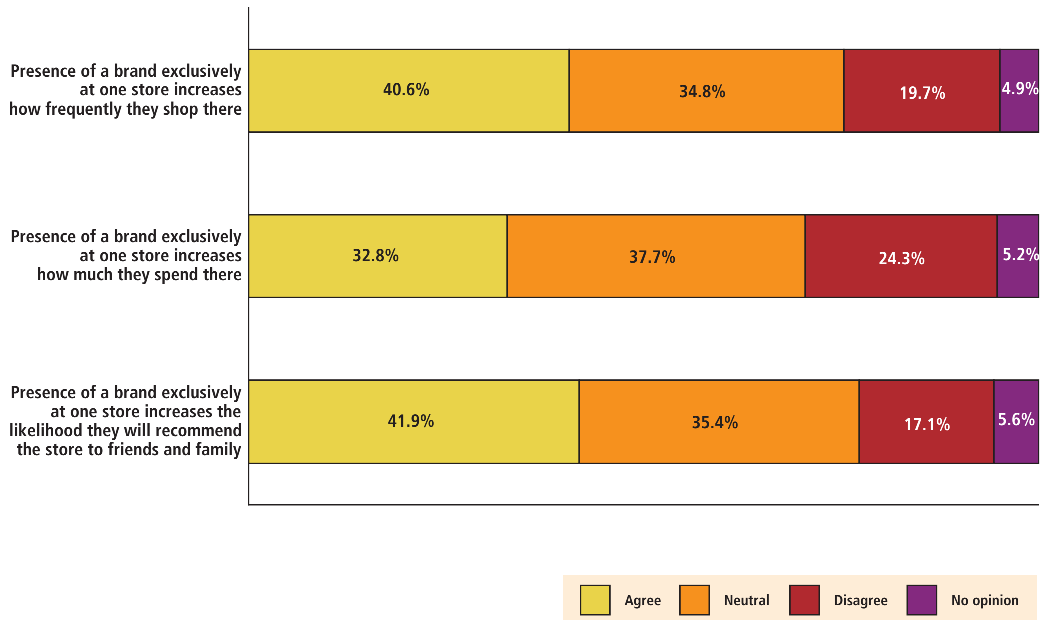
NOTE: The brands included in this chart have 20% awareness or better among women overall.

SOURCE: EPM Communications

Effects Of Brand Exclusivity

- More than four in 10 women say that the presence of a brand exclusively at one retailer will increase how often they shop at that store and how likely they are to recommend it to friends and family, however only a third say it will increase the amount they spend at the store.

HOW BRAND EXCLUSIVITY AFFECTS WOMENS' HABITS, SPENDING, AND STORE RECOMMENDATIONS, 2009

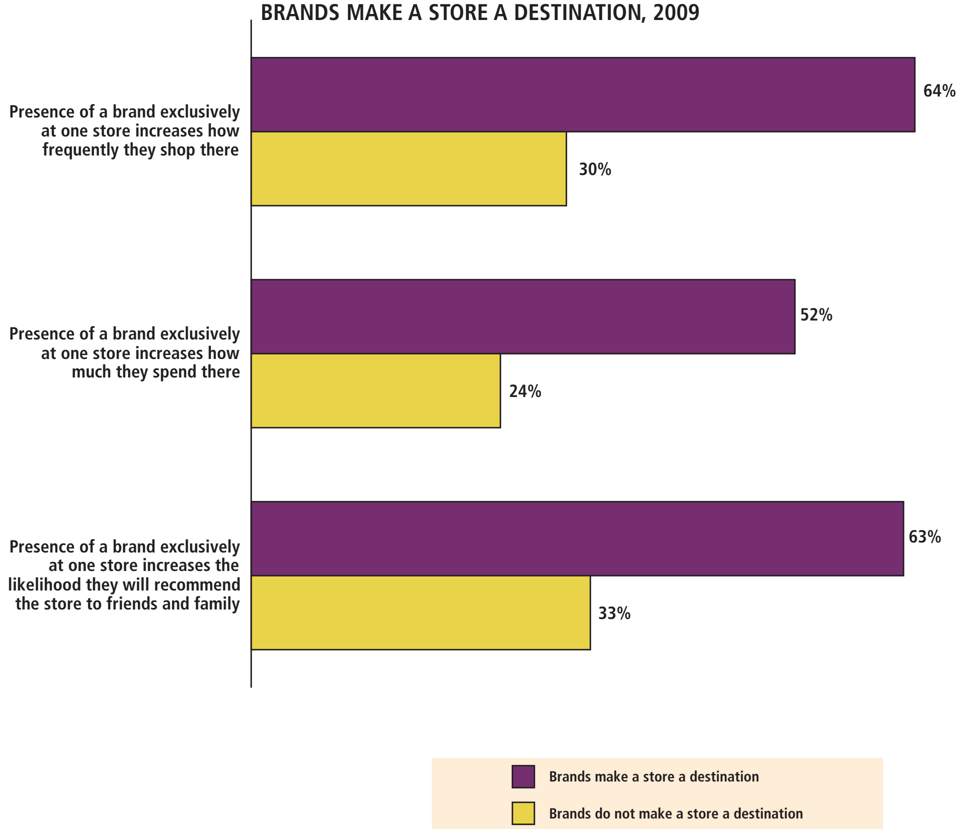


SOURCE: EPM Communications

Brand Exclusivity Effects, By Store As A Destination

- Women who say a brand makes a store a destination are twice as likely to say that a brand's exclusive presence at a store will increase how often they shop there, how much they spend, and the likelihood that they will recommend the store to others.

BRAND EXCLUSIVITY'S EFFECT ON SHOPPING HABITS, BY SHOPPER'S BELIEF THAT BRANDS MAKE A STORE A DESTINATION, 2009

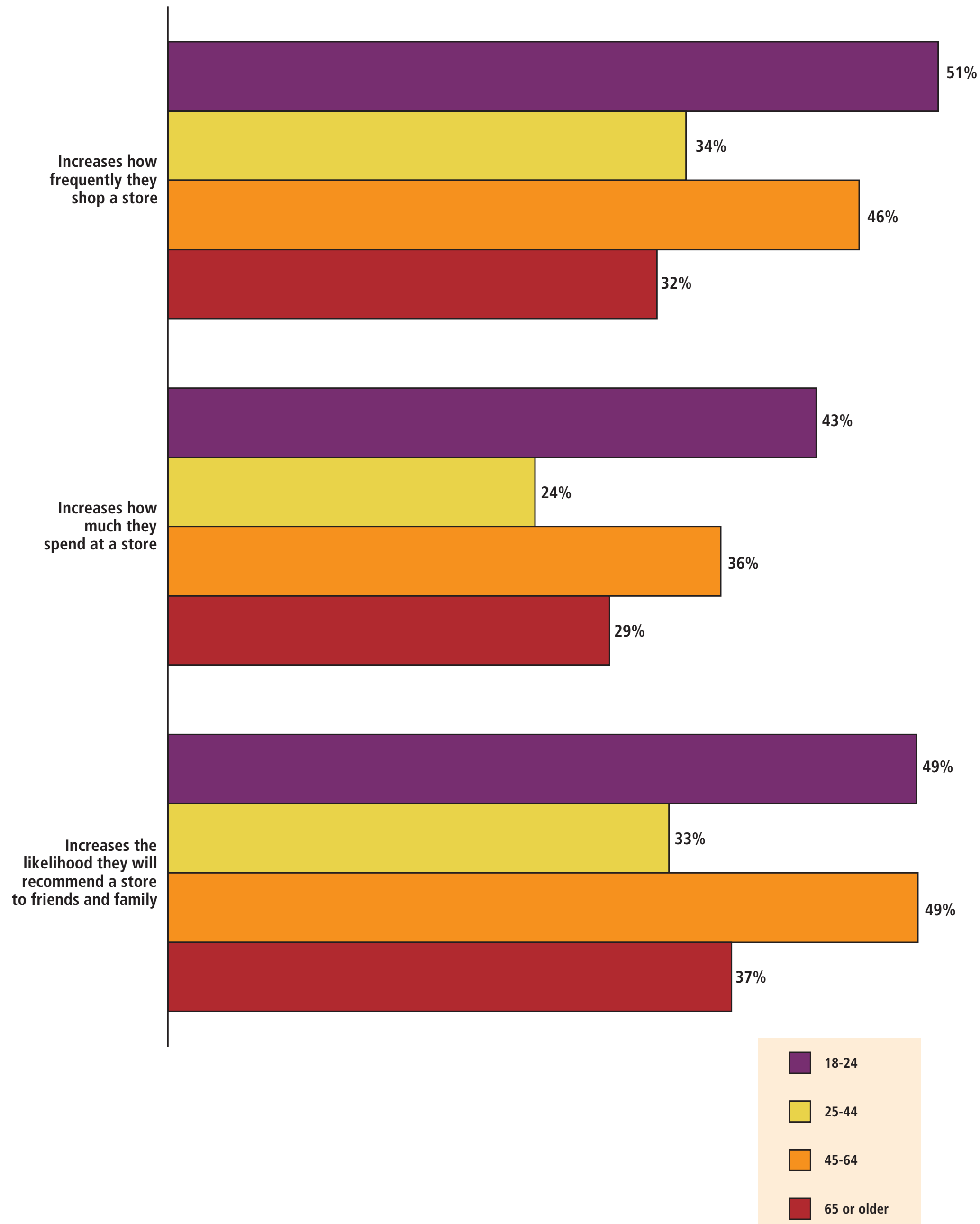


SOURCE: EPM Communications

Impact Of Brand Exclusivity, By Age

- 18-24 year olds and 45-64 year olds are close in attitudes about brand exclusivity, as some aspects of their lifestyles are similar; the first group enjoys the single life, while the latter enjoys an empty nest
- 25-44 year olds are closest to those 65 and older in their thinking; the first group is establishing their households and families, while the latter is developing a new household and lifestyle in retirement

HOW BRAND EXCLUSIVITY AFFECTS WOMEN'S HABITS, SPENDING, AND RECOMMENDATIONS, BY AGE, 2009

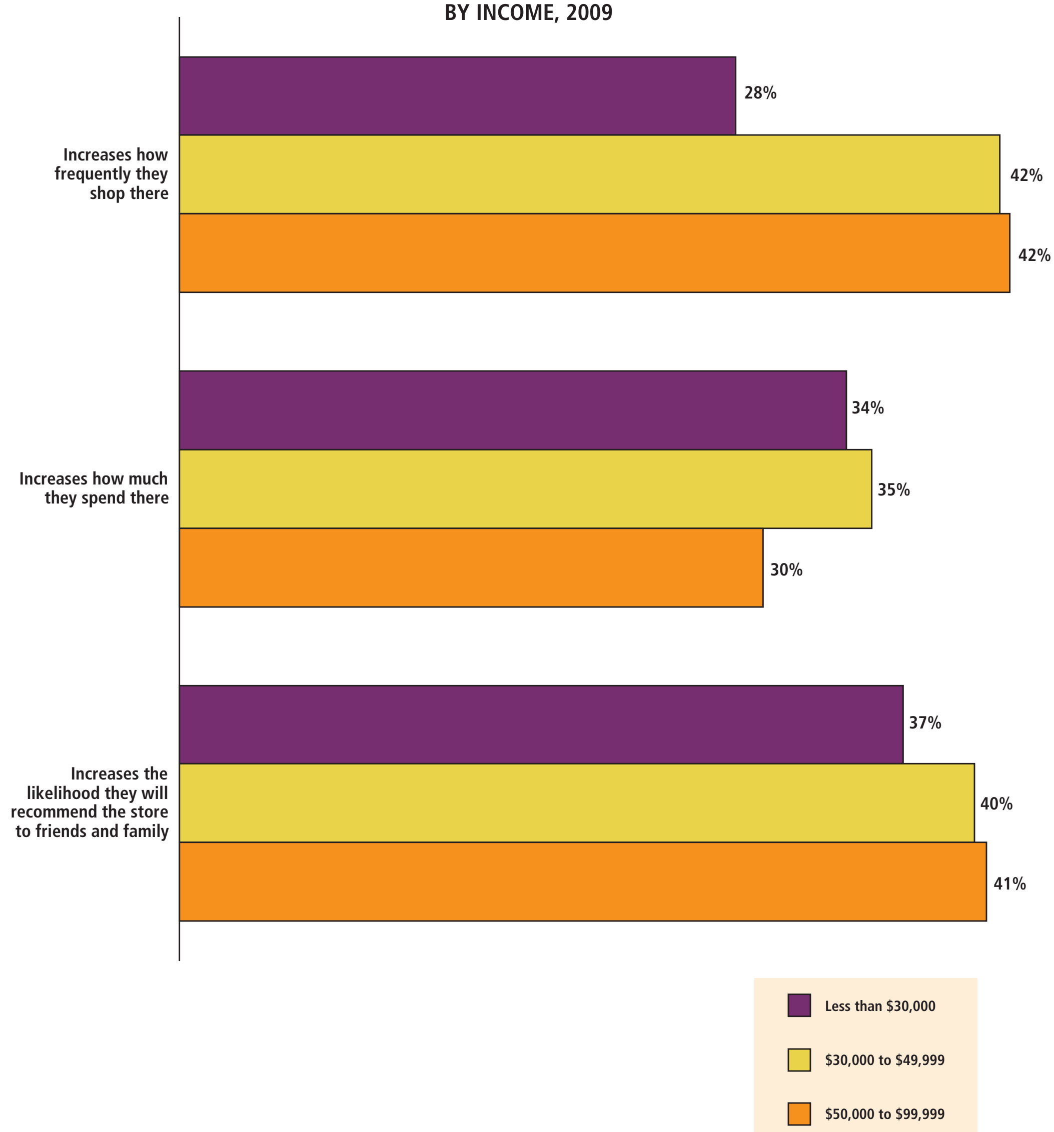


SOURCE: EPM Communications

Impact Of Brand Exclusivity, By Income

- There's a disconnect between those at the low end of the income spectrum who say a brand's presence at a store makes it a destination for them (35% — highest of the measured income levels) and those who say brand exclusivity increases the frequency with which they shop such a store (28% — the lowest in the ranking)
- Private label exclusives have roughly equal influence on frequency of shopping and likelihood of recommending a store among households earning $30,000 or more annually

HOW BRAND EXCLUSIVITY AFFECTS WOMEN'S HABITS, SPENDING, AND RECOMMENDATIONS, BY INCOME, 2009

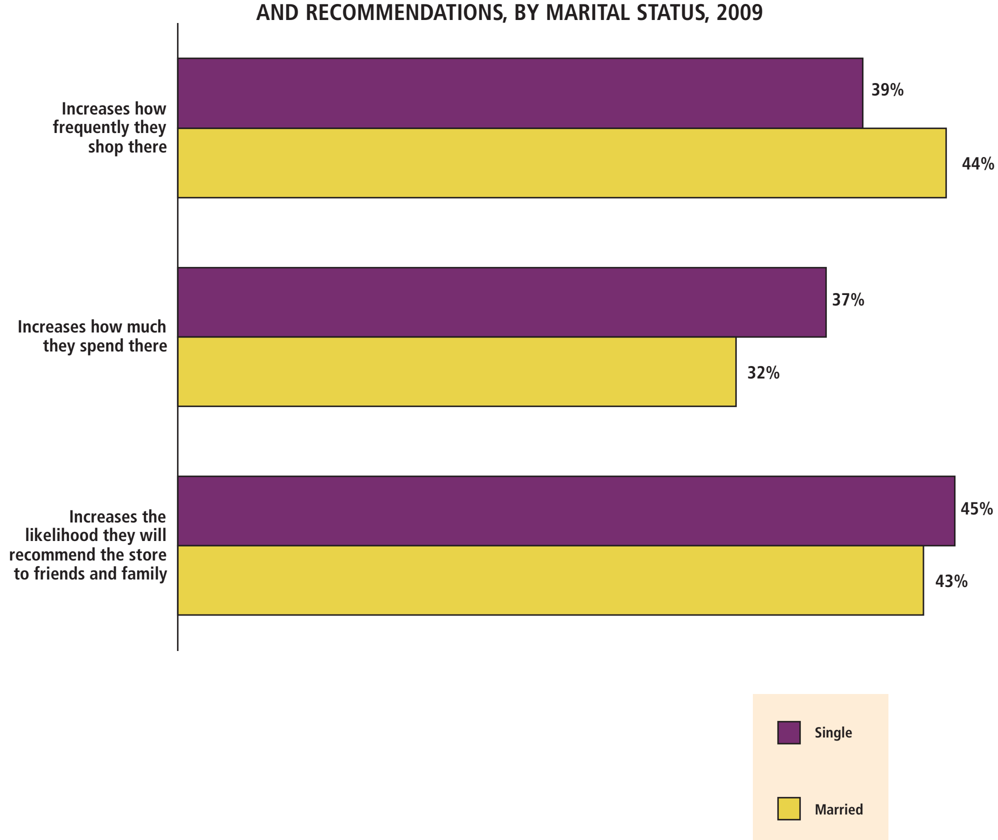


SOURCE: EPM Communications

Impact Of Brand Exclusivity, By Marital Status

- Marrieds will shop somewhat more frequently at a store that offers a brand they like, yet they are less likely to say that translates into increased spending or recommendations for that store

HOW BRAND EXCLUSIVITY AFFECTS WOMEN'S HABITS, SPENDING, AND RECOMMENDATIONS, BY MARITAL STATUS, 2009

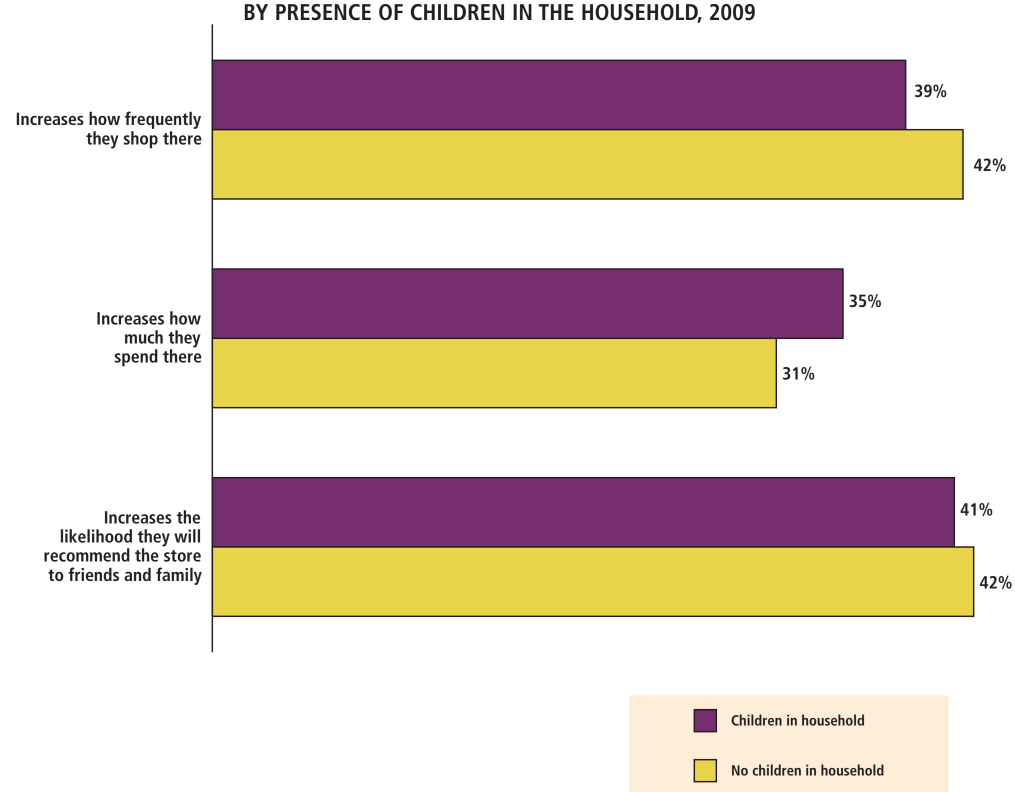


SOURCE: EPM Communications

Impact Of Brand Exclusivity, By Presence Of Children

- Presence of children has little influence on frequency of shopping, spending, or recommendations

HOW BRAND EXCLUSIVITY AFFECTS WOMEN'S HABITS, SPENDING, AND RECOMMENDATIONS, BY PRESENCE OF CHILDREN IN THE HOUSEHOLD, 2009



SOURCE: EPM Communications

MEDIA EFFECT ON AWARENESS

Most women (53%) first learn about private label and licensed storewide brands via in-store promotions or store circulars, and nearly the same proportion (49%) learn about apparel brands the same way. By comparison, mass media — including television, magazines, radio, and Internet — accounts for how approximately 30% of women learn about storewide and apparel brands. About 10% of women learn about both storewide and apparel brands via word-of-mouth.

Those who first learn of private label brands in other ways most commonly say it was simply by discovering the brand while shopping the store.

While these numbers appear to support Wal-Mart's push to get manufacturers to devote more of their advertising budgets to store circulars, they may only reflect that the retail giant has used this medium to promote its own brands and avoided other media, skewing the numbers.

Age Distinctions

Women aged 18-24 are equally likely to have first learned about private label and licensed apparel brands through store promotions and circulars (39%) and mass media (39%). Similarly, they are nearly equally likely to have learned of storewide brands via store promotions and circulars (40%), and mass media (39%). This group of women is also the most likely to have learned about apparel and storewide brands via word-of-mouth (19% and 17%, respectively).

Women aged 25-44 (57%) and 45-64 (53%) are most likely to have learned about apparel brands through store promotions and circulars, and less so via mass media (23% each). They demonstrate a similar split for storewide brands, with 56% of 25-44 year olds and 62% of 45-64 year olds learning about them via store promotions and circulars, compared to 29% and 22%, respectively, who learn about them via mass media.

Women aged 65 and older learn about apparel brands via store promotions and circulars (42%), compared to 31% who learn about them via mass media. They are the most likely group to discover brands in magazines (19%). They are less balanced in the way they learn about storewide brands, with 50% doing so via store promotions and circulars, and 22% via mass media. Those aged 65 and older (19%) is more likely than average to say they learn about apparel and storewide brands in ways other than media, store marketing and advertising, and word-of-mouth; their responses indicate that predominantly was in-store discovery is most significant for them.

Marital Status

There is little variation in how women learn about apparel brands based on their marital status. However, married women are more likely to learn about storewide brands through in-store promotions, whereas single women are more likely to learn about them via television.

Moms (52%) are more likely than women without children (47%) to learn about apparel brands via store promotions and circulars, as well as via word-of-mouth (13% vs. 11%). Women without children (12%) are three times as likely as moms (4%) to learn about apparel brands in magazines.

Moms (31%) learn about storewide brands via in-store promotions, compared to 21% via store circulars, which may point to their lack of time to research deals prior to entering a store and instead taking advantage of the deals they find once there. Conversely, women without children are nearly equally likely to learn about storewide brands in circulars (27%) as via in-store promotions (26%). Moms (18%) are six times as likely as women without children (3%) to learn about storewide brands through television.

Income

Women show similar patterns of learning about apparel and storewide brands based on their income levels. Women with household incomes of less than $30,000 predominantly learn about both types of brands via television and make significantly less use of store circulars. Women with household incomes of $30,000-$49,999 are most likely to learn about brands via store circulars. Those with incomes of $50,000-$99,999 most commonly learn about brands through in-store promotions but are the least likely group to learn about them through word-of-mouth.

Retailer Recall

Women's ability to recall which retailers carry storewide brands is affected by the medium in which they first learn about such brands. Those who learn about them via in-store promotions or store circulars are more likely than average to be able to correctly identify the retailers who carry the brands. Clearly, Kmart and Sears are successfully promoting their brands via store circular, with significantly higher than average recall for their brands advertised in that medium.

One notable exception to the store circular trend is Wal-Mart's Parent's Choice brand. Women who learned about the brand via word-of-mouth are most likely to correctly identify the retailer who carries it, but that is tied to the effect of moms commonly learning about brands via word-of-mouth.

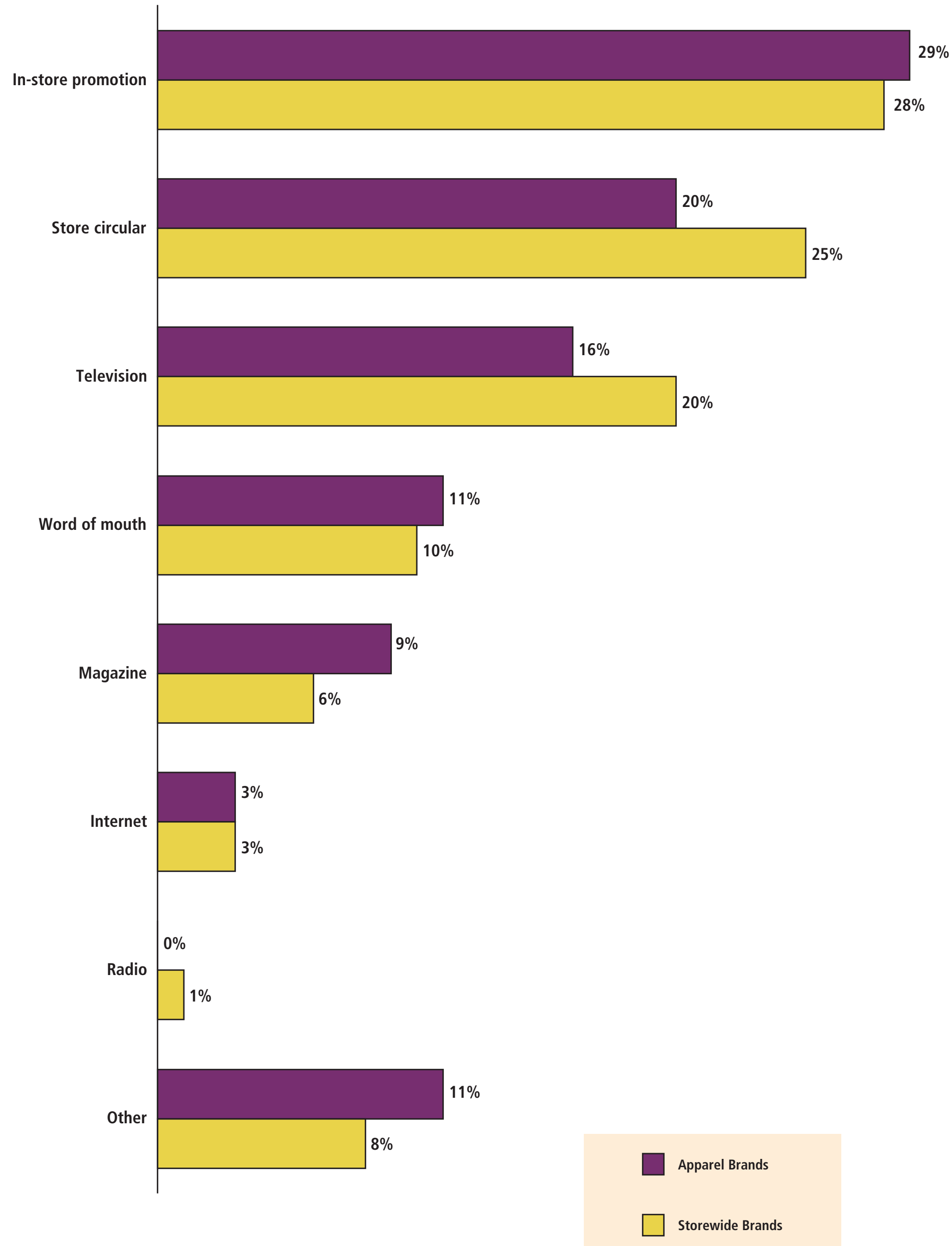
A variety of trends emerge concerning how women learn about apparel brands and their ability to recall which retailers carry such brands. For example, women who learned about brands that carry a celebrity name or "cool factor" — such as Converse One-Star, Daisy Fuentes, and Simply Vera Vera Wang — via magazines are more likely than average to be able to recall at which retailer they are available.

Mass retailers demonstrate skill in promoting their brands via store promotions and circulars; women who learn about Wal-Mart's Faded Glory and Kmart's Joe Boxer in those ways prove to have better-than-average recall of who sells those brands.

Media Where Women Learn About Private Label Apparel And Storewide Brands

- Vendors should pay heed to Wal-Mart's efforts to convince them to spend their advertising budgets on in-store promotions (including in-house TV ads) and circulars
- The success of in-store promotions and circulars will lead other retailers to develop more robust programs to entice their suppliers to consolidate advertising and marketing budgets with them, for those with the leverage in terms of buying power to do so

MEDIUM BY WHICH WOMEN FIRST LEARNED ABOUT PRIVATE LABEL APPAREL AND STOREWIDE BRANDS, 2009

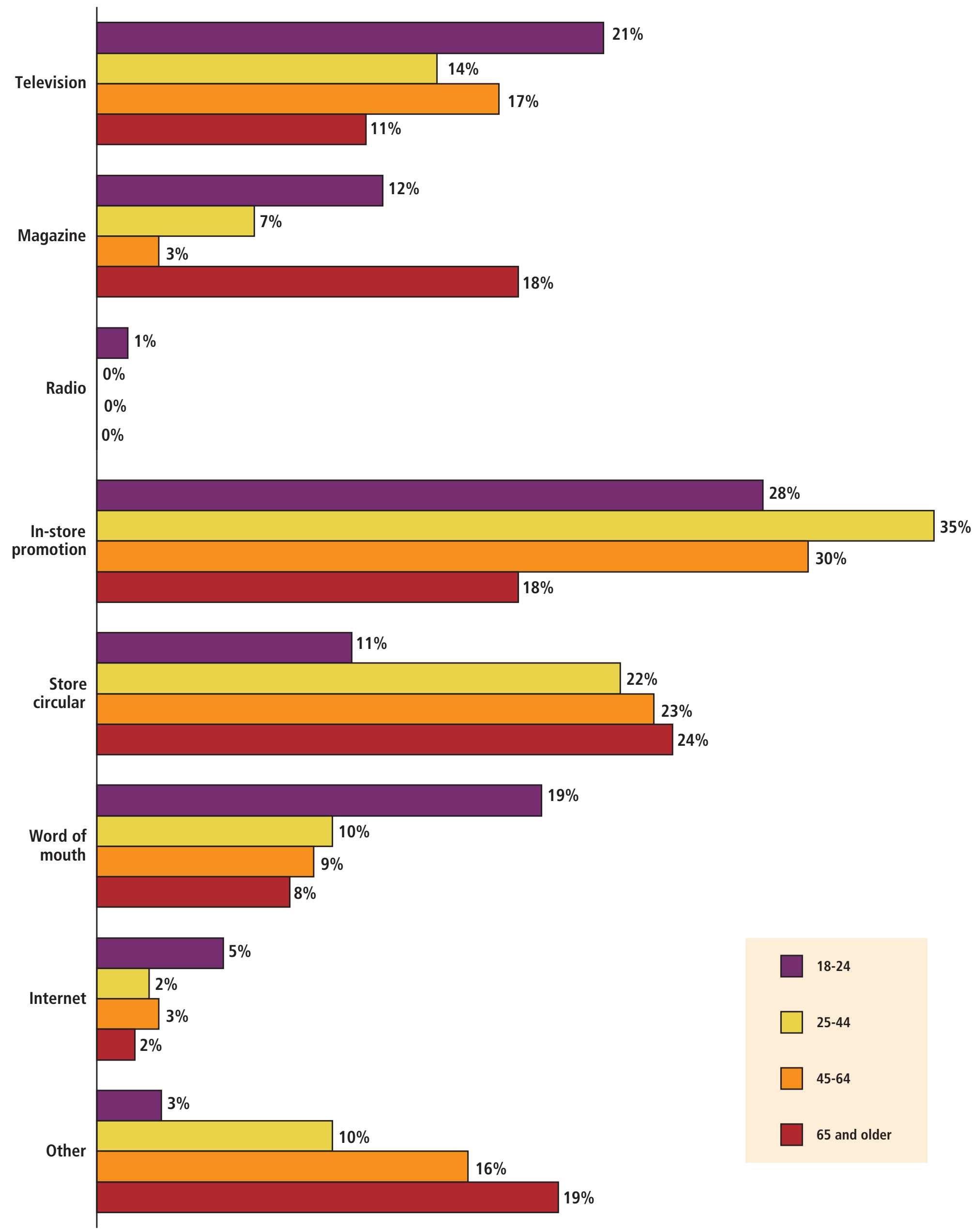


SOURCE: EPM Communications

How Women First Learn About Apparel Brands, By Age

- Older women are more likely than their younger counterparts to look to magazines to find information about apparel brands
- 18-24 year olds are the least likely to learn about an apparel brand from a store circular, but the most likely age group for both television ads and word-of-mouth
- The Internet scores surprisingly low for all age groups

HOW WOMEN FIRST LEARNED ABOUT APPAREL BRANDS, BY AGE, 2009

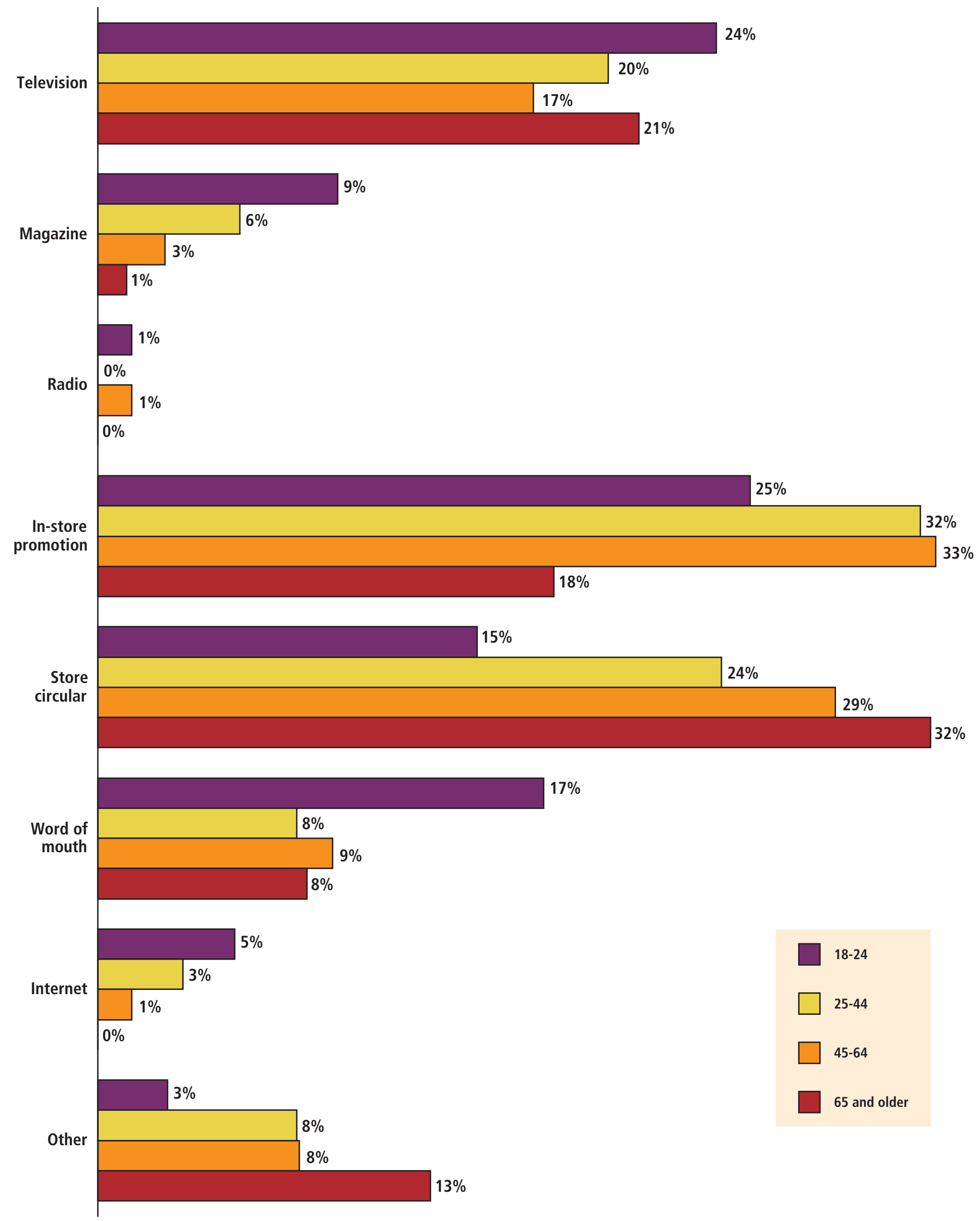


SOURCE: EPM Communications

How Women First Learn About Storewide Brands, By Age

- Television ads are much stronger for storewide brands than for apparel brands
- Store circulars are much stronger for storewide brands than for apparel brands
- In-store promotions are weaker for storewide brands than for apparel brands

HOW WOMEN FIRST LEARNED ABOUT STOREWIDE BRANDS, BY AGE, 2009

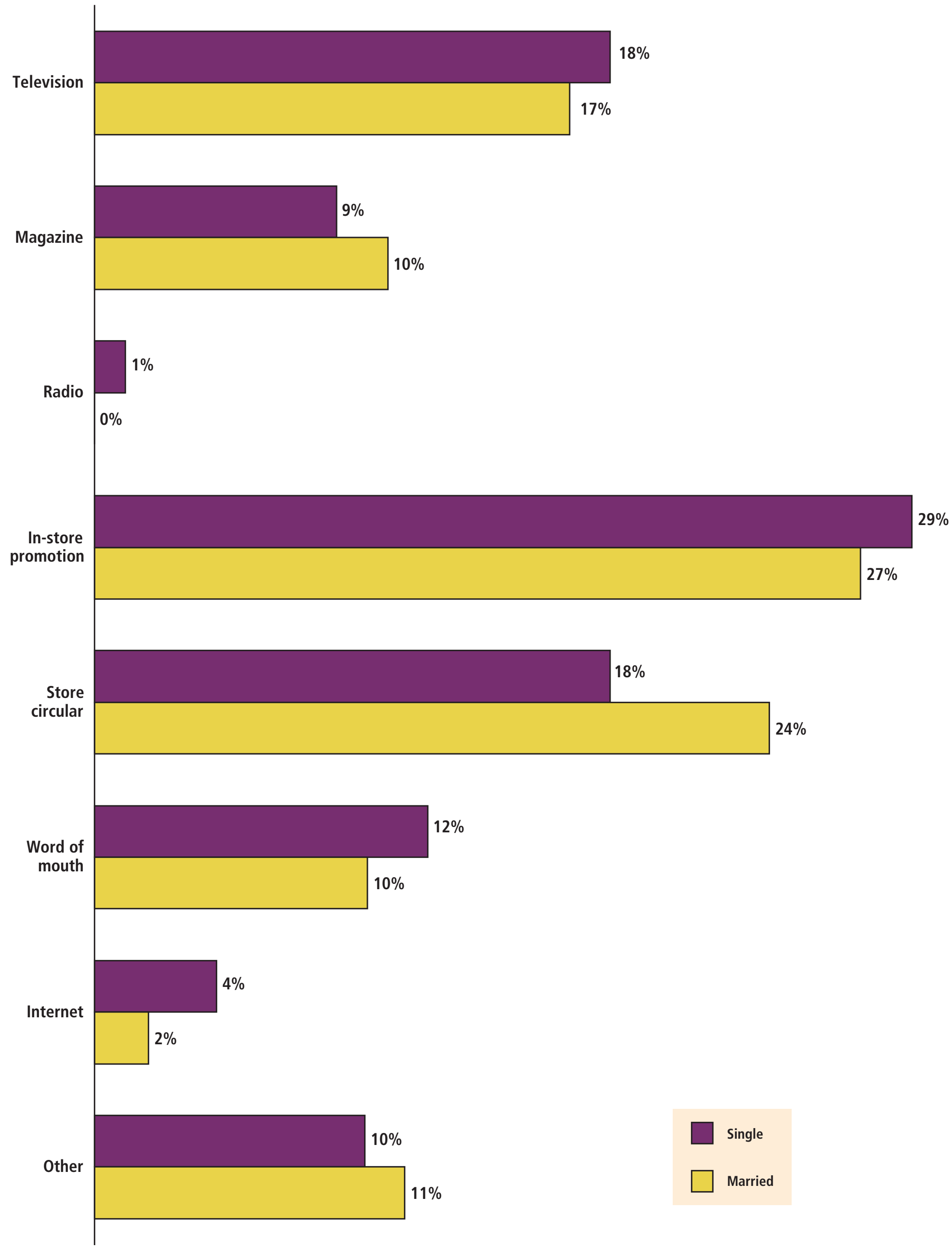


SOURCE: EPM Communications

How Women First Learn About Apparel Brands, By Marital Status

- Store circulars are significantly more important to marrieds than singles
- In-store promotions are the most likely way that both marrieds and singles learn about brands

HOW WOMEN FIRST LEARNED ABOUT APPAREL BRANDS, BY MARITAL STATUS, 2009

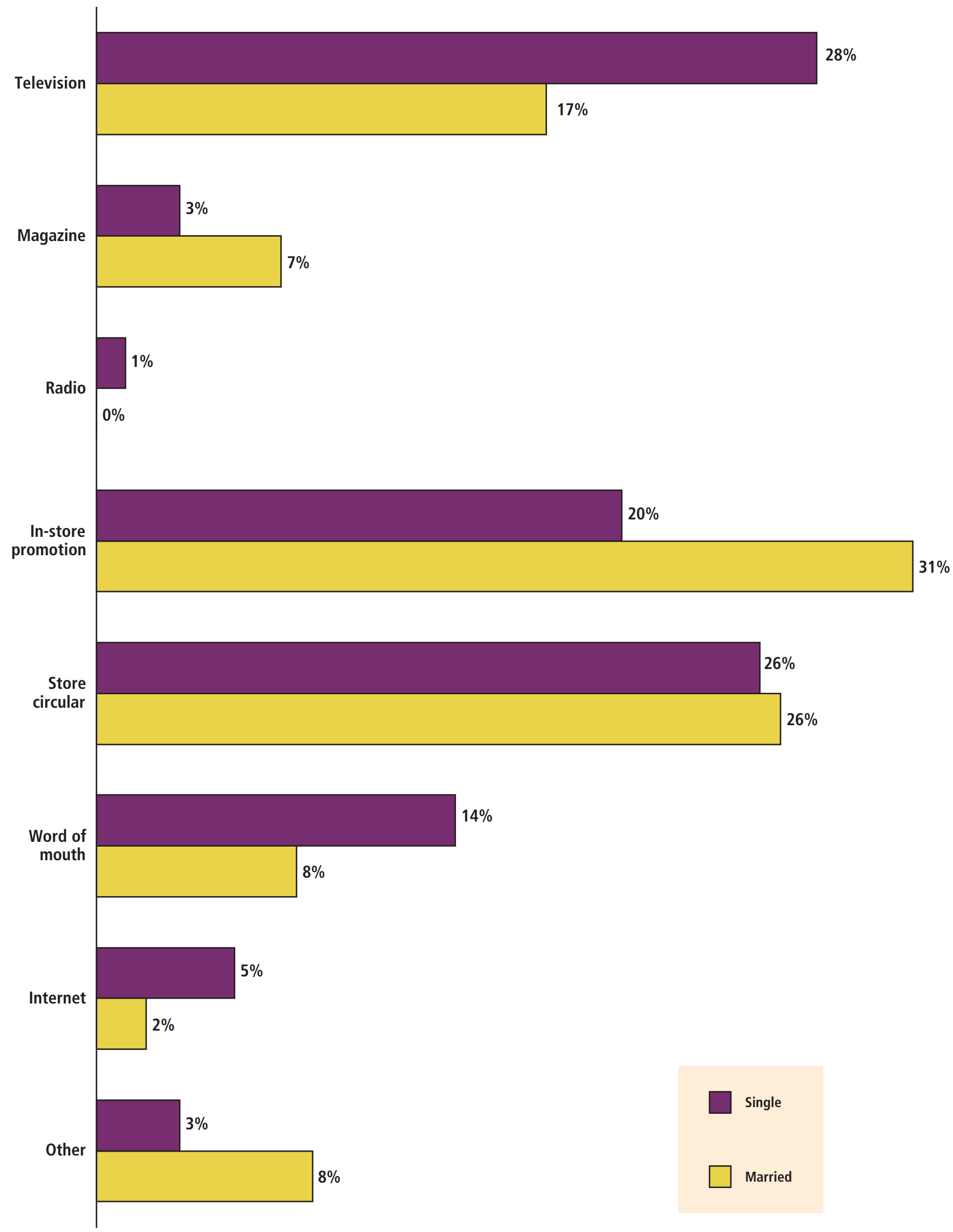


SOURCE: EPM Communications

How Women First Learn About Storewide Brands, By Marital Status

- Television is the single most important medium among singles
- In-store promotions dominate among marrieds, who are shopping for a family and may be more budget-conscious and interested in taking advantage of deals

HOW WOMEN FIRST LEARNED ABOUT STOREWIDE BRANDS, BY MARITAL STATUS, 2009

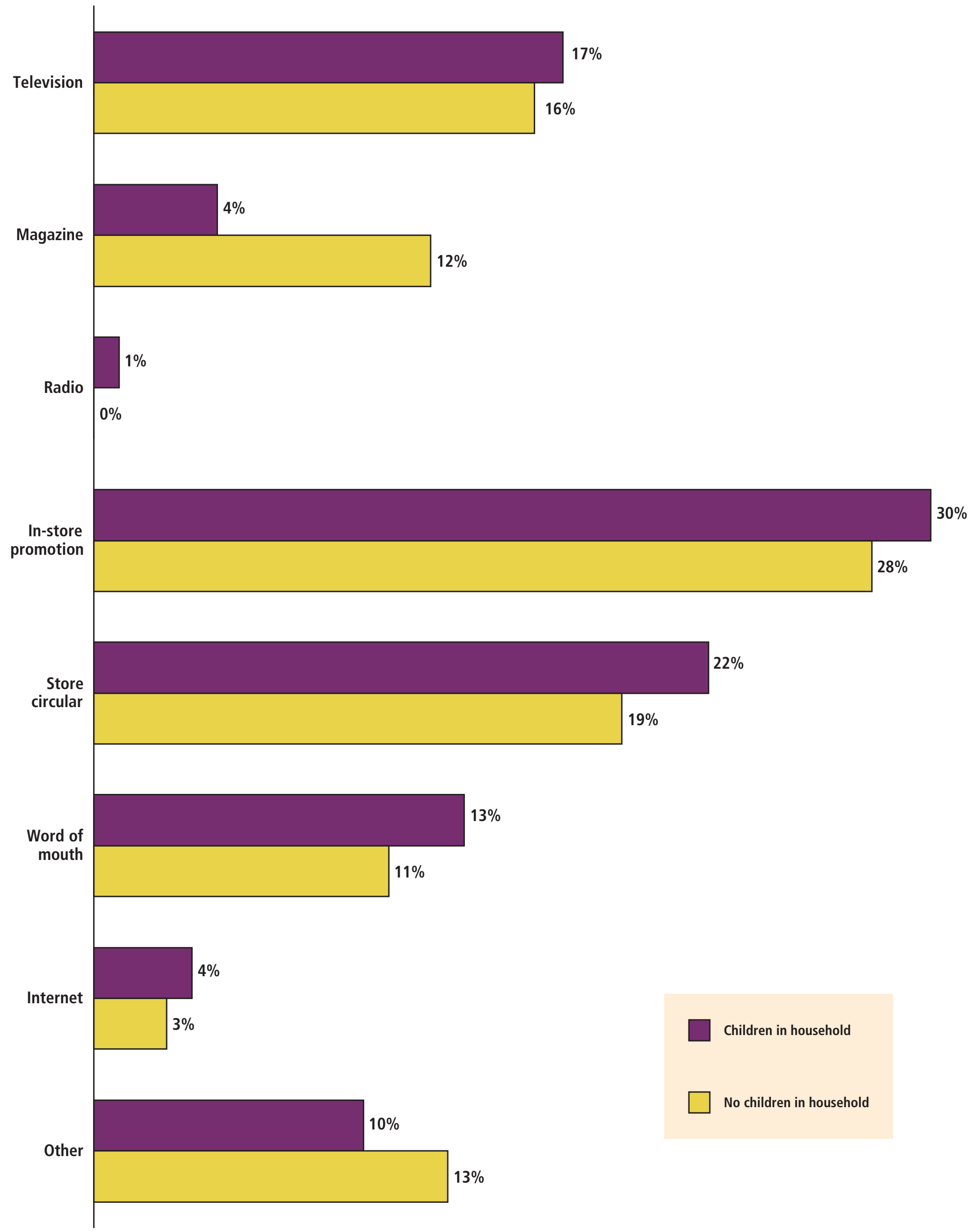


SOURCE: EPM Communications

How Women First Learn About Apparel Brands, By Presence Of Children

- Women without children are more likely than moms to learn about brands from magazines, perhaps because they have more uninterrupted time to read

HOW WOMEN FIRST LEARNED ABOUT APPAREL BRANDS, BY PRESENCE OF CHILDREN IN THEIR HOUSEHOLDS, 2009

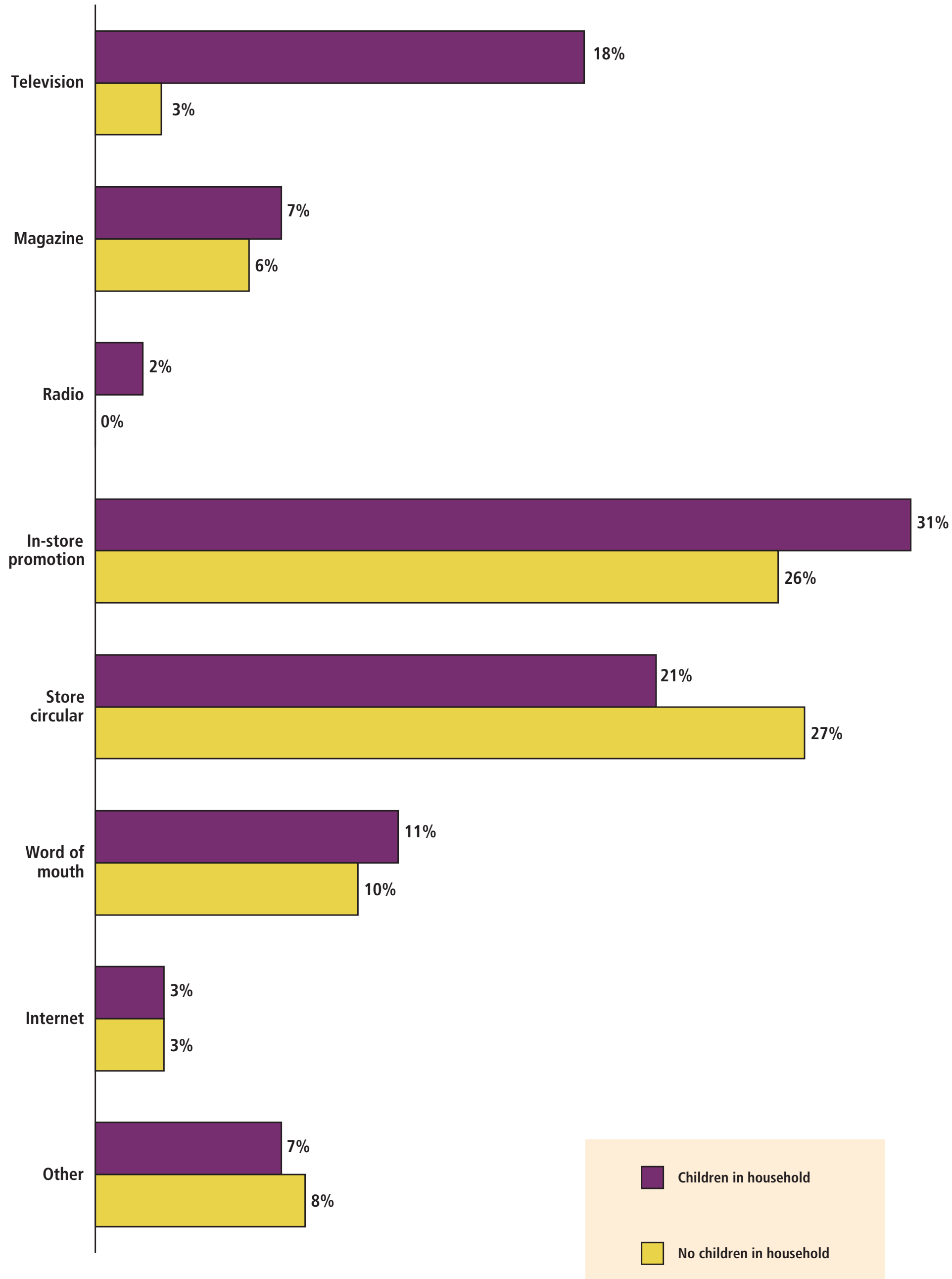


SOURCE: EPM Communications

How Women First Learn About Storewide Brands, By Presence Of Children

- In-store promotions dominate among moms, followed distantly by circulars and TV
- In-store promotions and circulars are most important to women without children, who are much less likely to learn about brands from any other medium

HOW WOMEN FIRST LEARNED ABOUT STOREWIDE BRANDS, BY PRESENCE OF CHILDREN IN THEIR HOUSEHOLDS, 2009

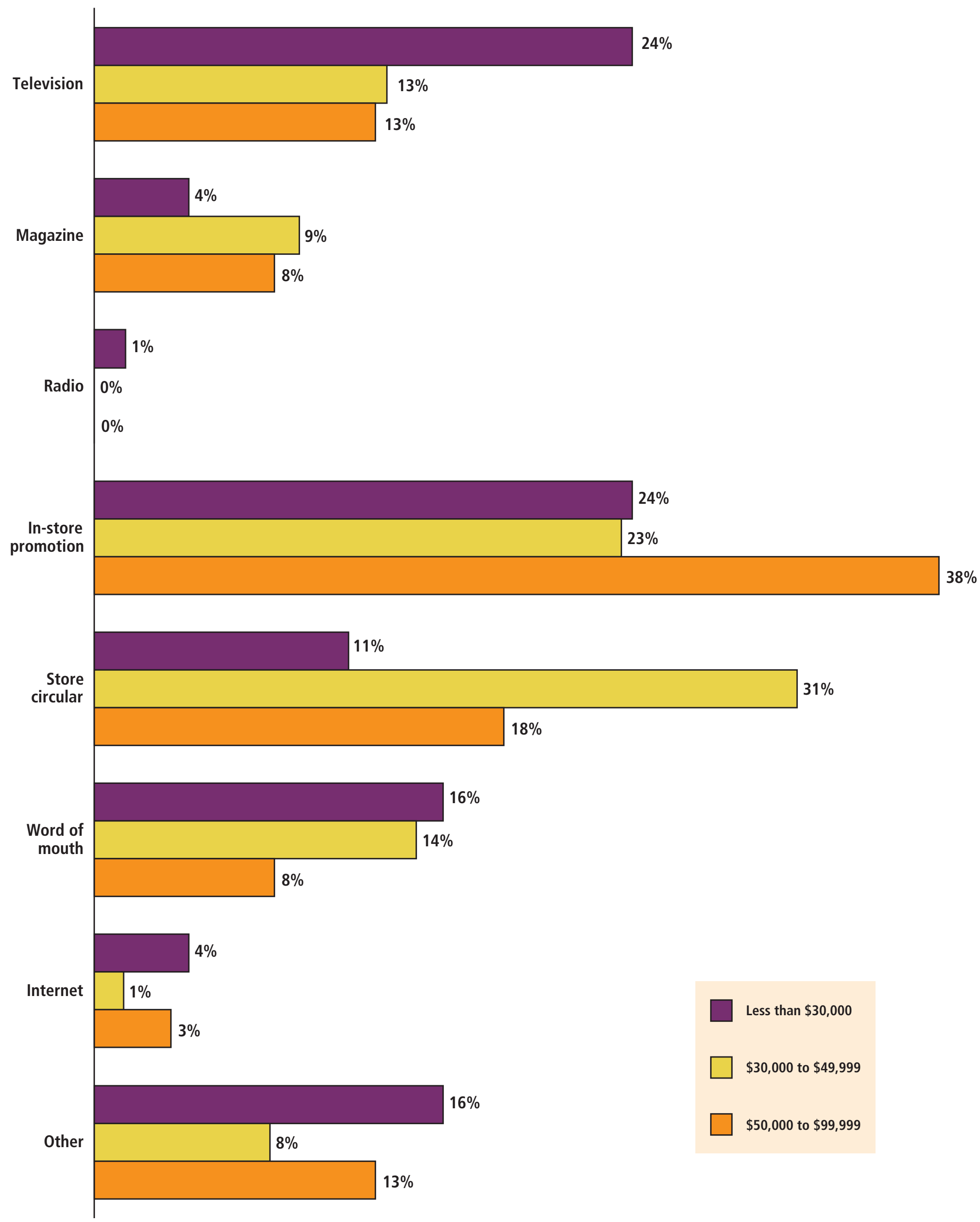


SOURCE: EPM Communications

How Women First Learn About Apparel Brands, By Income

- Store circulars are less important at the lowest income level, compared to other income levels
- The importance of in-store promotions explodes at the $50,000-$99,999 level

HOW WOMEN FIRST LEARNED ABOUT APPAREL BRANDS, BY INCOME LEVELS, 2009

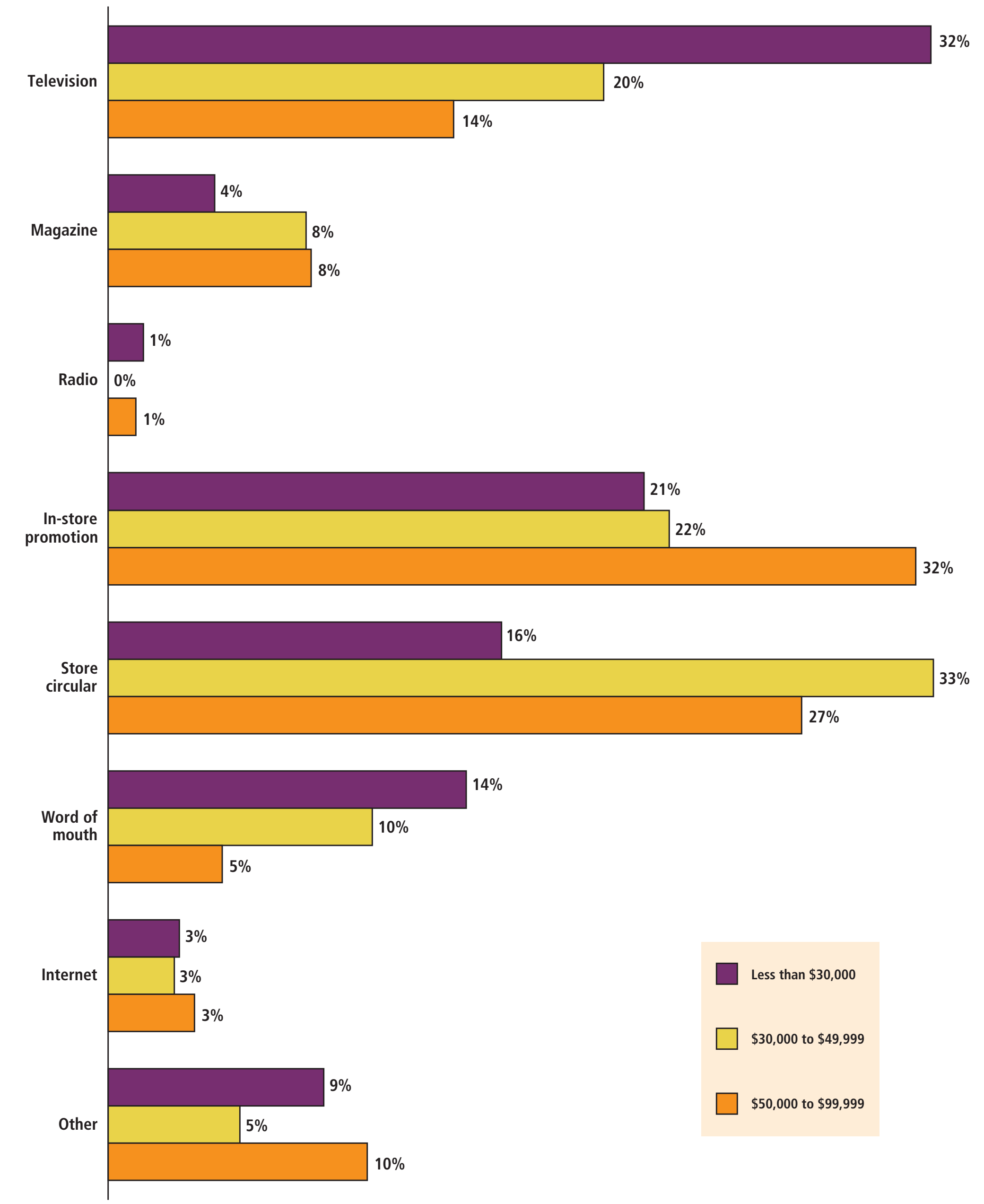


SOURCE: EPM Communications

How Women First Learn About Storewide Brands, By Income

- Television is the critical element for households earning $30,000 or less; in-store promotions rank second
- Store circulars are key among households with incomes of $30,000 to $49,999, whereas in-store promotions are the most important among those with incomes of $50,000 to $99,999

HOW WOMEN FIRST LEARNED ABOUT STOREWIDE BRANDS, BY INCOME LEVELS, 2009

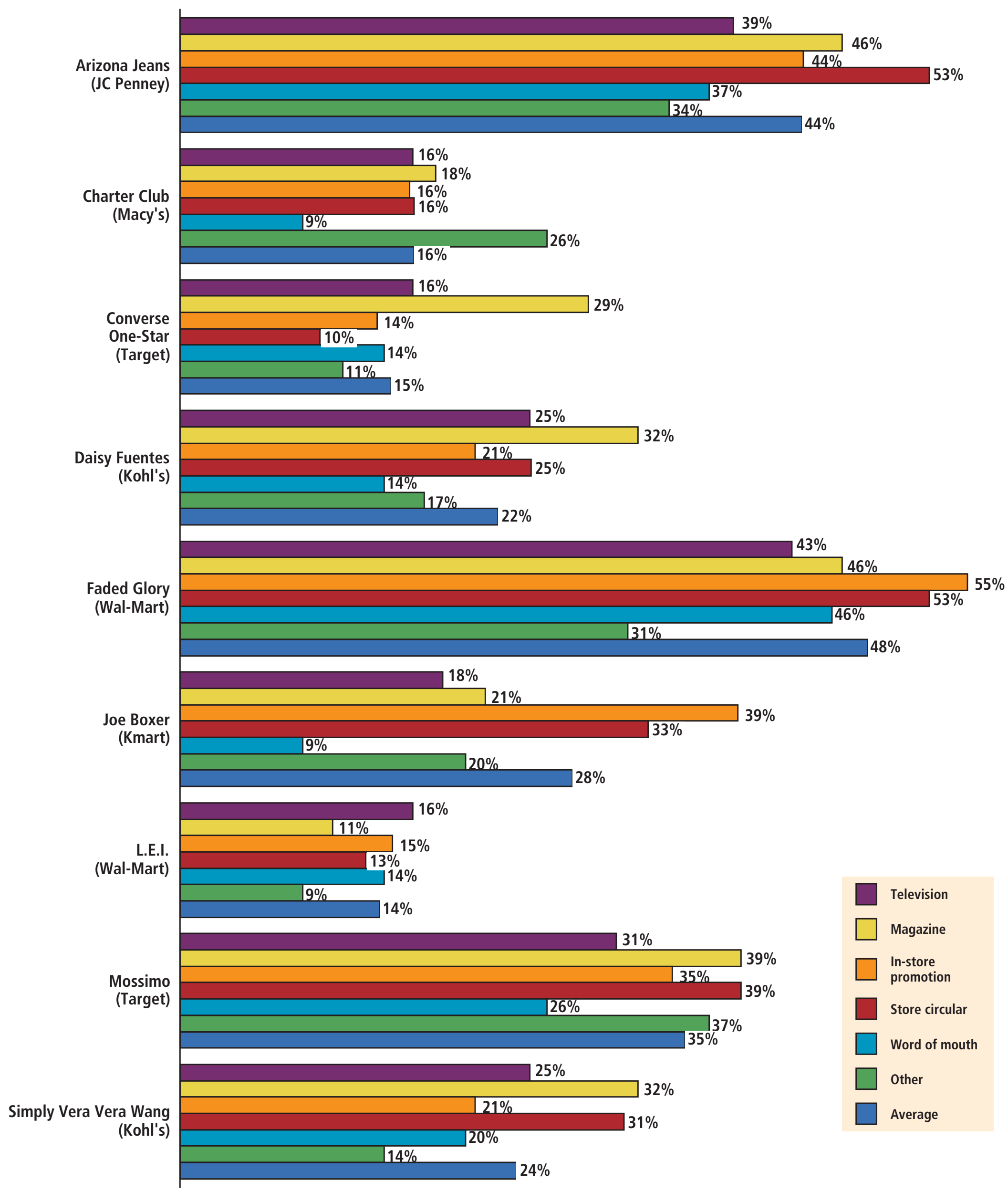


SOURCE: EPM Communications

How Women First Learn About Specific Private Label Apparel Brands

- Magazines show up most prominently for Converse One-Star, Daisy Fuentes, Mossimo and Simply Vera Vera Wang
- The highly competitive Arizona Jeans and Faded Glory lines share store circulars as most important, but in-store promotions are more important for Faded Glory and significantly less important for Arizona Jeans

HOW WOMEN FIRST LEARNED ABOUT BRANDS COMPARED TO THOSE WHO CORRECTLY IDENTIFIED THE RETAILER WHO CARRIES APPAREL PRIVATE LABEL BRANDS, 2009



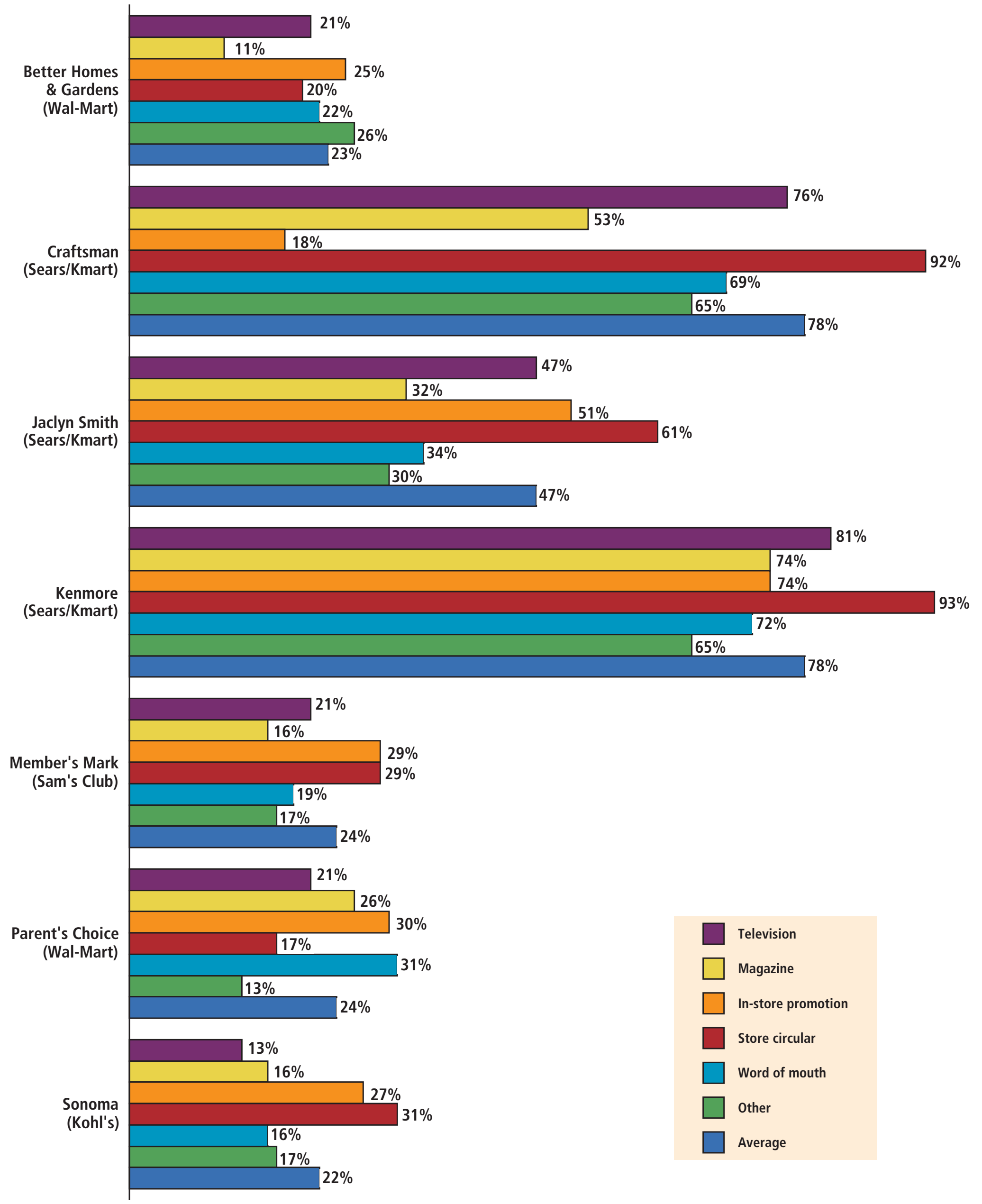
NOTE: Radio and Internet are not included in this chart because the sample sizes are statistically too small.

SOURCE: EPM Communications

How Women First Learn About Specific Private Label Storewide Brands

- Awareness of the Craftsman brand is low among women who learn about brands via in-store promotions, likely because the brand is rarely sold at discounted prices
- Awareness of Parent's Choice is high among women who learn about brands from word-of-mouth conversations because moms are more likely to discuss and recommend brands than women overall

HOW WOMEN FIRST LEARNED ABOUT BRANDS COMPARED TO THOSE WHO CORRECTLY IDENTIFIED THE RETAILER WHO CARRIES STOREWIDE PRIVATE LABEL BRANDS, 2009



NOTE: Radio and Internet are not included in this chart because the sample sizes are statistically too small.

SOURCE: EPM Communications

LICENSED VS. NON-LICENSED BRANDS

Private label brands — including direct-to-retail (DTR) brands that are licensed and sourced by a number of retailers — have been stealing market share from nationally advertised non-licensed brands across apparel, food, and general merchandise categories, and in virtually all distribution channels. In the past five years, there has also been a dramatic increase in exclusive direct-to-retail licensed brands, where the retailer assumes the roles that are traditionally played by manufacturers: design, sourcing, and marketing.

Those trends leave licensors competing with both national brands and retailer-developed store brands at a new level of intensity. However, some licensors are benefitting from this inventory-free, DTR business model.

Retailers are still embracing this model, positioning their own private labels at opening price points, and layering on highly profitable DTR brands, which have high profit margins especially in apparel, home furnishings, and accessories. At the same time, retailers, especially above the mass channel, are positioning these labels alongside national brands.

Mass marketers have solved the issue of selling department store name brands downstairs with subbrands, typically directly sourced and of a less-expensive make than their department store cousins. An example is the C9 by Champion line at Wal-Mart, clearly calling out that the product is specifically for the mass marketer.

Across the 46 store brands surveyed, 23 are licensed. As stated, women can accurately say which brand, licensed or not, appears in which store, on average, 20% of the time. They think they know the match up but are wrong 20% of the time. And 60% of the time they say they don't know where the brands are located.

However, for the licensed brands, women can accurately identify the brand/store relationship, on average, 17% of the time, are wrong 26% of the time, and are unsure 57% of the time — but the differences by brand are instructive.

Among licensed brands, confusion increases (and the number of women who can correctly identify which store brand is sold where declines) for store brands that are off-shoots of recognized national brands that are widely available in other channels. Examples include: C9 By Champion (exclusive to Target), Danskin Now (Wal-Mart), Converse One-Star (Target) and Fisher-Price Apparel (Kmart). Each of these brands is relatively new, which may also affect women's awareness of them.

Licensed celebrity store brands are correctly identified with the proper retailer far more frequently if the celebrity is clearly identified in the brand name; Daisy Fuentes (Kohl's) and Jessica Simpson (distributed beyond Macy's, but with Simpson featured by that chain as a spokesperson) are far more likely to be associated with the stores where they are sold than Bootheel Trading (Sheryl Crow, at Dillard's) or Abbey Dawn (Avril Lavigne, at Kohl's).

Retailer support for the brand should be part and parcel of the original deal and is critical to the success of the initiative for all parties. Whenever possible, deals for celebrity brands should also include an agreement for the celebrity to appear in advertising in order to reinforce their connection with the brand.

Differences Among Retailers

Wal-Mart: Women most commonly correctly identify Wal-Mart with its in-house-developed Great Value store brand (52%), followed by Equate (50%) and licensed apparel brand Faded Glory (48%). The licensed Better Homes & Gardens line, which is much newer than the other three, is correctly linked to Wal-Mart 23% of the time, and Danskin Now 18% of the time. This is a high level of awareness for Better Homes & Gardens considering that Wal-Mart continues its tradition of not emphasizing licensed brands in its national advertising.

The lack of advertising may also contribute to the low level of awareness for Wal-Mart's Norma Kamali line — the retailer has historically struggled to position itself as a fashion apparel resource, though it is doing just fine in basics. In order to boost its fashion cache, it landed a joint line from Miley Cyrus and Max Azria this summer.

Target: The licensed, longstanding, and heavily marketed Mossimo brand has the highest awareness level at 35% of women. The next closest licensed apparel brand is Cherokee, at 24%.

Target's in-house developed food brands, Archer Farms and Market Pantry, are correctly identified with the retailer 27% and 20% of the time, respectively. This is critical to the mass market broadline retail strategy of attracting shoppers for frequent store visits to stock up on basic consumables, such as milk, eggs, and snacks.

The licensed store brand with the least connection to Target is Liz Lange in apparel (8%), but this is a relatively high number considering that this is a maternity line.

Target does considerably better with its licensed brands than does Wal-Mart, which could be a factor of the stores' clienteles. Target's fashion-forward shoppers are more likely to look for brands that carry a name they recognize, compared to Wal-Mart's price-oriented shoppers who are always thinking of the impact on their wallets. Target also aggressively markets licensed merchandisel

Macy's: 26% of women associate the Jessica Simpson brand with Macy's — though an equal number associate it with other retailers. In fact, the brand is available at a wide range of brick-and-mortar and online stores, though Macy's carries some exclusive SKUs. But by making Simpson part of its ad campaign, and also putting Jessica Simpson merchandise in its back-to-school window displays in fall 2009, Macy's is creating the impression that it is a destination for Simpson merchandise.

Awareness is surprisingly low for two of the company's long-running house-developed brands: basics-oriented Charter Club (16%) and Alfani (9%), though neither receives heavy promotion from the retailer.

Kohl's: The licensed Simply Vera Vera Wang brand is correctly identified with Kohl's by nearly one in four women (24%), despite being one of this retailer's newest licensed brands. The line's broad range of apparel, accessories, footwear, and bath and bedding may account for the high awareness. However, 34% of women associate the brand with the higher-end department stores where the core brand is sold.

Another licensed brand, Daisy Fuentes, is recognized as a Kohl's brand by 22% of women. Comparatively, Kohl's house-developed brands Sonoma and apt. 9 are correctly identified with the retailer by 22% and 19% of women, respectively.

The lowest awareness level is for the Abbey Dawn licensed line, at 6%. The low awareness may be attributed to the lack of tweens and young teens in this survey. And as suggested, perhaps Kohl's should have used the celebrity's name, Avril Lavigne, instead for the girls' and juniors' offerings.

Sears And Kmart: The Sears-developed Kenmore and Craftsman store brands have by far the highest recognition of any of the 46 brands surveyed, with 78% of women identifying both correctly. Both brands are now available at department store Sears and mass merchant Kmart.

The licensed 24-year-old Jaclyn Smith brand scores exceptionally well for Kmart and Sears, too (44%), though the two chains have been less effective thus far linking to Fisher-Price Apparel (7%), which was just established this year. The Smith brand has been expanded to include home goods as well as apparel in hopes that it will pick up some of the slack left in the wake of Martha Stewart's departure.

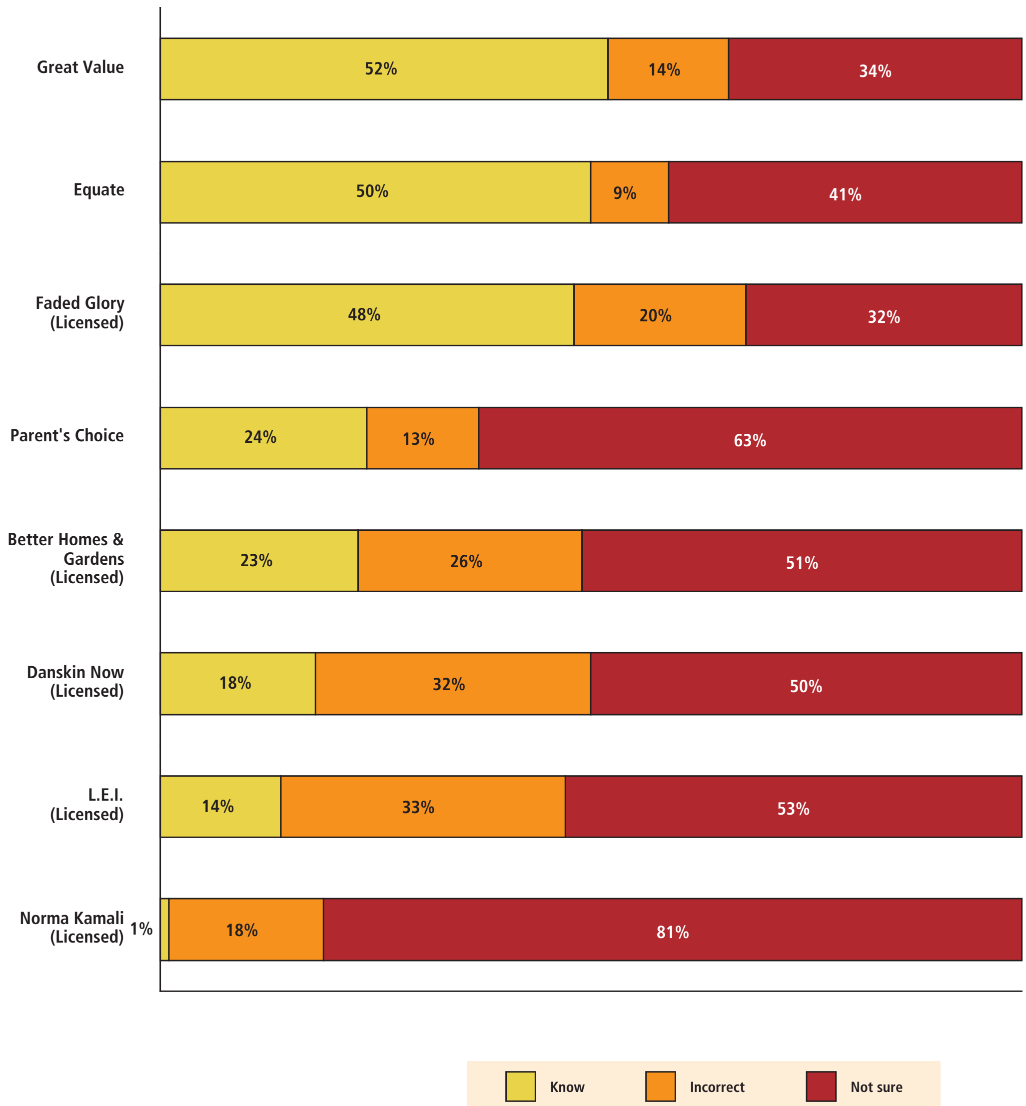
JC Penney: The 20 year-old house-developed denim brand Arizona is correctly identified as a JC Penney label by 44% of women, though 27% misplace the label at another retailer. Its licensed Nicole by Nicole Miller, however, is associated with JC Penney by only 3% of women. A full 80% of survey takers were not sure where the Nicole by Nicole Miller brand was, perhaps thinking of the upstairs retail channels and boutiques that retail Nicole Miller merchandise.

JC Penney is making a play to become a more fashion-forward retailer, establishing a store in Manhattan, bringing in the Mary Kate and Ashley line Olsenboye, and prominently featuring Nicole by Nicole Miller merchandise in its fall marketing campaign, including national television.

Wal-Mart's Private Label And Licensed Store Brands

- Confusion increases when a licensed brand is well known outside the exclusive line carried by the retailer; house brands do not face this problem
- L.E.I. is favored among younger teens, who are not included in this survey

WOMEN'S AWARENESS OF WAL-MART PRIVATE LABEL AND LICENSED BRANDS, 2009



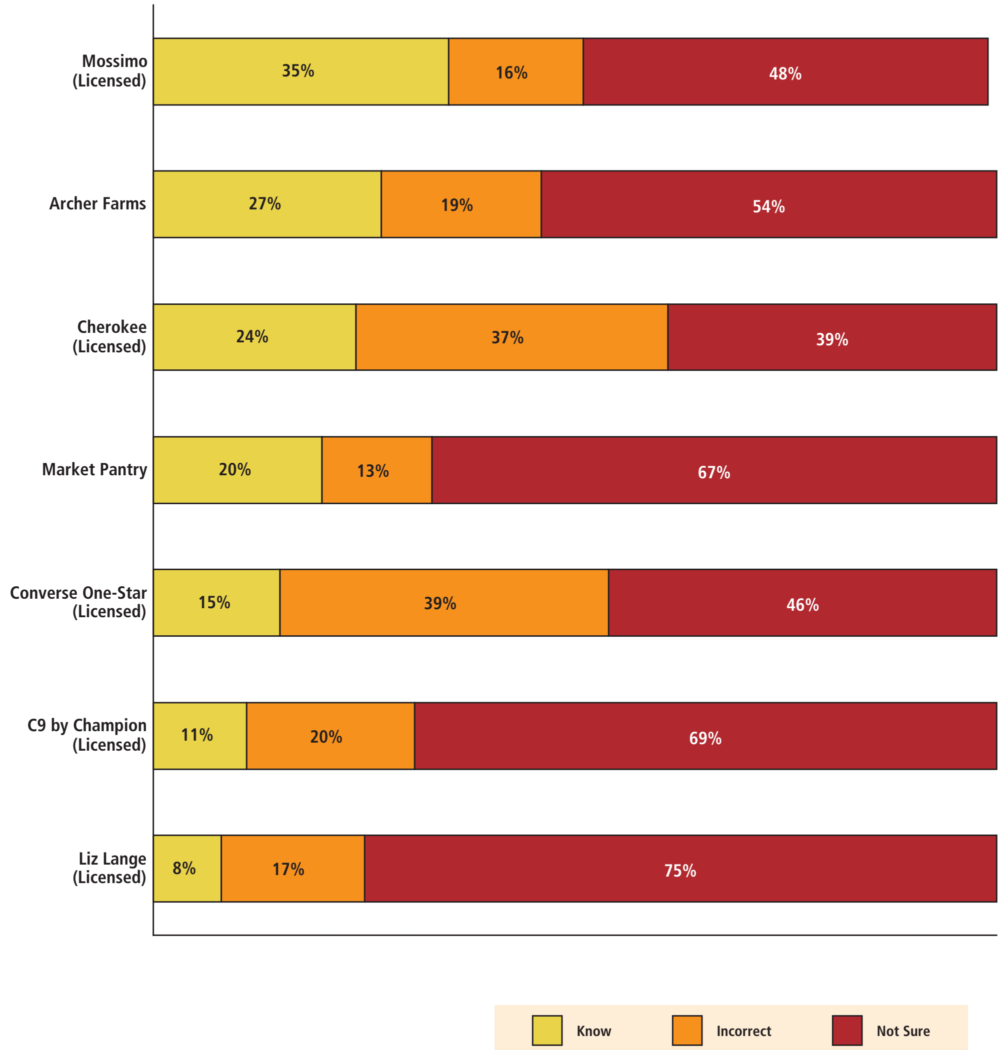
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

Target's Private Label And Licensed Store Brands

- Wide availability of non-exclusive Converse and Champion merchandise at other retailers makes it difficult to establish a link to Target; both brands are also relatively new, which may contribute to low awareness
- Cherokee is promoted less actively than Mossimo in-store, which may account for the high proportion of people who align Cherokee with the wrong retailer

WOMEN'S AWARENESS OF TARGET PRIVATE LABEL AND LICENSED BRANDS, 2009



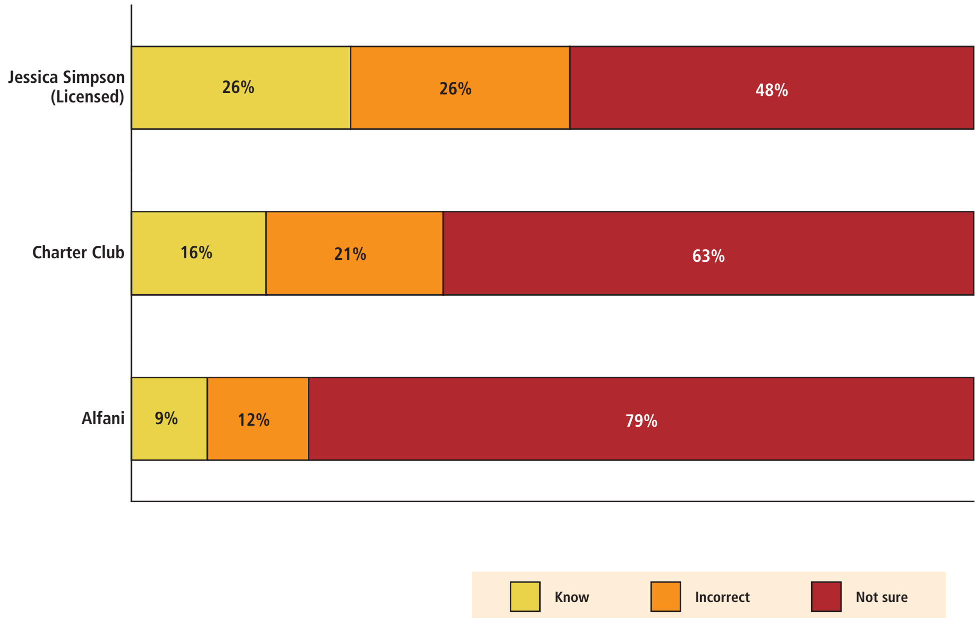
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

Macy's Private Label And Licensed Store Brands

- Macy's has been ambivalent in positioning its Alfani and Charter Club brands, despite long histories there — and it shows in the awareness levels
- While some Jessica Simpson merchandise is available elsewhere, Macy's has effectively leveraged the celebrity's spokeswoman status to identify her with the retailer

WOMEN'S AWARENESS OF MACY'S PRIVATE LABEL AND LICENSED BRANDS, 2009



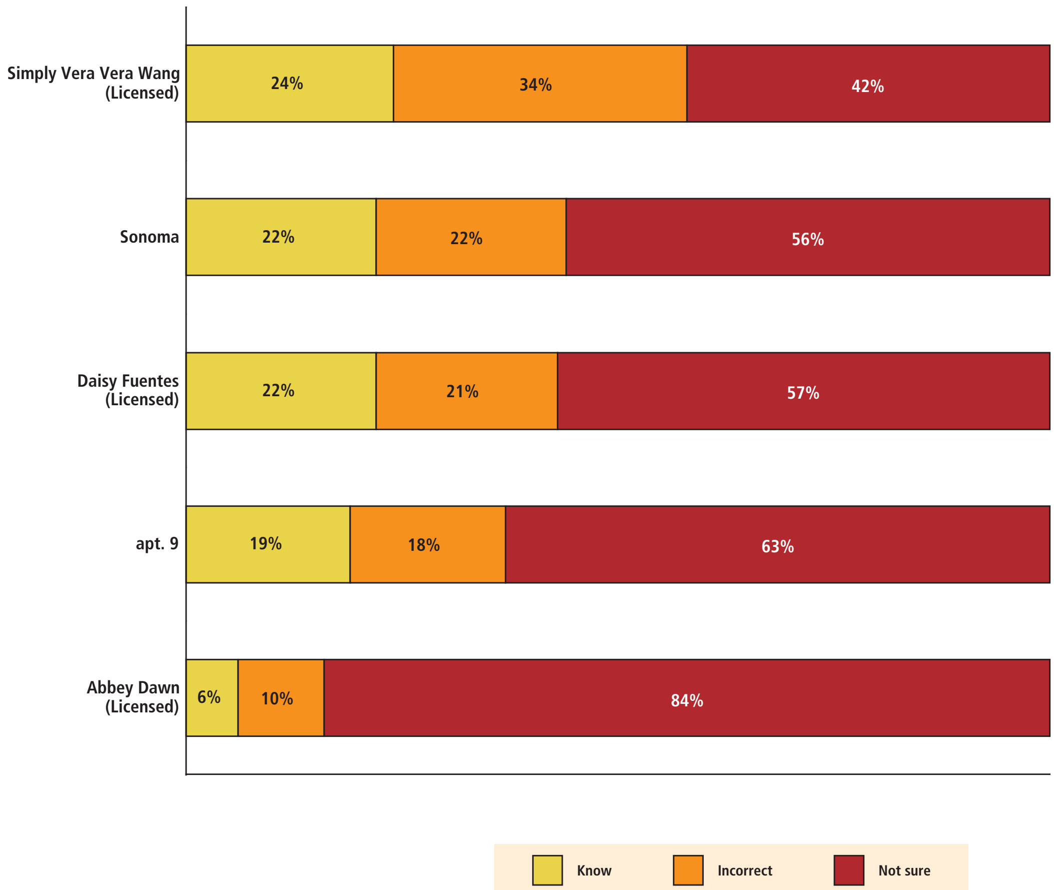
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

Kohl's Private Label And Licensed Store Brands

- Pop star Avril Lavigne's Abbey Dawn line is not sufficiently aligned with the star, though low awareness of the teen/tween line may be attributed the fact that survey respondents were all aged 18 or older
- Simply Vera Vera Wang defies the norm that it is difficult to establish a link to a specific retailer when a brand is available in other channels. In Wang's case, this is the low-end while all other distribution is at the high end
- Daisy Fuentes has become a staple for the chain

WOMEN'S AWARENESS OF KOHL'S PRIVATE LABEL AND LICENSED BRANDS, 2009



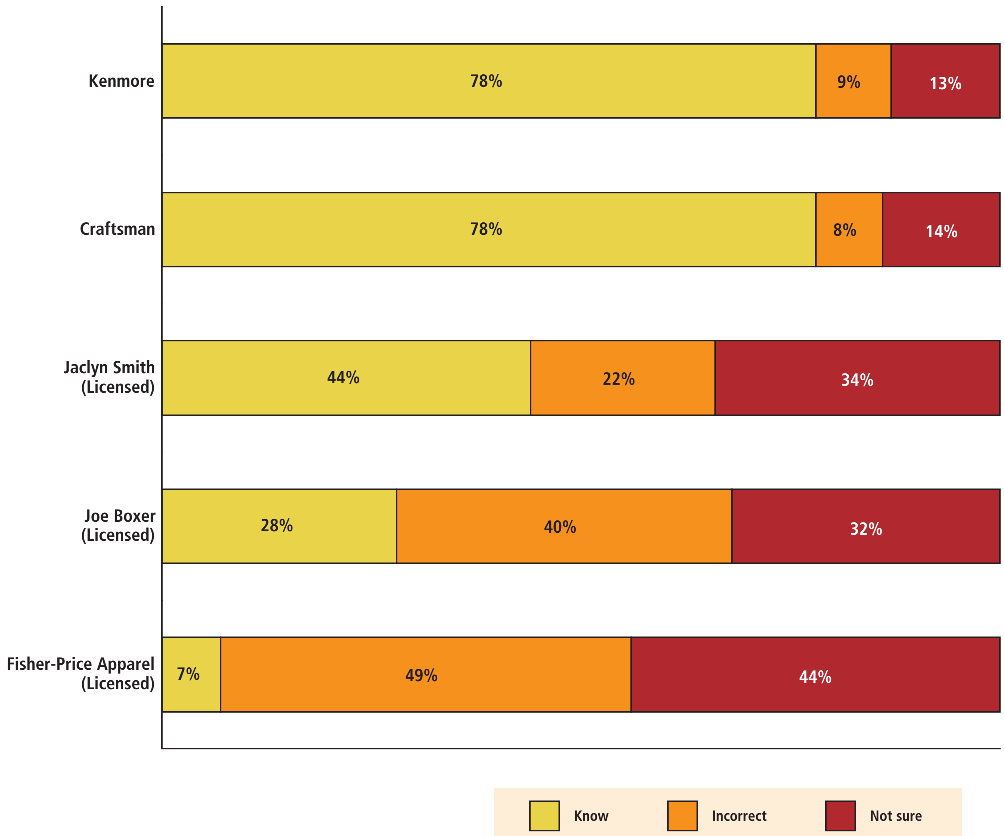
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

Sears And Kmart Private Label And Licensed Store Brands

- Jaclyn Smith is the success story, now expanding to domestics and housewares, replacing Martha Stewart
- Without very strong marketing support, Fisher-Price Apparel is likely to struggle to find an identity linked to Sears and Kmart

WOMEN'S AWARENESS OF SEARS AND KMART PRIVATE LABEL AND LICENSED BRANDS, 2009



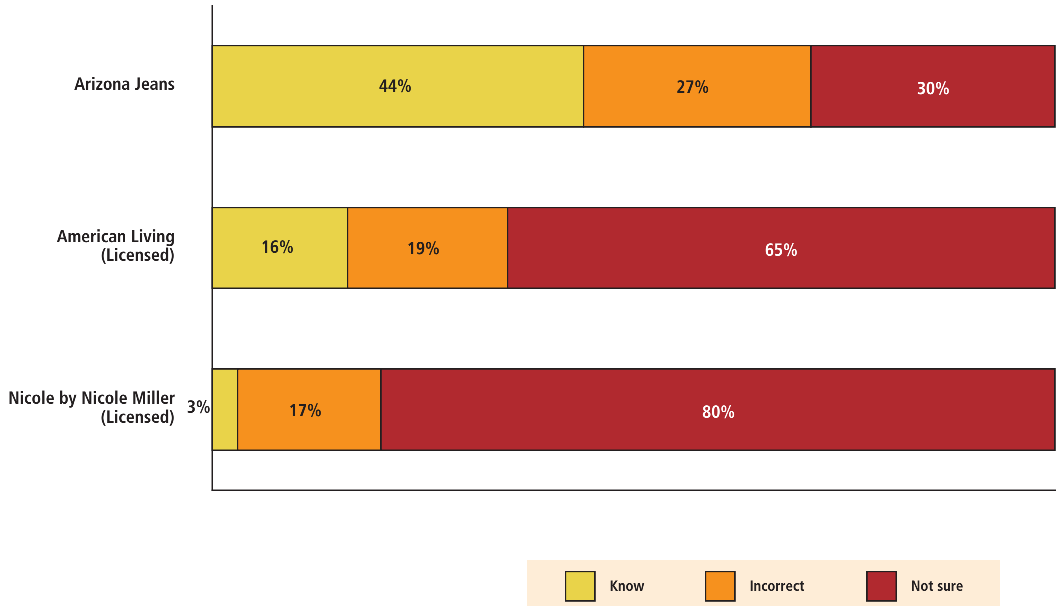
NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

JC Penney Private Label And Licensed Store Brands

- Ralph Lauren's American Living line is making fast inroads
- Nicole by Nicole Miller should be the equivalent of Kohl's Simply Vera Vera Wang, but Kohl's has a fashion-forward identity; JC Penney does not
- In addition, JC Penney does not advertise its private labels as much as Kohl's does

WOMEN'S AWARENESS OF JC PENNEY PRIVATE LABEL AND LICENSED BRANDS, 2009



NOTE: Totals may not equal 100% due to rounding.

SOURCE: EPM Communications

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