



Study: Private Label Brands Are Growing

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NEW YORK -- Private label brands were once the exclusive domain of traditional grocers, but a new Information Resources Inc. study says the fight for private label shoppers is revving up as mass merchandisers, super centers and club stores are carving out their stake of the store-brand pie.

In its "Times & Trends" study released today titled *Private Label: The Battle for Value-Oriented Shoppers Intensifies*, IRI analyzed store-brand spending trends to find that even mighty Wal-Mart and other super centers are placing more emphasis on private label sales at a time when consumers are not turning up their noses at today's new generation of private label products.

"The image of private label has changed in consumers' minds from purely a low-price option to a set of products that offer quality and value," said Janet Eden-Harris, evp/global CMO for IRI, Chicago. "As these products are increasingly being stocked and promoted within value channels, traditional retailers must begin to look for ways to stay ahead and even reposition their house brands as the best of both quality and value."

The added pressure on grocers could result in a cross-channel fight for shoppers' radar and the study predicts that grocers will attempt to stave off competition with ramped-up marketing and a greater product variety that might include branching out into fresh foods.

But both marketers and retailers can profit from the competition, per the study. In evaluating private label tactics, retailers should carefully balance its store brand offerings by category and by store to maximize profitability, while marketers must keep their eyes trained on the cross-channel strategies to innovate and seize share for their branded products.

--Sonia Reyes