



# *Unlocking the Private Label Advantage*

**Erika Reid & Jason Smith**

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# Agenda

- Shopper Intelligence - Who we are and what we do?
- Who is the Private Label Shopper?
- What's unique about the Private Label vs. National Brand shopper?
- What should we focus on?
  - Retailers & Private Label suppliers
  - National Brands
- Q&A

# Who we are...



**Jason Smith**  
**Managing Director - USA**



**Erika Reid**  
**Category & Insights Director**

# At Shopper Intelligence, We Provide the “Why” to Complement the “What”

## How?

- ❖ Ongoing syndicated shopper study that tracks 110+ categories and 50+ retailers
- ❖ Standardized questions allow for benchmarking, comparing & ranking

## We help our clients:

- ❖ Create a shopper centric approach both internally and with their retailers
- ❖ Prioritize category strategies for more effective and efficient planning
- ❖ Build alignment between retailers, manufacturers and shoppers

# What are **the insights** we know on your category?



## Category DNA

Helps to define category strategy

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## Wants & Needs

Understand priorities & retailer performance

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## Path To Purchase

Triggers to leverage on the P2P

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## Shopper Profile

Analyze a wide range of shopper dynamics

# WHICH US RETAILERS ARE CURRENTLY BEING TRACKED BY SHOPPER INTELLIGENCE?

## MASS MERCH



## CLUB



## OTHER



## GROCERY



## DOLLAR



## PET SPECIALTY



## HOME IMPROVEMENT



## DRUG



## BEAUTY



## LIQUOR



## ONLINE



## CONVENIENCE





# WHICH CATEGORIES ARE CURRENTLY BEING TRACKED BY SHOPPER INTELLIGENCE?

110+  
categories  
being tracked

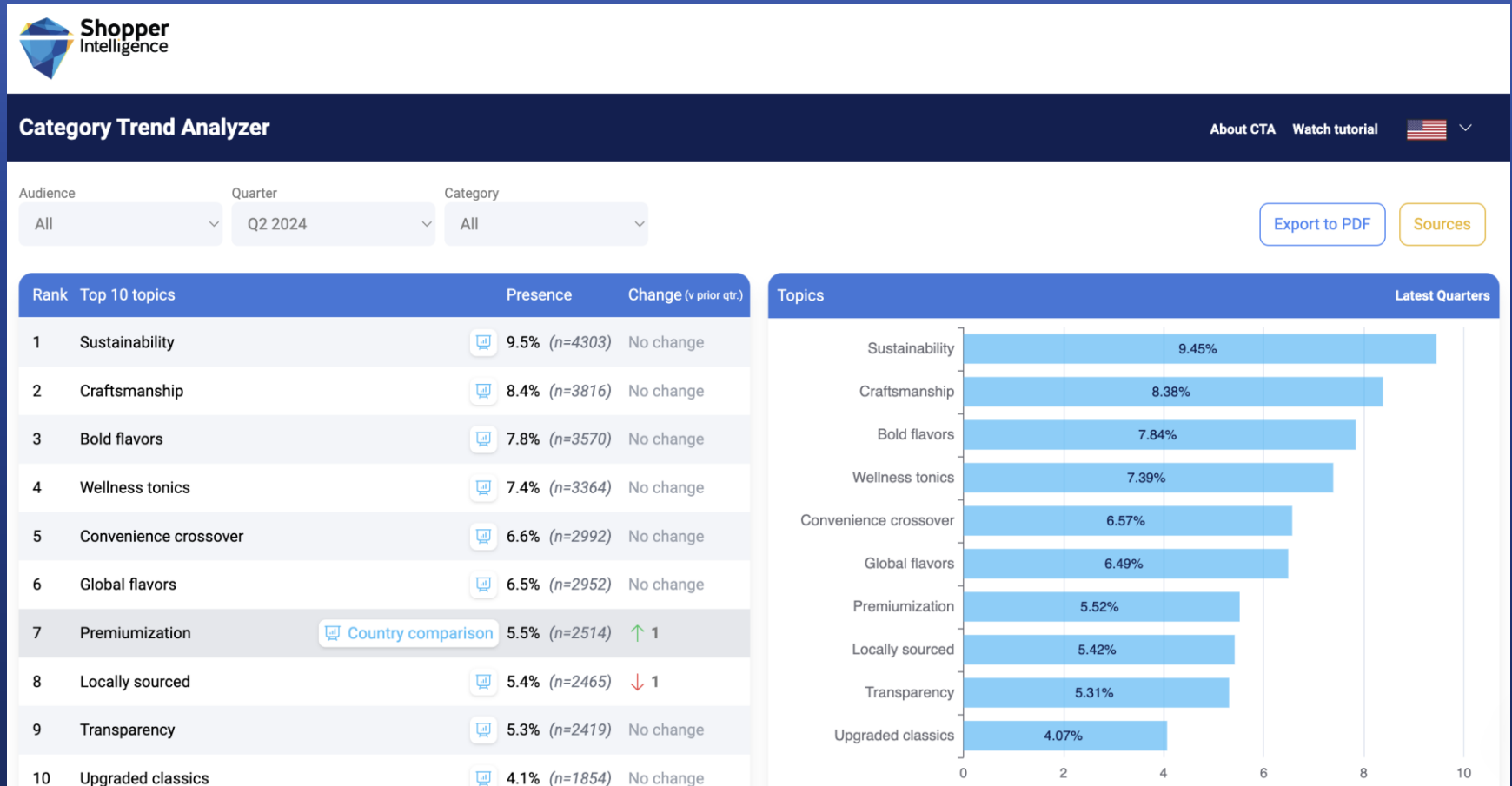
New categories  
added every  
quarter

| Alcohol Dept                     | Frozen Dept                     | HABA Dept                        | Meat Dept                |
|----------------------------------|---------------------------------|----------------------------------|--------------------------|
| Beer                             | Frozen Breakfast                | Adult Incontinence               | Bacon                    |
| Champagne & Sparkling Wine       | Frozen Dinners & Entrées        | Adult Pain Relievers             | Fresh Meat               |
| Hard Seltzer                     | Frozen Meat                     | Antacids & Stomach               | Fresh Seafood            |
| Red Wine                         | Frozen Pizza                    | Bar Soap Products                | Hot Dogs                 |
| Spirits/Liquors                  | Frozen Potatoes & Onion Rings   | Body Wash                        | Sausage                  |
| White & Rosé Wine                | Frozen Seafood                  | Cosmetics - Facial Makeup        | Sliced Lunch Meat        |
| Baby Dept                        | Frozen Snacks                   | Cosmetics - Lips                 | Paper Dept               |
| Baby Food                        | Frozen Vegetables               | Cosmetics - Nails                | Bathroom Tissue          |
| Diapers & Training Pants         | Ice Cream                       | Deodorant & Antiperspirant       | Disposable Plates        |
| Disposable Wipes                 | Ice Cream Novelties             | Fragrances                       | Disposable Cups          |
| Infant & Toddler Formula         | Gen Merchandise Dept            | Hair Coloring Products           | Disposable Cutlery       |
| Bakery Dept                      | Checkout Magazines & Newspapers | Hair Removal                     | Facial Tissue            |
| Fresh Rolls & Baked Goods        | Greeting Cards                  | Hair Styling Aids                | Napkins                  |
| Hot Dog & Hamburger Buns         | Office & School Supplies        | Interdental Products             | Paper Towels             |
| Prepackaged Bread                | Toys                            | Mouthwashes & Rinses             | Pet Care Dept            |
| Beverages Dept                   | Grocery Dept                    | Razors & Blades                  | Cat Food & Treats        |
| Energy Drinks                    | Canned & Jarred Vegetables      | Sexual Wellbeing/Family Planning | Dog Food                 |
| Shelf Stable Juices              | Canned & Pouch Tuna             | Shampoo & Conditioners           | Dog Treats & Chews       |
| Ready to Drink Tea               | Coffee                          | Shave Preps                      | Produce Dept             |
| Refrigerated Juices & Drinks     | Dips & Spreads                  | Skin Care                        | Fresh Fruit              |
| Soft Drinks                      | Dry Pasta                       | Soap - Liquid & Sanitizers       | Fresh Vegetables         |
| Sports Drinks                    | Fruit Spreads                   | Specialty Bath                   | Snacking Dept            |
| Water                            | Nut Butters                     | Toothbrushes                     | Checkout Chocolate Candy |
| Dairy Dept                       | Pasta Sauces                    | Toothpaste & Whiteners           | Checkout Gum & Mints     |
| Butter & Margarine               | Prepackaged Dried Fruit         | Upper Respiratory                | Cookies                  |
| Cottage/Cream Cheese, Sour Cream | Ready-To-Eat Cereal             | Vitamins/Minerals/Supplements    | Energy & Protein Bars    |
| Deli Cheese                      | Rice                            | Household Products Dept          | In Aisle Chocolate Candy |
| Eggs                             | Side Dishes                     | Air Care                         | In Aisle Gum & Mints     |
| Milk                             | Soup                            | Dish Care                        | Salty Snacks             |
| Natural or Processed Cheese      | Sugar & Sweeteners              | Fabric Care                      | Snack Crackers           |
| Yogurt                           | Tea                             | Laundry Detergent                | Snack Nuts               |
|                                  | Toaster Pastries                | Surface Care                     | Sugar Candy              |
|                                  | Vegetable & Cooking Oils        |                                  |                          |

# CATEGORY TREND ANALYZER (FREE FOR 2024)

A cutting edge tool that transcends traditional keyword searches.

It explores social media and industry publications to discover the hottest CPG trends so you can make decisions that keep you ahead of the curve.

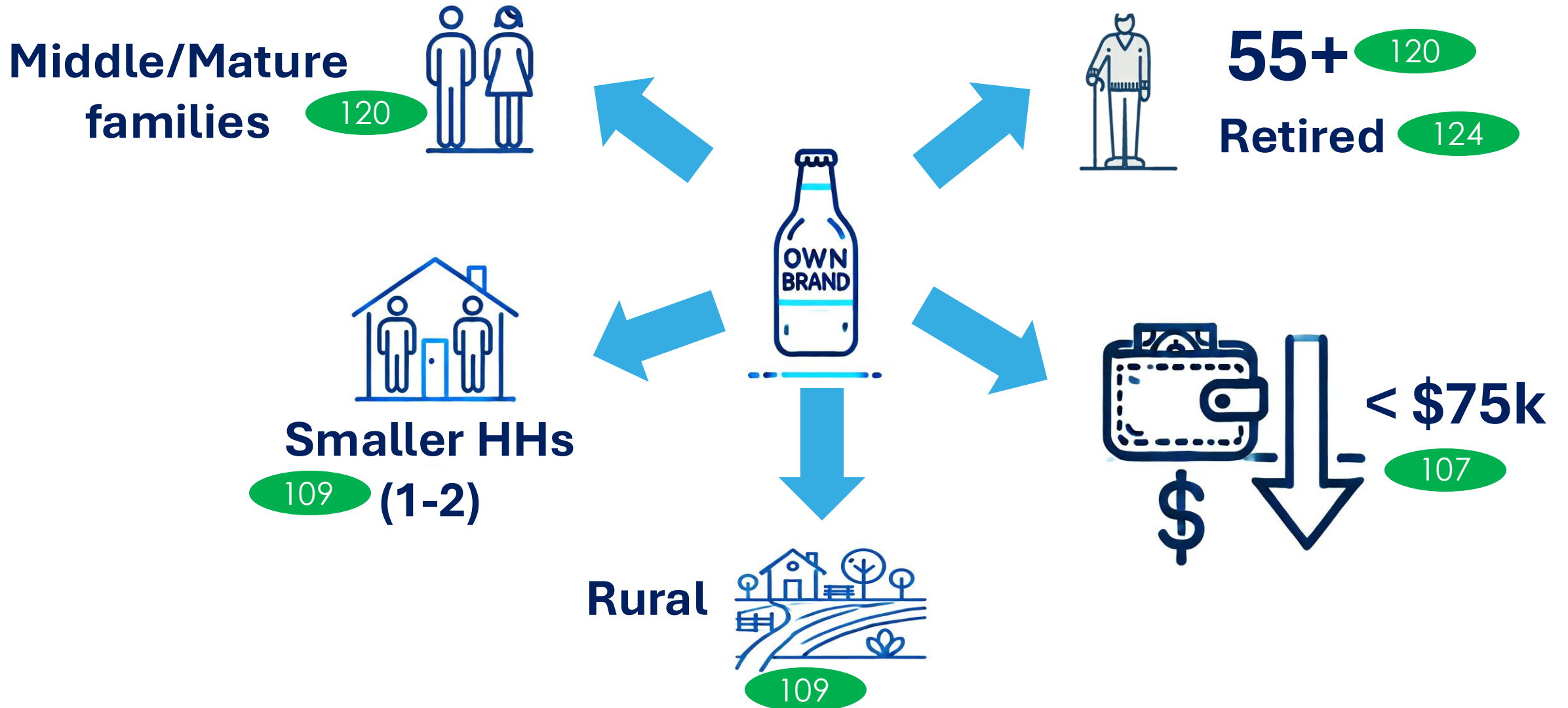


shopperintelligence.com/  
category-trend-analyzer/



**So, what's unique about the  
Private Label shopper?**

# Who is the Private Label Shopper?



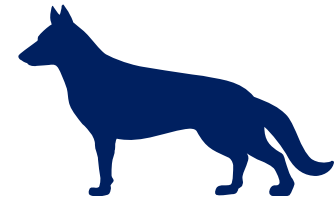
X

Index vs All Categories  
All Retailers Average

# Who are Shoppers Buying For?



|                           | Private Label | National Brand |
|---------------------------|---------------|----------------|
| For the whole family      | 125           | 98             |
| General use in my home    | 120           | 92             |
| Myself and spouse/partner | 117           | 92             |
| Spouse/partner            | 96            | 100            |
| Child/Children            | 91            | 106            |
| Myself                    | 89            | 103            |
| Another adult             | 82            | 102            |
| Household pet             | 70            | 125            |



Index vs All Categories  
All Retailers Average



# Which categories are shoppers most open to Private Label?



“I am usually willing to consider RETAILER Own Label products”

## Top 10 Categories

| Rank | Category                   |
|------|----------------------------|
| 1    | Fresh Rolls & Baked Goods  |
| 2    | Fresh Meat                 |
| 3    | Frozen Vegetables          |
| 4    | Fresh Vegetables           |
| 5    | Disposable Cutlery         |
| 6    | Office & School Supplies   |
| 7    | Fresh Seafood              |
| 8    | Canned & Jarred Vegetables |
| 9    | Disposable Plates          |
| 10   | Prepackaged Dried Fruit    |

## Bottom 10 Categories

| Rank | Category                   |
|------|----------------------------|
| 108  | Energy Drinks              |
| 109  | Cat Food & Treats          |
| 110  | Shampoo & Conditioners     |
| 111  | Hair Coloring Products     |
| 112  | Dog Food                   |
| 113  | Laundry Detergent          |
| 114  | Beer                       |
| 115  | Deodorant & Antiperspirant |
| 116  | Soft Drinks                |
| 117  | Toothpaste & Whiteners     |

# Which Departments are shoppers most open to Private Label?

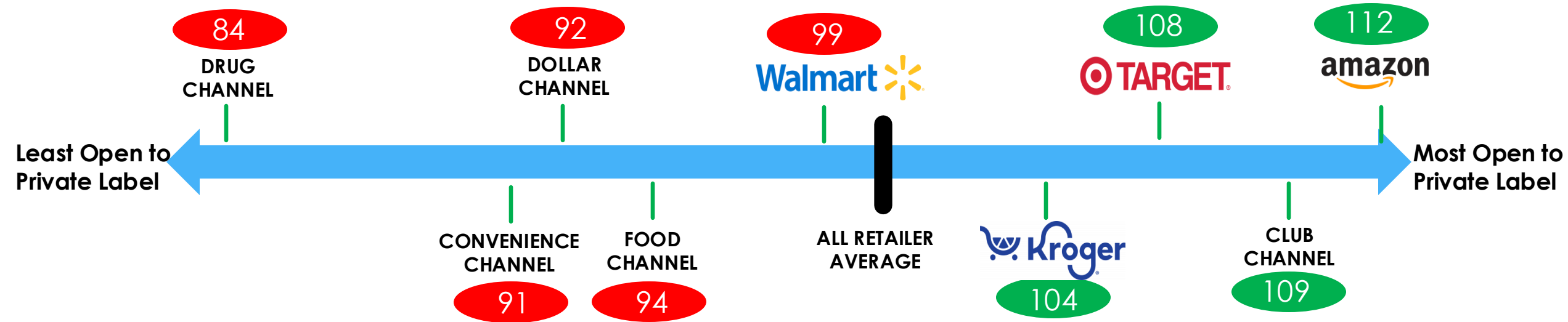
| Rank | Department          |
|------|---------------------|
| 1    | Produce             |
| 2    | Meat                |
| 3    | Bakery              |
| 4    | Dairy               |
| 5    | Frozen              |
| 6    | Grocery             |
| 7    | Paper               |
| 8    | Baby                |
| 9    | General Merchandise |
| 10   | Snacking            |
| 11   | Beverages           |
| 12   | HABA                |
| 13   | Household Products  |
| 14   | Alcohol             |
| 15   | Pet Care            |

## Department Ranking

“I am usually willing to consider RETAILER Own Label products”



# Where are shoppers most open to buying Private Label?



“I am usually willing to consider RETAILER Own Label products”

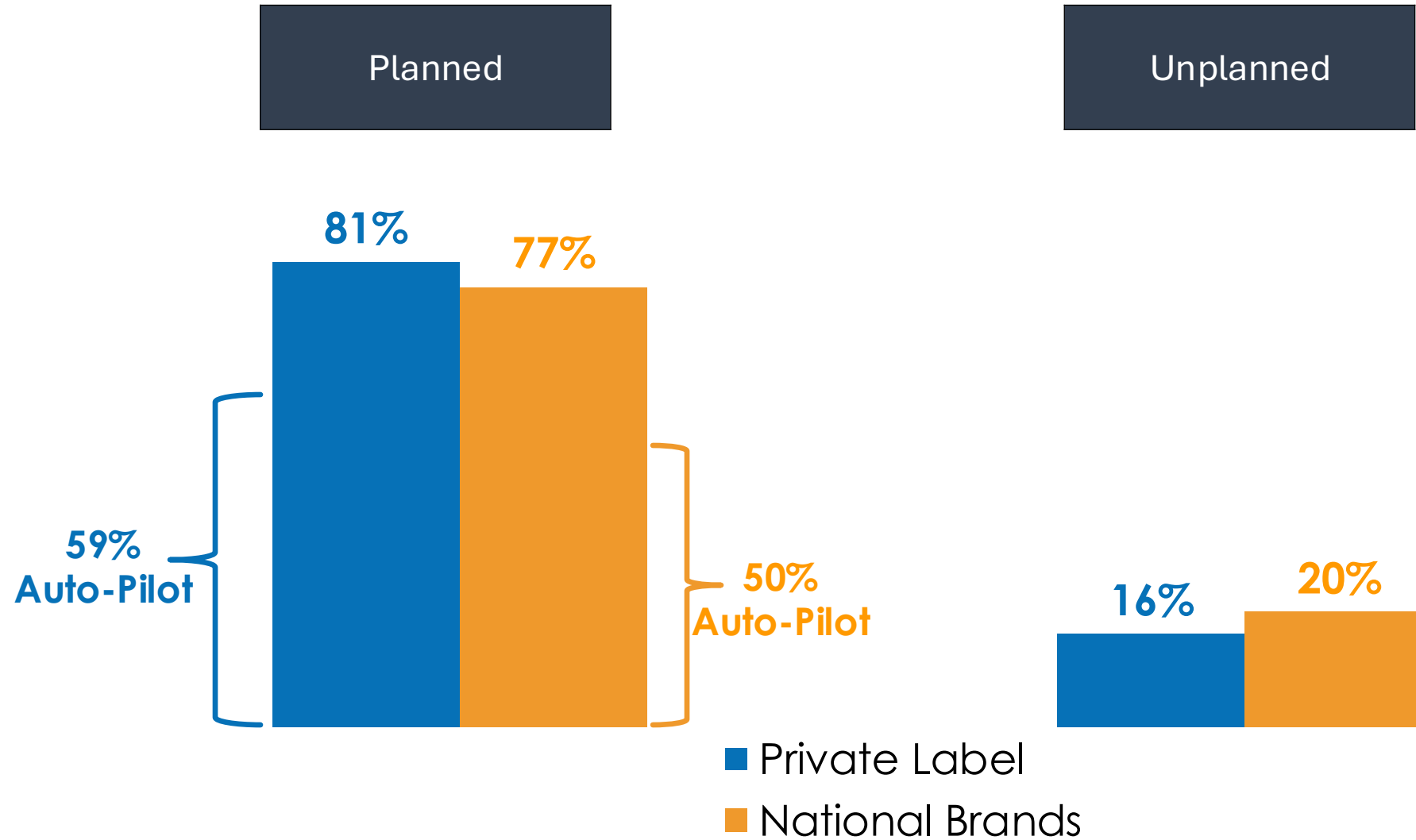
X Index vs All Categories  
All Retailers Average





**How do people shop Private  
Label vs. National Brands?**

# Are Private Label shoppers planning to buy the category pre-trip?



# How do people shop Private Label compared to National Brands?



## Best Priced

Whatever was the best price that day

What did you plan to buy?



## Brand Focused

Planning to buy one or more brands



## Grab & Go

- Knew what I wanted
- Time Pressure

How do you prefer to shop category?



## Browse

- Uncertain
- Interested





# Consumption & Expandability



“When did you use or consume your purchase”

| <u>Consumption</u>    | Private Label | National Brand |
|-----------------------|---------------|----------------|
| Immediate Consumption | 92            | 107            |
| Future Consumption    | 105           | 96             |

“The more I buy the more I consume”

| <u>Expandability</u> | Private Label | National Brand |
|----------------------|---------------|----------------|
| Expandable           | 87            | 110            |
| Non-Expandable       | 108           | 97             |

\*Immediate Consumption includes shoppers who started using/consuming their purchase within the same day

# How can National Brands drive the category?



| Spend Drivers              | Private Label | National Brand |
|----------------------------|---------------|----------------|
| Often buy extra            | 60            | 131            |
| Don't mind paying more     | 73            | 113            |
| Willing to try new         | 77            | 113            |
| Buy because I feel like it | 67            | 116            |

# What Categories and Departments rank highly for Retailer Loyalty?



“One of the reasons I go to RETAILER is because it does CATEGORY particularly well”  
Retailer Does Well (Loyalty)

## Top 10 Categories

| Rank | Category                         |
|------|----------------------------------|
| 1    | Fresh Seafood                    |
| 2    | Fresh Meat                       |
| 3    | Vitamins, Minerals & Supplements |
| 4    | Infant and Toddler Formula       |
| 5    | Fresh Vegetables                 |
| 6    | Fresh Fruit                      |
| 7    | Fresh Rolls & Baked Goods        |
| 8    | Cosmetics - Facial Makeup        |
| 9    | Frozen Seafood                   |
| 10   | Diapers & Training Pants         |

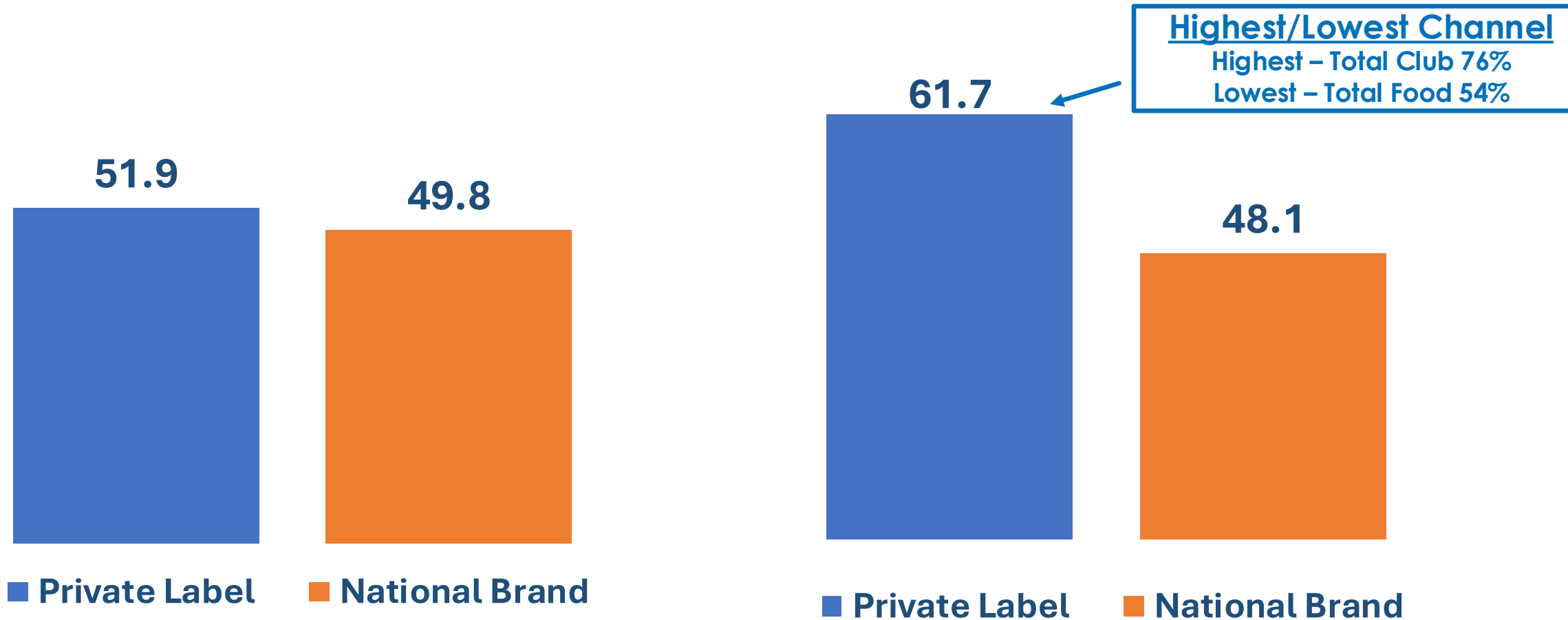
## Bottom 10 Categories

| Rank | Category                 |
|------|--------------------------|
| 108  | In Aisle Gum & Mints     |
| 109  | Hot Dogs                 |
| 110  | Sausage                  |
| 111  | Checkout Gum & Mints     |
| 112  | Rice                     |
| 113  | Cottage/Cream Cheese     |
| 114  | Toothpaste & Whiteners   |
| 115  | Sugar Candy              |
| 116  | Checkout Chocolate Candy |
| 117  | Hair Removal             |





# Private Label driving significantly more loyalty



## All Categories

## Household Department

Household Department includes Air Care, Dish Care, Fabric Care, Laundry Detergent and Surface Care

“One of the reasons I go to RETAILER is because it does CATEGORY particularly well”  
Retailer Does Well (Loyalty)



# What factors are most important to Private Label vs National Brand shoppers?

| Importance Factors | Private Label Rank |
|--------------------|--------------------|
| Prices             | 1                  |
| Fresh              | 2                  |
| Quality            | 3                  |
| Brands             | 4                  |
| Layout             | 5                  |
| EDLP               | 6                  |
| Best Value         | 7                  |
| Range              | 8                  |
| Navigation         | 9                  |
| OOS                | 10                 |
| Offers             | 11                 |
| USA Made           | 12                 |
| Healthy Choices    | 13                 |
| Premium            | 14                 |
| Natural Organic    | 15                 |



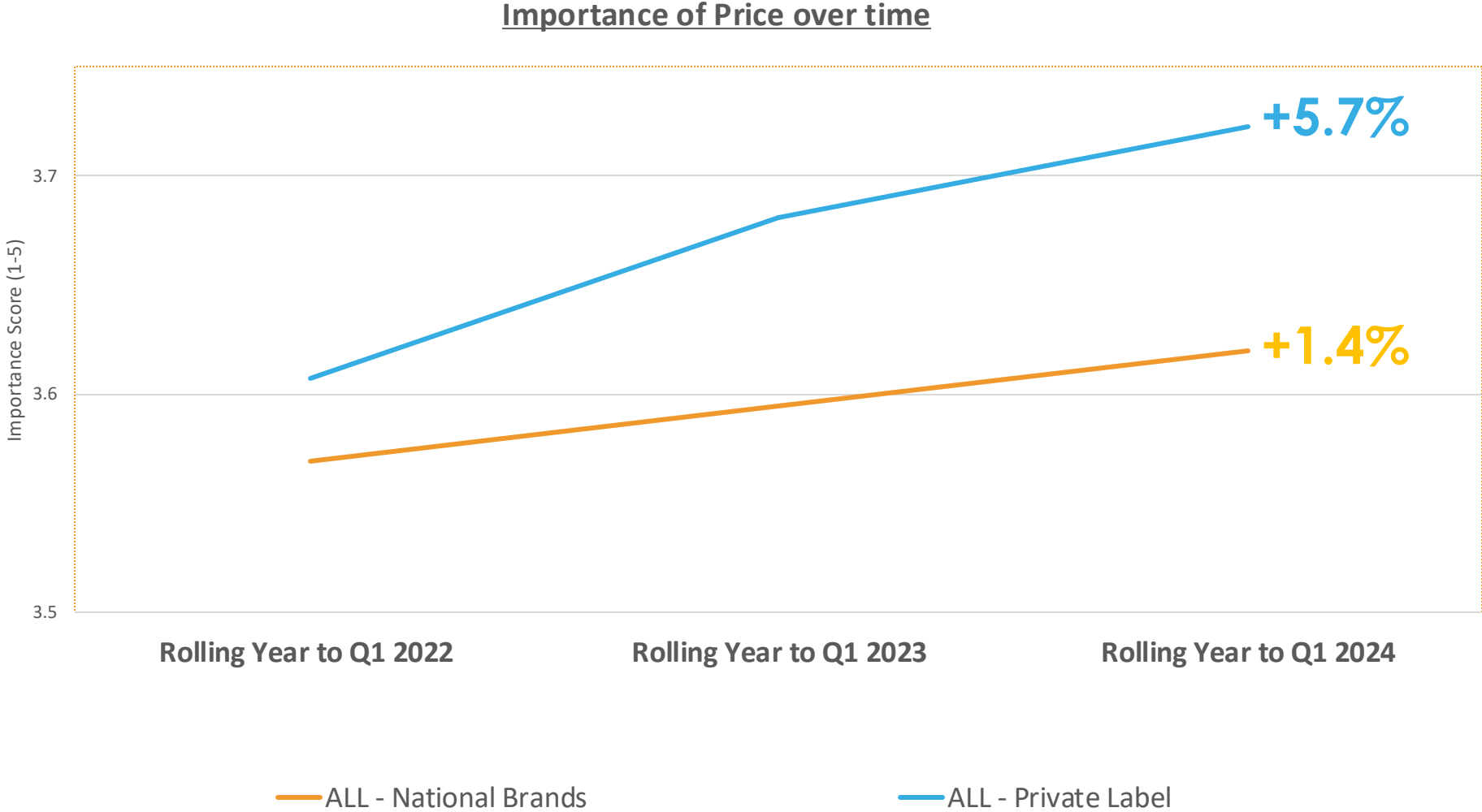
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| Premium            | 14                 |
| Natural Organic    | 15                 |

| Importance Factors | National Brands Rank |
|--------------------|----------------------|
| Brands             | 1                    |
| Quality            | 2                    |
| Prices             | 3                    |
| Fresh              | 4                    |
| Layout             | 5                    |
| Range              | 6                    |
| Navigation         | 7                    |
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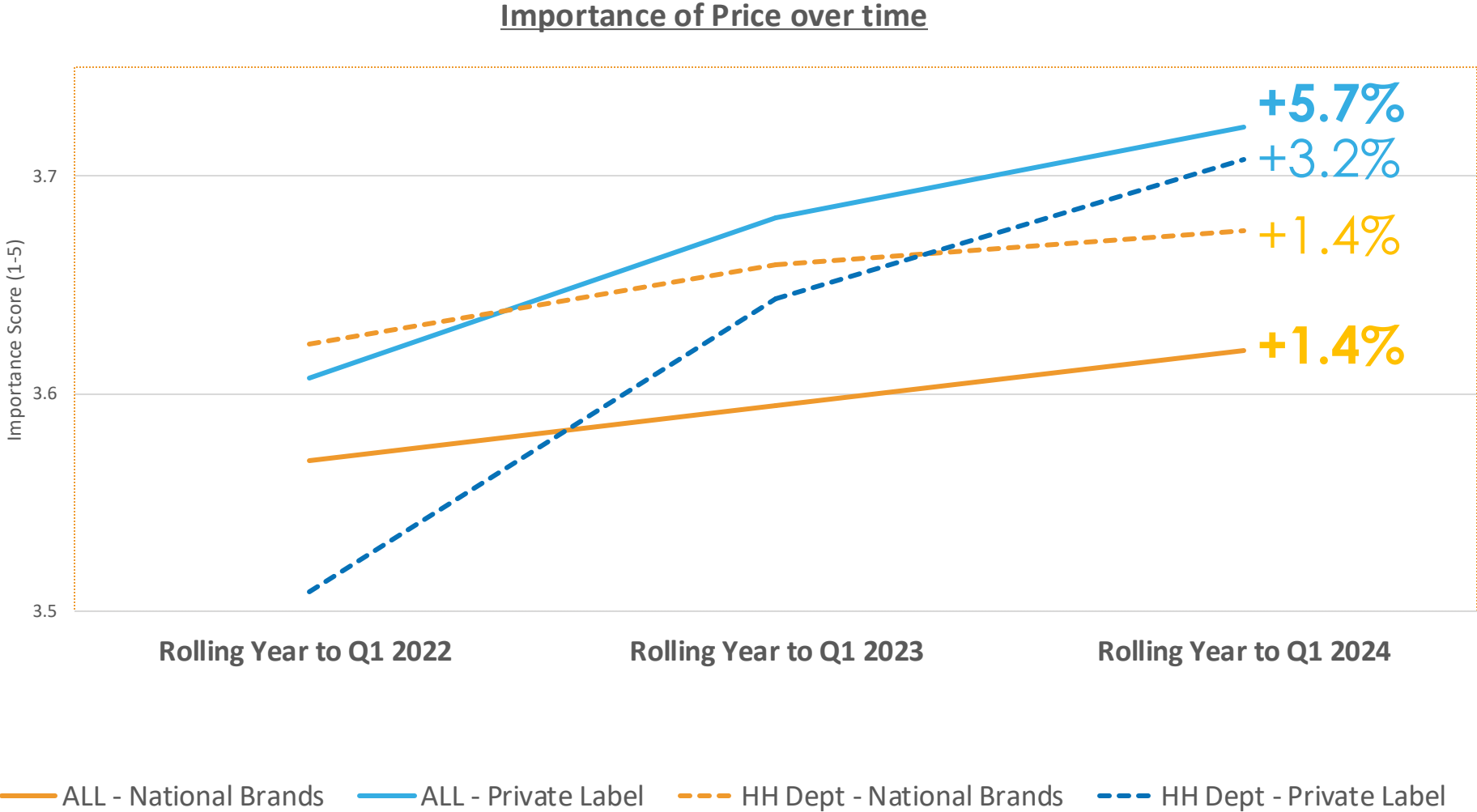
# How has the Importance of Price changed over the last 3 years?



Source: Shopper Intelligence US Survey. Time Period: Rolling Year thru Q1 2024 (April 2023 – March 2024). All Category sample size: 143,364.



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# How price sensitive are Private Label shoppers compared to National Brands?

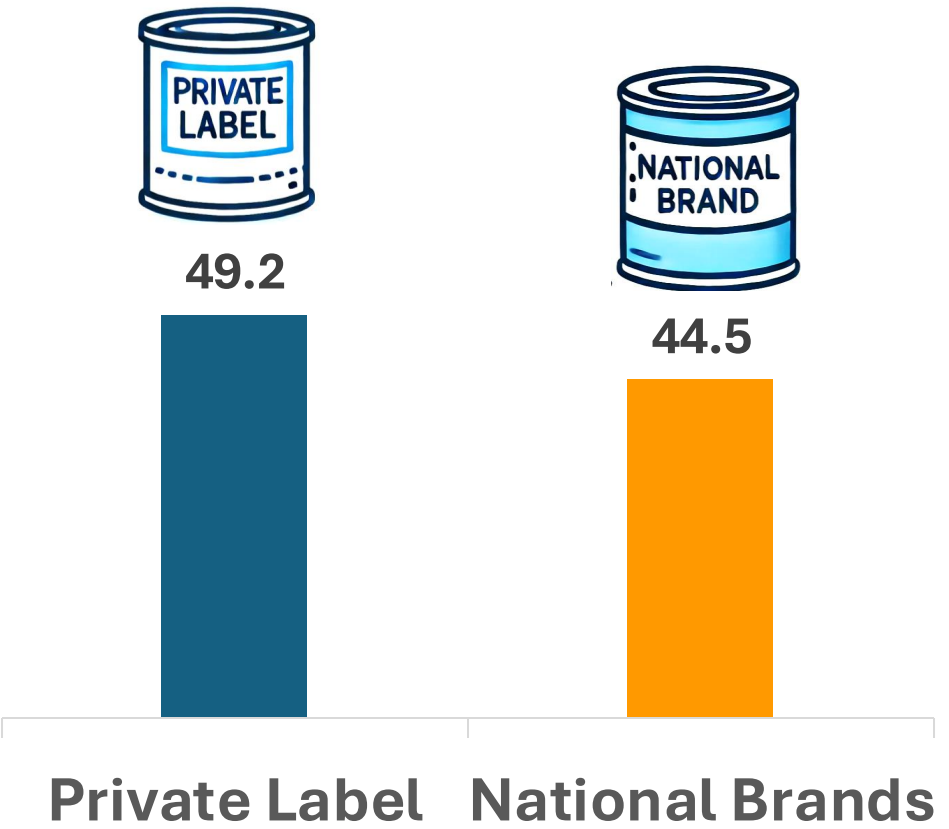
“What Role did Price play in your Purchase Decision?”



| Role of Price      | Private Label Index | National Brands Index |
|--------------------|---------------------|-----------------------|
| Limited/None       | 82                  | 102                   |
| Some               | 90                  | 102                   |
| Strong/Very Strong | 113                 | 98                    |

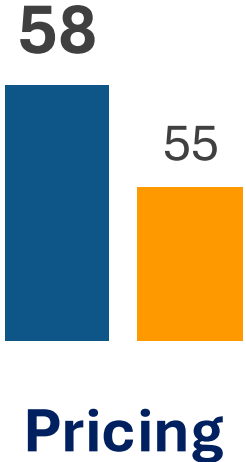
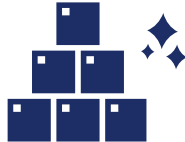
Index vs All Categories  
All Retailers Average

“I look to the price of what I buy in CATEGORY to tell me whether RETAILER is competitively priced in general”





# Are Private Label shoppers more satisfied?



■ Private Label   ■ National Brands



Source: Shopper Intelligence US Survey. Time Period: Rolling Year thru Q1 2024 (April 2023 – March 2024). All Category sample size: 143,364.

# How satisfied are Private Label vs National Brand shoppers on key levers in the category?



| Satisfaction by Factor | Private Label Rank |
|------------------------|--------------------|
| Navigation             | 1                  |
| Layout                 | 2                  |
| Quality                | 3                  |
| Brands                 | 4                  |
| Range                  | 5                  |
| Fresh                  | 6                  |
| Best Value             | 7                  |
| Price                  | 8                  |
| USA Made               | 9                  |
| Healthy Choices        | 10                 |
| EDLP                   | 11                 |
| OOS                    | 12                 |
| Natural Organic        | 13                 |
| Offers                 | 14                 |
| Enjoy                  | 15                 |

# How satisfied are Private Label vs National Brand shoppers on key levers in the category?

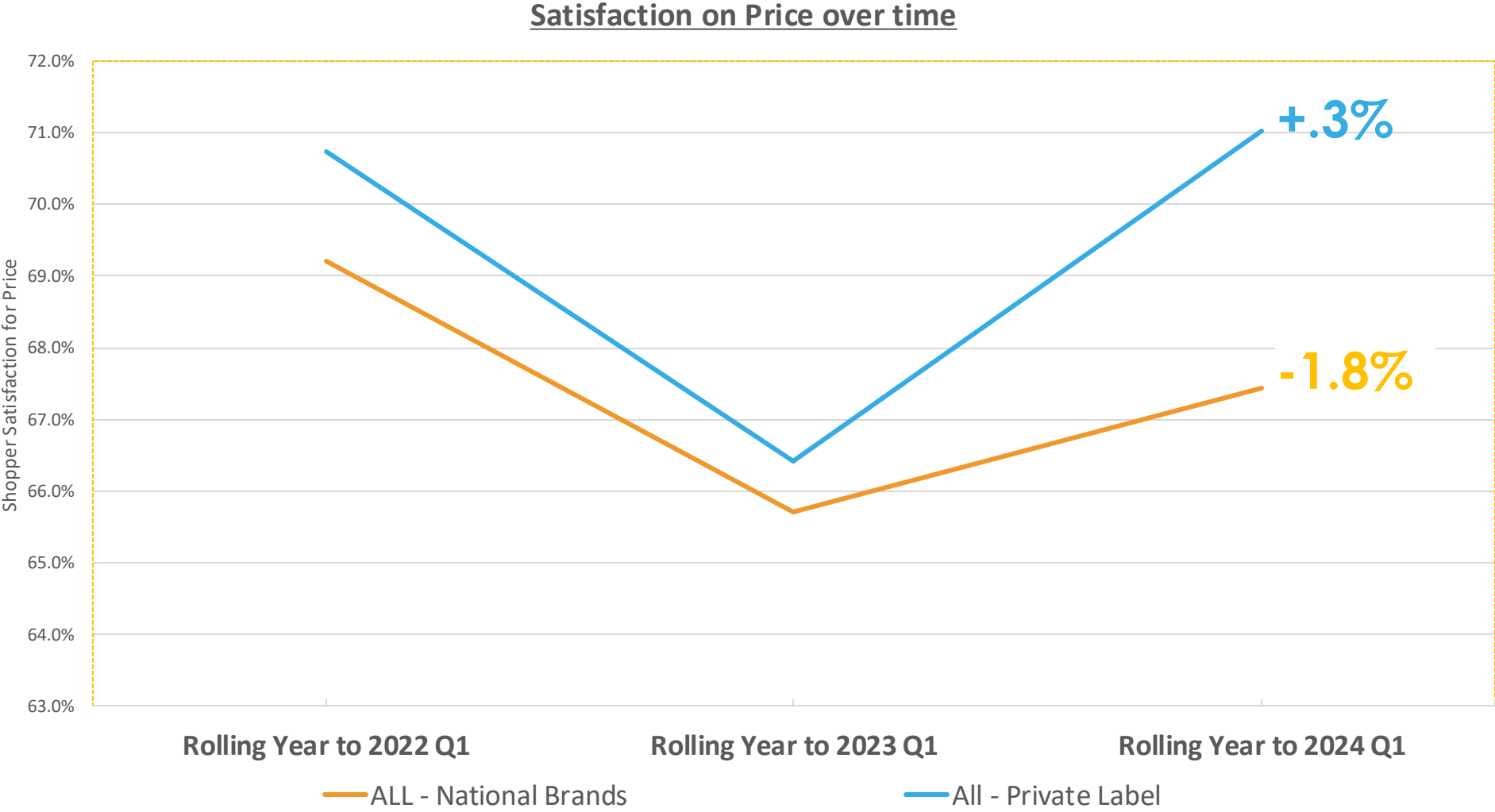


| Satisfaction by Factor | Private Label Rank |
|------------------------|--------------------|
| Navigation             | 1                  |
| Layout                 | 2                  |
| Quality                | 3                  |
| Brands                 | 4                  |
| Range                  | 5                  |
| Fresh                  | 6                  |
| Best Value             | 7                  |
| Price                  | 8                  |
| USA Made               | 9                  |
| Healthy Choices        | 10                 |
| EDLP                   | 11                 |
| OOS                    | 12                 |
| Natural Organic        | 13                 |
| Offers                 | 14                 |
| Enjoy                  | 15                 |

| Satisfaction by Factor | National Brands Rank |
|------------------------|----------------------|
| Environmental          | 1                    |
| Offers                 | 2                    |
| Enjoy                  | 3                    |
| Natural Organic        | 4                    |
| Fresh                  | 5                    |
| USA Made               | 6                    |
| Layout                 | 7                    |
| EDLP                   | 8                    |
| Navigation             | 9                    |
| Best Value             | 10                   |
| Range                  | 11                   |
| Quality                | 12                   |
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| Price                  | 14                   |
| Brands                 | 15                   |



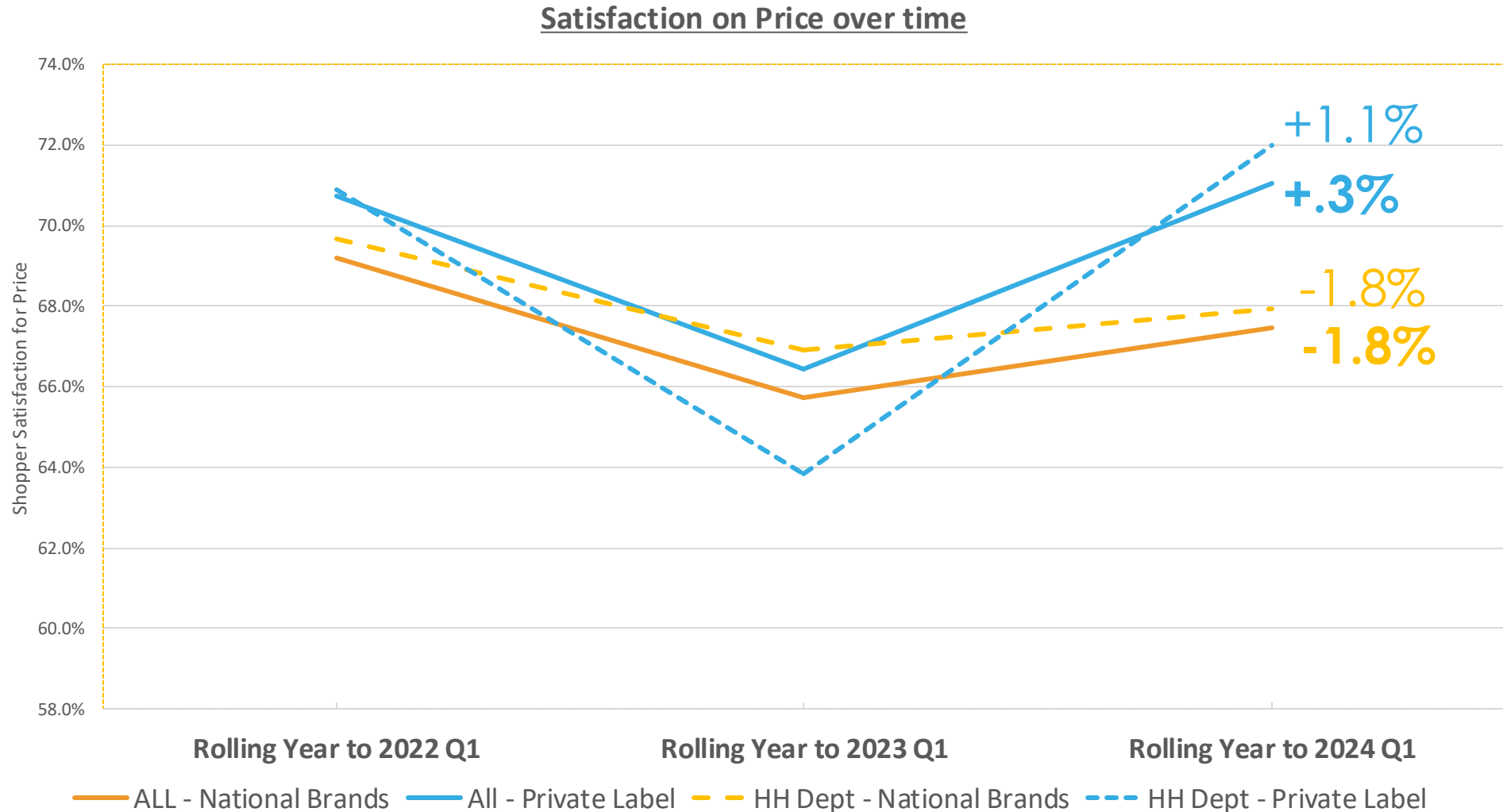
# How has Shopper Satisfaction on Price changed over the last 3 years?



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# How has Shopper Satisfaction on Price changed over the last 3 years?



**What now?**

# How best to drive Private Label?

1. Keep it simple. Private Label shoppers want their purchase decision to be quick and easy. Ensure placement is highly visible.
2. Price is the most important lever in the category for Private Label shoppers. Consider more EDLP.
3. Recommend to target categories within the retailer/channel where Private Label can add value to the category. Not every category is optimal for Private Label expansion.

# How best to drive National Brands?

1. Focus on differentiation. National Brand shoppers are more willing to browse and pay more in the category. Opportunity to drive bigger baskets.
2. National Brands drive innovation, excitement and impulse to the category. Make sure to keep the category top of mind of the shopper.
3. Need to address Price Satisfaction. National Brands are losing ground to Private Label so important to consider new ideas to show value to the shopper. (e.g., promotional strategy, value add packs)



**Thank You!**

**Any questions?**

# Want to Learn More?



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