

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Stiff competition from global beverage companies means retailers have to work very hard to compete in the private label beverage category. Addressing the needs of key demographic groups, offering products that meet consumer needs for value, quality, and more, as well as playing on the inherent advantages of being a retailer will help address these challenges.”
– Sarah Day Levesque, Food and Beverage Analyst

This report looks at the following areas:

- How can retailers increase household penetration of private label drinks?
- What can be done to improve the quality perception of private label drinks?
- How can retailers better compete with name brands?

The private label beverage market has grown 12% from 2009 to 2013 and has been relatively stagnant since 2011. Despite an increase in new product launches since 2011, an increase in name brand product launches combined with an improving economy has kept private label beverage sales around an estimated \$15.8 billion in 2013. Sales growth is expected to stay on this same slow growth trajectory for 2009-13 as retailers struggle to compete with name brands in the category. Maintaining and increasing growth will rely on retailer innovation in beverage products that address the needs of a variety of consumers.

Among the topics covered in this report are:

- What is driving, or hindering, the private label beverage market?
- What is the current market size and future projections?
- What types of private label beverage products are most successful with consumers?
- Which companies have been the most aggressive in marketing and what positioning are they using?
- How are retailers innovating with private label beverage products to better address consumer needs?
- What factors influence consumer behavior and what matters most to consumers?

This report builds on the analysis presented in Mintel's *Private Label Beverages – US, September 2012* and *Private Label Food and Drink Consumer – US, December 2010*.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
oxygen@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Scope and Themes

What you need to know
 Definition
 Data sources
 Sales data
 Consumer survey data
 Abbreviations and terms
 Abbreviations

Executive Summary

The market size and forecast for private label beverages
 Figure 1: Total US sales and fan chart forecast of private label beverages, at current prices, 2009-18

Milk dominates but rising stars offer opportunities
 Figure 2: Private label beverage sales as a percentage of total MULO sales, by top five segments, 2013

Innovation drives growth segments
 Figure 3: MULO sales of private label beverages, by top five segments, 2011 and 2013

The consumer
 Figure 4: Proportion of store brand beverages bought in a shopping trip, by gender and age, September 2013

Store brands need more than low price to maintain sales
 Figure 5: Consumer attitudes toward store brand drinks, September 2013

What we think

Issues and Insights

How can retailers increase household penetration of private label drinks?
 Issues
 Insight: Tailor products to high-user potential demographics

What can be done to improve the quality perception of private label drinks?
 Issue
 Insight: Position products for more than just value

How can retailers better compete with name brands?
 Issue
 Insight: Capitalize on retailer advantages

Trend Applications

Trend: Guiding Choice
 Trend: Make it Mine
 Mintel Futures: Brand Intervention

Market Size and Forecast

Key points

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: oxygen@mintel.com

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Share of overall MULO market decreasing

Figure 6: MULO sales and forecast of total and private label beverages, at current prices, 2009-13

Sales and forecast of private label beverages

Figure 7: Total US retail sales of private label beverages, at current prices, 2009-18

Figure 8: Total US retail sales of private label beverages, at inflation-adjusted prices, 2009-18

Fan chart forecast

Figure 9: Total US sales and fan chart forecast of private label beverages, at current prices, 2009-18

Market Drivers

Key points

Shrinking food budgets lead many to store brands

Product innovation may convince more consumers to try store brand

Figure 10: Growth in new beverage product launches, 2008-2012

Segment Performance

Key points

Some segments grow, some fall as private label beverage sales hold steady

Sales of private label beverages, by segment

Figure 11: MULO sales of private label beverages, by segment, 2011 and 2013

Segment Performance – Milk, Non-dairy Drinks, Yogurt Drinks

Key points

Private label market share shrinking after gaining ground in 2011

Figure 12: MULO sales of total and private label milk, non-dairy drinks, and yogurt drinks, at current prices, 2009-13

Figure 13: MULO sales and forecast of private label milk, non-dairy drinks, yogurt drinks, at current prices, by segment, 2009-18

Segment Performance – Water

Key points

Private label water continues to gain ground

Figure 14: MULO sales of total and private label water, at current prices, 2009-13

Figure 15: MULO sales and forecast of private label water, at current prices, by segment, 2009-18

Segment Performance – Juice and Juice Drinks

Key points

As sales drop, so does private label's share of market

Figure 16: MULO sales of total and private label juice and juice drinks, at current prices, 2009-13

Figure 17: MULO sales and forecast of private-label juice and juice drinks, at current prices, by segment, 2009-18

Segment Performance – Tea and Coffee

Key points

Despite growth, private label share of tea and coffee remains constant

Figure 18: MULO sales of total and private label tea and coffee, at current prices, 2009-13

Figure 19: MULO sales and forecast of private label tea and coffee drinks, at current prices, by segment, 2009-18

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Segment Performance – Others

Key points

Figure 20: MULO sales of total and private-label carbonated beverages and energy drinks, at current prices, 2009-13

Figure 21: MULO sales of total and private label alcoholic beverages, at current prices, 2009-13

Figure 22: MULO sales of total and private label sports, nutritional, performance drinks, at current prices, 2009-13

Retail Channels and Leading Companies

Key points

Two thirds of store brand beverage sales are in the supermarket channel

Figure 23: Supermarket sales of total beverages and private label beverages, at current prices, 2009-13

Consumers not committed to single channel

Great Value, Target represent differing private label strategies

Figure 24: Consumer purchase of selected store brands, by company, by store brand usage levels, September 2013

Innovations and Innovators

Private label beverages leading innovation growth until 2013

Figure 25: Change in new product launches, by brand versus private label, 2008-13*

Figure 26: Share of new beverage product launches, by brand versus private label, 2008-13*

Most private label categories show growth in new products

Figure 27: New product launches of name brand beverages, by category, 2008-13

Figure 28: New product launches of private label beverages, by category, 2008-13*

Retailers keep pace with name brands in flavored water introductions

Flavored, seasonal coffee varieties enhance quality perceptions

Marketing Strategies

Overview of the brand landscape

Consumer recognition of name brands versus store brands

Figure 29: Consumer brand recognition, September 2013

Theme: Generic replaced by authenticity

Brand example

Figure 30: Archer Farms by Target, Youtube ad, 2013

Theme: Positioning store brand as a brand in and of itself

Brand example

Consumer Purchasing of Store Brand Beverages

Key points

Store brand beverage buying still lags behind store brand food

Figure 31: Proportion of store brand beverages bought in a shopping trip, September 2013

Young consumers, particularly men, drive store brand sales

Figure 32: Proportion of store brand beverages bought in a shopping trip, by gender and age, September 2013

Milk, juice, bottled water lead store brand drink categories in consumer use

Figure 33: Consumer use of store brand drink, by category, September 2013

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: oxygen@mintel.com

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 34: Consumer use of store brand drink, By frequency, by category, September 2013

Retailers need new approach in some categories to appeal to women

Figure 35: Consumer use of store brand by drink category – Frequent usage, by gender, September 2013

Hispanics and non-Whites present market opportunity

Figure 36: Proportion of store brand beverages bought in a shopping trip, by race/Hispanic origin, September 2013

Figure 37: Consumer use of store brand by drink category – Frequent usage, by race/Hispanic origin, September 2013

Change In-store Brand Purchasing Behavior

Key points

Consumers, particularly young, buying more store brands in 2013

Figure 38: Change in store brand purchasing behavior, by age, September 2013

Reasons for changing buying habits vary slightly by age

Figure 39: Consumer reasons for buying more store brand drinks in 2013, by age, September 2013

Figure 40: Consumer reasons for buying less store brand drinks in 2013, by age, September 2013

Store Brand Purchasing Behavior

Key points

Improving quality perceptions may mean opportunity for market growth

Figure 41: Consumer attitudes on store brand quality, by age, September 2013

Higher-quality store brands will drive retailer business

Figure 42: Store brand purchasing behavior, by gender, September 2013

Figure 43: Store brand purchasing behavior, by age, September 2013

Taste perceptions still holding store brand beverages back

Figure 44: Consumer attitudes toward store brand drinks, September 2013

Figure 45: Store brand purchasing behavior, September 2013

Consumer Attitudes toward Store Brand Beverages

Key points

Store brands need more than low price to maintain sales

Figure 46: Consumer attitudes toward store brand drinks, September 2013

Most consumers comfortable with others knowing of store brand use

Figure 47: Consumer attitudes toward store brand drinks, September 2013

Those most likely to use store brands also most secretive about it

Figure 48: Agreement with consumer attitudes toward store brand drinks, by age, September 2013

Figure 49: Agreement with consumer attitudes toward store brand drinks, by store brand usage levels, September 2013

Figure 50: Agreement with consumer attitudes toward store brand drinks, by race/Hispanic origin, September 2013

Cluster Analysis

Unengaged Consumers

Demographics

Characteristics

Opportunity

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Value Driven Purchasers

Demographics

Characteristics

Opportunity

Undercover Users

Demographics

Characteristics

Opportunity

Cluster characteristic tables

Figure 51: Target clusters, September 2013

Figure 52: Proportion of store brand beverages bought in a shopping trip, by target clusters, September 2013

Figure 53: Incorrect identification of food and drink brands, by target clusters, September 2013

Figure 54: Consumer purchase of selected store brands, by company, by target clusters, September 2013

Figure 55: Consumer use of store brand by drink category – Frequent usage, by target clusters, September 2013

Figure 56: Consumer use of store brand by drink category – Casual usage, by target clusters, September 2013

Figure 57: Store brand purchasing behavior, by target clusters, September 2013

Figure 58: Change in store brand purchasing behavior, by target clusters, September 2013

Figure 59: Agreement with consumer attitudes toward store brand drinks, by target clusters, September 2013

Figure 60: Consumer attitudes on store brand quality, by target clusters, September 2013

Cluster demographic tables

Figure 61: Target clusters, by demographics, September 2013

Cluster methodology

Appendix – Market Drivers

Consumer confidence

Figure 62: University of Michigan's index of consumer sentiment (ICS), 2007-13

Unemployment

Figure 63: US unemployment rate, by month, 2002-13

Figure 64: US unemployment and underemployment rates, 2007-13

Figure 65: Number of employed civilians in US, in thousands, 2007-13

Food cost pressures

Figure 66: Changes in USDA Food Price Indexes, 2011-14

Obesity

Figure 67: American adults by weight category as determined by body mass index (BMI), 2008-Oct. 28, 2013

Childhood and teen obesity – highest in decades

Figure 68: Prevalence of obesity among children and adolescents aged 2-19, 1971-2010

Racial, ethnic population growth

Figure 69: US population by race and Hispanic origin, 2008, 2013, and 2018

Figure 70: Households with children, by race and Hispanic origin of householder, 2012

Shifting US demographics

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Private Label Beverages - US - December 2013

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 71: US population, by age, 2008-18

Figure 72: US households, by presence of own children, 2002-12

Appendix – Other Useful Consumer Tables

Figure 73: Proportion of store brand beverages bought in a shopping trip, September 2013

Figure 74: Proportion of store brand beverages bought in a shopping trip, by age, September 2013

Figure 75: Proportion of store brand beverages bought in a shopping trip, by presence of children in household, September 2013

Figure 76: Incorrect Identification, by age, September 2013

Figure 77: Incorrect Identification, by race/Hispanic origin, September 2013

Figure 78: Consumer use of store brand by drink category, September 2013

Figure 79: Consumer use of store brand by drink category – Frequent usage*, by age, September 2013

Figure 80: Consumer use of store brand by drink category – Frequent usage, by presence of children in household, September 2013

Figure 81: Consumer use of store brand by drink category – Casual usage*, by household income, September 2013

Figure 82: Store brand purchasing behavior, by gender and age, September 2013

Figure 83: Store brand purchasing behavior, by household income, September 2013

Figure 84: Store brand purchasing behavior, by store brand usage levels, September 2013

Figure 85: Change in store brand purchasing behavior, by gender, September 2013

Figure 86: Change in store brand purchasing behavior, by age, September 2013

Figure 87: Consumer reasons for buying more store brand drinks in 2013, by gender, September 2013

Figure 88: Consumer reasons for buying more store brand drinks in 2013, by age, September 2013

Figure 89: Consumer attitudes toward store brand drinks, September 2013

Figure 90: Agreement with consumer attitudes toward store brand drinks, by household income, September 2013

Figure 91: Agreement with consumer attitudes toward store brand drinks, by race/Hispanic origin, September 2013

Figure 92: Agreement with consumer attitudes toward store brand drinks, by presence of children in household, September 2013

Appendix – Trade Associations

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com