

## The Private Label Food Consumer - UK - November 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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



“Own-label is largely absent in single-serve chocolate products, meaning that it is missing out on impulse buying for on-the-go and out-of-home occasions – a key snacking occasion – indicating this as a potential area for own-label growth.”

– Emma Clifford, Senior Food Analyst

### This report looks at the following areas:

- Opportunities for the development of own-label within chocolate to develop in through the impulse channel
- Supermarkets can do more to engage with their shoppers in-store to give them an edge over brands
- Brands need to prove their worth in order to benefit from the expected rise in consumer spending in the mid-term

The economic downturn saw private label food and drink prosper, while spelling out tough times for many brands. This owes to private labels typically undercutting brands on price, which worked in their favour when consumers were becoming more budget-conscious in their grocery shopping.

BUY THIS  
REPORT NOW

VISIT:  
[store.mintel.com](http://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:  
[reports@mintel.com](mailto:reports@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

# The Private Label Food Consumer - UK - November 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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

## Table of Contents

### Introduction

Definitions

Abbreviations

### Executive Summary

The market

Figure 1: Retail value sales and forecast of private label food and drink, UK, 2009-19

Market factors

The squeeze on real incomes continues

Figure 2: Annual % change in average total earnings, consumer prices (CPI) and food RPI, January 2009-August 2014

A drop in food and non-alcoholic drink prices

A 'savvy shopping' mentality has become ingrained

Companies, brands and innovation

Brands overtook private label in NPD activity in 2013

Figure 3: New product launches in the UK food and non-alcoholic beverages markets, branded vs private label, 2010-14

A third of food and drink adspend is by the grocers

The consumer

85% of adults buy own-label

Figure 4: Purchasing of own-label and branded food and non-alcoholic drink, September 2014

A stark difference in taste perceptions between categories

Figure 5: Products perceived to be tastier, selected categories, brands versus own-label, September 2014

Figure 6: Consumers willing to pay more for branded products, by category, September 2014

Price and quality hold most sway

Figure 7: Factors which would encourage consumers to buy or to buy more own-label food and/or non-alcoholic drink instead of branded ones, September 2014

Copycat own-label products divide opinion

Figure 8: Attitudes towards own-label and branded food and non-alcoholic drink products, September 2014

What we think

### Issues and Insights

Opportunities for the development of own-label within chocolate to develop in through the impulse channel

The facts

The implications

Supermarkets can do more to engage with their shoppers in-store to give them an edge over brands

The facts

The implications

Brands need to prove their worth in order to benefit from the expected rise in consumer spending in the mid-term

The facts

The implications

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://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: [reports@mintel.com](mailto:reports@mintel.com)

# The Private Label Food Consumer - UK - November 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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

## Trend Application

Trend: Collective Intelligence

Trend: Experience is All

Trend: The Nouveau Poor

## Market Drivers

### Key points

The squeeze on real incomes continues

Figure 9: Annual % change in average total earnings, consumer prices (CPI) and food RPI, January 2009-August 2014

Special offers remain a key draw for shoppers

Figure 10: Grocery shopping habits people are doing more of this year than last year, September 2014

Does an improved economy bode well for brands?

Premium own-brand to benefit as spending gains momentum

Brands are under pressure to step up their game

Value ranges look set to suffer

Strong demand for eating out challenges 'dine in' products

## Who's Innovating?

### Key points

Brands overtook private label in NPD activity in 2013

Figure 11: New product launches in the UK food and non-alcoholic beverages markets, branded vs private label, 2010-14

A sharp contrast in private label NPD activity across categories

Figure 12: Share of private label in new product launches of food and non-alcoholic drink products in the UK, by product category, 2014\*

Figure 13: Percentage point change in the share of private label in new food product launches, by product category, 2013-14\*

Figure 14: Percentage point change in the share of private label in new non-alcoholic drink product launches, by product category, 2013-14\*

Tesco stays at the top in terms of new launches

Figure 15: Share of private label launches in the food and non-alcoholic beverages markets, by company, 2010-14

M&S and Waitrose expand their range of ready meals

The discounters look to premiumisation

A drop in economy launches from own-label

Figure 16: Share of new product launches in the UK food and non-alcoholic drink market carrying premium and economy claims, own-label vs branded, 2010-14

## Market Size and Forecast

### Key points

Private label growth has an edge over brands

Figure 17: Index of UK retail value sales of private label and all food and drink, 2009-13

Steady value growth forecast

Figure 18: Retail value sales of private label food and non-alcoholic drink, at current and constant prices, 2009-19

Figure 19: Retail value sales and forecast of private label food and drink, UK, 2009-19

### Methodology

## Segment Performance

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://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: [reports@mintel.com](mailto:reports@mintel.com)

# The Private Label Food Consumer - UK - November 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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

## Key points

Milk is the only private label-dominated non-alcoholic drinks sector

Figure 20: Share of private label in sales of non-alcoholic drinks, by category, 2014\*

Figure 21: Share of private label in sales of non-alcoholic drinks, by category, 2013 and 2014

Private label dominates milk as a commodity

Brands lead in bottled water

Brands have a near-monopoly in CSDs

A strong lead for own-label in ready meals and dips

Figure 22: Share of private label in sales of food, by selected categories, 2013 and 2014

Own-label is almost non-existent in baby food and drink and gum

'Treat' purchases tend to be the domain of brands

## Companies and Products

Asda

Market positioning

Private label offering

Recent activity

Co-operative Group

Market positioning

Private label offering

Recent activity

Morrisons

Market positioning

Private label positioning

Recent activity

Sainsbury's

Market positioning

Private label offering

Recent activity

Tesco

Market positioning

Private offering

Recent activity

Waitrose

Market positioning

Private label positioning

Recent activity

Marks & Spencer

Market positioning

Private label positioning

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://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: [reports@mintel.com](mailto:reports@mintel.com)

# The Private Label Food Consumer - UK - November 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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

## Recent activity

Discounters

Aldi

Lidl

## Brand Research

### Brand map

Figure 23: Attitudes towards and usage of brands in the supermarket private label sector, August 2014

### Correspondence analysis

#### Brand attitudes

Figure 24: Attitudes, by supermarket private label brand, August 2014

#### Brand personality

Figure 25: Supermarket private label brand personality – macro image, August 2014

Figure 26: Supermarket private label brand personality – micro image, August 2014

#### Brand experience

Figure 27: Supermarket private label brand usage, August 2014

Figure 28: Satisfaction with various supermarket private label brands, August 2014

Figure 29: Consideration of supermarket private label brands, August 2014

#### Brand recommendation

Figure 30: Recommendation of selected supermarket private label brands, August 2014

## Brand Communication and Promotion

### Key points

#### A third of food and drink adspend is captured by the grocers

Figure 31: Main monitored media advertising expenditure on food and non-alcoholic drink, 2010-14

#### Tesco reclaimed its leadership in 2013

Figure 32: Main media advertising expenditure on food and non-alcoholic drinks, by selected retailers\*\*, 2010-14

Figure 33: Share of main media advertising expenditure on food and non-alcoholic drinks, by selected retailers\*\*, 2010-14

#### Morrisons, Aldi and Co-operative Food grew adspend significantly in 2013

#### Morrisons focuses on price 2014

Aldi

Co-op

Lidl unveils debut TV ad campaign

## The Consumer – Usage of Own-label and Brands

### Key points

#### 85% of adults buy own-label

Figure 34: Purchasing of own-label and branded food and non-alcoholic drink, September 2014

Figure 35: Purchasing of own-label and branded food and non-alcoholic drink, September 2013 and September 2014

#### Over-55s and ABs most likely to buy premium own-label

Figure 36: Purchasing of premium-own-label and branded food/non-alcoholic drink products, by age and socio-economic group, September 2014

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://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: [reports@mintel.com](mailto:reports@mintel.com)

# The Private Label Food Consumer - UK - November 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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

Tesco is the most popular supermarket for own-label

Figure 37: Retailers from which own-label food/non-alcoholic drink has been bought in the last three months, September 2014

## The Consumer – Taste Perceptions of Brands versus Own-label

Key points

A stark difference in taste perceptions between categories

Figure 38: Products perceived to be tastier, selected categories, brands versus own-label, September 2014

Own-label has more positive taste perceptions in bread and baked goods and pasta

Chocolate is the only category most shoppers are happy to pay more for brands in

Figure 39: Consumers willing to pay more for branded products, by category, September 2014

## The Consumer – Enticements

Key points

Price and quality hold most sway

Figure 40: Factors which would encourage consumers to buy or to buy more own-label food and/or non-alcoholic drink instead of branded ones, September 2014

Low price appeals but not at any cost

Quality chimes in particular with ABs

In-store tastings appeal to a third of shoppers

Choice and innovation can drive purchasing of own-label

Importance of recommendations from trusted sources

## The Consumer – Attitudes towards Own-label and Brands

Key points

Copycat own-label products divide opinion

Figure 41: Attitudes towards own-label and branded food and non-alcoholic drink products, September 2014

Under-25s are most inclined to buy brands when treating themselves

Low cost enables trading up

Own-label has more sway over shopping habits than brands

Opportunities for the development of own-label in the convenience channel

## Appendix – Market Size and Forecast

Figure 42: Best- and worst-case forecasts for private label, by value, 2014-19

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://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: [reports@mintel.com](mailto:reports@mintel.com)