The Private Label Landscape 2012: Future Strategies To Win

What makes the hard discounters so successful and how to combat them using their own strategies - study into emerging private label trends of the future, focus on health, local, convenience and social

ResearchFARM

INCLUDED:
Access to our online database with 500+ pictures of private label products with direct links from the relevant report sections.

July 2012

INTRODUCTION

ResearchFarm is launching new service, which is absolutely free to access with our latest report:

The **Private Label Landscape 2012: Future Strategies To Win** - What makes the hard discounters so successful and how to combat them using their own strategies - study into emerging private label trends of the future, focus on health, local, convenience and social.

The report is an idea generation pool for private label innovation and propositions featuring international best class examples from the world of retailing.

The integrated service features a strategic report, recommendations and first class execution examples, such as in store case examples via a direct link from the relevant report section to hundreds of real life pictures taken in leading private label markets and at leading private label retailers around the globe (US, UK, Germany, France, Belgium, Switzerland, Denmark, Netherlands, Austria, Spain)

With the report ResearchFarm's team of Analysts showcase the leading cutting edge examples, retail success stories and answering open questions around private label propositions, giving clear recommendations of what to do next.

40 Questions You Should Ask About Private Labels

Hard Discounters

- What is the key success factor of the hard discounters?
- And how exactly are Aldi and Lidl different in private label strategy - from supply chain management to pricing strategy to branding?
- Is it product centric streamlining of all business processes or is it something else?
- And crucially what will they do next?

Health & Wellness

- Why are healthy private label ranges predestined for creating a halo effect and loyalty drivers par excellence?
- Why are private label health & wellness ranges uniquely placed to drive footfall? Why will 'health & wellness' be the most important private label proposition in future?
- What are the opportunities in combining food and non food under the health umbrella?
- What will happen to health claims - after the EU's 222 regulation?
- Why will 'health & wellness' be the most important private label proposition in future?
- What do retailers need to do next?

Future

- Where is private label headed in future?
- Will it be the key predictor of retail success and failure in future?

Local

- Why is 'local product origin' the perfect opportunity to create a unique point of differentiation from both FMCG brands as well as the retail competition?
- How does the local trend dovetail perfectly with vertical integration models that are becoming en vogue with European grocers once again?
- Is Zara a model for grocery?

Umbrella Brands

- Why should retailers not give up the tried and tested model?
- What is the advantage of umbrella brands?
- Why are retailers becoming better at NPDs than FMCG companies?
- What is the value of clarity, simplicity and lean supply chains and what is private label's role?

Mercadona

- How has Mercadona managed to grow throughout the Spanish recession to become the country's biggest retailer?
- What is so special about Mercadona's private label proposition?
- Why is Mercadona's business model a real standout, one of a kind innovation?
- Which strategic learnings can be adopted and replicated by other retailers in Spain and elsewhere?

Wholesaling

- Who are the leading retailers already achieving global reach and what will happen on online marketplaces?
- How will wholesaling of private label ranges change going forward?
- Is it better to use vertical integration and exploit idle capacity in the supply chain or licence private label knowhow?
- How big is the opportunity?
- What is the role of partnerships in future?

Range Architecture

- Does it make more sense to launch venture brands in the premium segment or the value segment?
- Where is the clear range architecture of good, better, best headed?
- Or should retailers use a different decision criteria altogether if they go for standalone brands?
- Does good better best in private label work in every market? If not, why?
- How will personalisation change the industry?

Convenience

- Are convenience private label lines are sign of things to come and a harbinger of format specific private label propositions?
- What do retailers have to keep in mind when launching convenience private label ranges?
- Will all encompassing integrated offers win out?

Social

- What are the key benefits of customer participation and involvement in creating and promoting private label ranges?
- How can social be the big unifier of all other trends?
- Does every private label line need to be social in future?
- How can social help with localisation for example?

HOW OUR CLIENTS WILL CREATE VALUE FROM THIS REPORT

James S., Sales Development & Pricing Manager (Retailer)

" We are going to create real footfall drivers and points of differentiation with our private label brands. The report helped us to target health conscious shoppers, convenience store shoppers and update local and regional lines."

Jane L., Global Category Manager

(Retailer)

" I am tasked with watching the discounters and the competition. I was looking for insipiration around range architecture and wholesaling. I found valuable case examples in this report."

Sarah G., Consumer Insights (Private label manufacturer)

" We want to generate long term loyalty and business success. I needed insights into when to launch stand alone private label brands and the report bridged a real information gap for us."

Rob P., Director of Strategy (Private label manufacturer)

" We are planning to launch a private label range that's right for his company. The research helped us to focus on growth strategies and the right topics."

The people presented here above are examples of typical users of our research.
We do not disclose any information on our clients.

500+ STORE PICTURES AVAILABLE ONLINE

With this report you will get a one year access to our online picture database.

Every week we are visiting retailers so that you don't have to. In our new section you'll find in-depth store visits with sets of photos and commentary from our team of experts that will help you capture product and competitive information.

- 500+ pictures tagged by our analysts
- New visits every month
- Interactive links with the report
- High definition pictures available for download

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TESTIMONIALS AND CLIENTS

« Our management team was very very satisfied with your reports. Your case studies really helped us. We are revamping our stores and have implemented a new way of thinking within the organisation and your piece of research helped us to understand how others are doing and how to apply it to our business.» (Retailer)

« The case studies helped us to think outside the box and we liked the fact that ResearchFarm is focussed on innovations and the future » (Financial services company)

« The report was very topical and very useful in explaining the technologies, players and issues and privided excellent case studies.» (Retail services provider)

« Very powerful piece of research. We often buy reports from other sources which are full of description and charts and very often with out to date info and things we already know. But yours are very compact and with current examples, re-commendations on what we should do and what we should not do. Examples that we can directly apply to our business.» (Department store)

«Your publications have been extremely useful so far especially because you are giving real life examples. those are really helpful so we can benchmark ourselves against others and see what works and what does not.» (Retailer)

« I found it very insightful. [...] Impressed with the amount of information that has been covered by your report.» (Retail merchandising company)

«I found the document easy to read, well laid out and the content thought-provoking. It reminds me of the major conside-rations that affect our markets, and to address these key issues when approaching the global brands and retailers. This re-port is a very good demonstration of the quality of how ResearchFarm operates and communicates.» (Technology supplier)

«The content is very interesting to us, as we look after many of the largest shopping centres and we also represent many international retailers entering our market. There is plenty of food for thought.» (Property consultants)

«It was helpful. It helped me to persuade my boss to take on a project about e-commerce research. I was really surprised by the importance of legal issues. I never read that elsewhere before.» (Government)

«On DLF's (Danish Association of Fast Moving Consumer Goods Manufacturers) New Years Conference on the 20th of January 2011 we had the great pleasure to hear ResearchFarm speak about future trends in online grocery retailing. The feed back from the conference participants was very positive as they gave ResearchFarm's presentation the highest score of all speakers, finding the analysis about the key success factors of chosen EU and US online retailers both very interesting and inspiring. We can therefore give ResearchFarm our best recommendation.»
Dagligvareleverandørerne – Danish Association of Fast Moving Consumer Goods Manufacturers

OUR METHODOLOGY

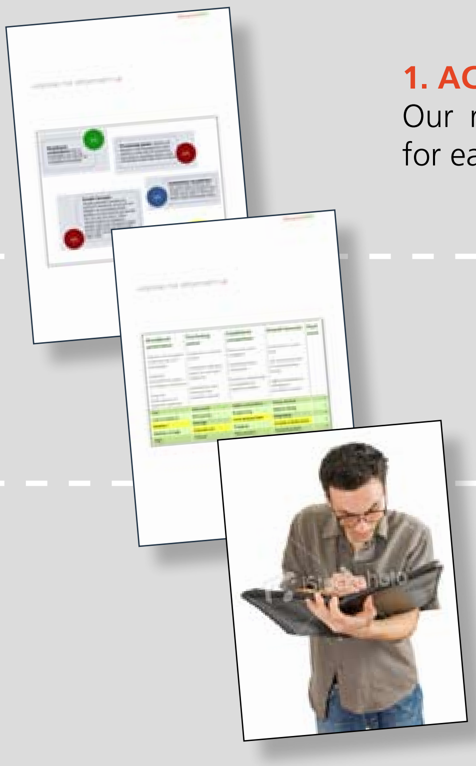
LAY THE GROUND FOR NEW GROWTH!

Researchfarm strives to deliver a starting point for constructive discussions and provide clear solutions and direction.

Our in depth observations of fundamental changes combined with our strategic insights into the sector and our entrepreneurial thinking provide unrivalled, actionable and meaningful solutions.

Our recommendations will enable you to formulate new strategies, head for the right milestones, drive future growth and set the right incentives.

DELIVERING ADDED VALUE THROUGH OUR REPORTS



1. ACTIONABLE RECOMMENDATIONS
Our reports provide you with recommendations for each chapter to help your strategic decisions.

2. BEST PRACTICE
Every chapter features a case example and in-depth insights and recommendations.

3. INTERVIEWS WITH KEY PEOPLE
The report is based on in depth conversation with business leaders, CEOs and CRM specialists.

ABOUT RESEARCHFARM

ResearchFarm is focused on strategic insight and innovative topics and trends in the FMCG/retail space. A key word for us is innovation. We try to unearth what works and what doesn't and tell our audience about it. For us the client comes first, as such we are focused on the story to tell, sharing insight and analysis, not on getting our names in the media – though we will engage in this as well occasionally.

Zoom in to read

SAMPLE PAGES

The Data: Germany And The Albrechts, Spain's Recession Impact, France's Legal Background

The high share private label takes in Germany is all about the hard discounters, with Aldi, Lidl, Netto, Norma and Penny operating various different discount business models with different levels of private label share. All in all the discount sector accounts for around 45% of all grocery retailing in Germany. Edeka's Netto is the softest discount operator with the highest share of FMCG brands on shelves in the country. Private label has recently also become more of a focus for the likes of Rewe, Edeka and Real in combating the discounters.

Spain has seen a rapid rise in private label penetration and while the leading retailers have pushed this trend and launched innovative lines and updated their ranges in recent years (Eroski, El Corte Ingles, Mercadona, Carrefour and Auchan), much of this growth spurt in private label is undoubtedly due to harsh recession the country is in and living standards being squeezed hard, so Spanish consumers are forced to trade down to private label.

France lags behind the leading economies in the EU in private label share due to the relative anomaly of its legislative background. The Loi Galland, which set a price floor on branded goods, has historically guaranteed margin for retailers on branded goods, and as a consequence private label development was not seen as key to success for a long time, until the hard discounters started growing rapidly in the country. (Hard discounters mainly sell private labels so they were able to undercut the hypermarkets on price)

Aldi: The Exception

1,300 SKU range, one in one out, machine of efficiency

Strategy: almost exclusively own label (no price comparison)

Minimise complexity, keep it simple, premium at lowest price

Zoom in to read

SAMPLE PAGES

Mercadona: Weathering The Perfect Storm, Tweaking The Sku Count

Mercadona is Spain's leading grocer, with sales in 2011 reaching €16.4bn, up by an impressive 7.9% on 2010. Against the context of the Spanish economy, with an unemployment rate of 22% and marginal GDP growth of 0.8%, Mercadona's success looks even more extraordinary. In 2011 the company outperformed the sector and competitors by a huge margin, amid the worst economic scenario in decades. Over the last 15 years, the family-owned retailer has been transformed from a mid-range regional supermarket chain to a giant retailer with 1,374 outlets (1,795,000 sq m) throughout the entire country, it only lacks a presence in the Basque Country.

Far from undermining Mercadona's performance, the sharp deterioration of the economic conditions in Spain, has boosted the retailer's market share even further. Mercadona's quick and bold response to the economic crisis has helped the company to weather the storm in impressive shape, compared not just to Spanish standards but to the rest of Europe.

In 2009 the company decided to take firm steps to reduce costs and prices. One significant decision was to slash the SKU count from 9,000 to 8,000, which is now relatively low compared to other supermarkets' chains of similar store estates and selling space. The company focused on the most successful products and those with the highest added-value relative to retail price. In one year, the retailer delisted 400 branded products, another 400 own brand items and 200 perishables.

Asda: Relaunch Continues, Little Angels, The Trendsetter For Uk Private Label

In 2011 Asda launched twice as many food and drink private label lines than in 2010, as a continuation of the chosen by you relaunch. However the focus has shifted to prepared meals, soup, cakes, bread and chocolates. Moreover the retailer has also a number of ambitious subbrands, such as **Little Angels** in the **baby food** segment and has become the first UK grocer to do this. Meanwhile Asda's partnership with Leith's cooking school is set to improve the quality of the retailer's extra special range which is the premium range, the retailer uses to round of its private label range architecture.

Asda has kicked off the trend for revitalising own-label products in the UK. With Tesco updating its value range, J Sainsbury has also relaunched its core own-label products under the "by Sainsbury's" banner, while Wm Morrison is also refreshing its own-brand ranges.

HOW TO ORDER

PRICE OF THIS REPORT

This report is priced **GBP750** (135 pages, delivered as a PDF file).

- You can also get this report bundled with our recent 'Online Grocery Retailing 2012' report for GBP1,500.
- Or you can also get a yearly access to our reports with our **Subscription Service** (£5,000/year).

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