

Private Label Gets A Quality Reputation, Causing Consumers To Change Their Buying Habits

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The private label market has enjoyed sales growth in recent years that isn't likely to decrease in the near future.

Private label companies continue to introduce better-for-you products and more attractive packaging, all while being easier on consumers' pockets.

Their efforts seem to be working, since recent Mintel research found that 44% of grocery shoppers believe store brand products are of better quality today than they were five years ago.

Moreover, 39% of respondents who identify themselves as the primary grocery shopper of their household say they would recommend a store brand product.

Meanwhile, 34% say they don't feel like they're giving anything up (such as flavor or prestige) by using store brands. On the other hand, 19% believe it's worth paying more for name brand products.

"With the exceptions of drinks and personal care products, most consumers believe that private label options are of equal quality to nationally-branded products," says Fiona O'Donnell, senior analyst at Mintel.

"The lack of perceived difference can be attributed, in part, to the fact that many retailers have introduced premium private label products in recent years that rival their branded counterparts in flavor and nutritional value, as well as the packaging design and shelf placement."

In fact, 62% of consumers believe there's no difference in quality between name and store brand dairy products. Similarly, 61% say there is no difference when it comes to canned or shelf-stable food products and 56% think private label and name brand household cleaners are of equal quality.

"Private label brands are overcoming the stigma once associated with 'generic' products," adds Fiona O'Donnell, "though the recession has ended, and consumers may be in a better position financially to return to name brands, it's likely that many will continue to buy store brand staples that are of equal quality."

According to Mintel, 60% of primary grocery shoppers usually or sometimes purchase private label bread or baked goods and 58% usually or sometimes purchase store brand cheese.

Source: Mintel Oxygen Reports

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