Private Label Sales Rise In Europe

Contributed by Warc
Monday, 22 October 2012

Own-label products are increasing their share of value and volume sales in Europe, a new report by SymphonyIRI covering six major markets has revealed.

The insights firm stated that the volume share taken by these offerings rose by 0.5% over the 12 months to 16 June, hitting 45.1%. Results improved in every food category, and in many non-food sectors.

Within this, the UK remains the leading nation, as own-label products attained almost 60% of the market in unit terms, while Spain and Germany came in around the 50% level.

Indeed, Spain saw an expansion of 1.2 percentage points on this measure during the assessment period, a figure standing at one percentage point for the Netherlands and 0.7 percentage points in Italy.

The total value share held by retailer-manufactured lines also delivered a lift of 0.5 percentage points to 35.6%. Performance here peaked at 50.5% in the UK.

Spain logged growth to 41.5% here, but in France, more customers "still need persuading" when it comes to buying such items, with private label's share of value sales up from 29.7% to 30% exactly.

While the comparative reading fell to 16.8% in Italy, the analysis found that 40% of market growth in the country was attributable to these goods, indicating their importance is rising.

Similarly, private label has a relatively modest 14.3% share in Greece, but this is double the amount registered five years ago.

"We are seeing dynamic change in what is already the most mature PL market in the world," said Rod Street, executive vice president of international consulting at SymphonyIRI.

"However, almost all shoppers will continue to fill their shopping baskets with a mix of PL and brands. As a result in many categories PL could reach a ceiling regardless of how far retailers promote it."

One trend noted by the report was that the volume of private label offerings on deal or promotion is "consistently lower" than the FMCG average, with the gap typically standing at ten percentage points.

This is partly because of the natural price advantage boasted by many of these goods, which generally cost 30% less than than the competing national brand, rising to 40% in France and Germany.

Data sourced from SymphonyIRI; additional content by Warc staff

About Warc
For more information please visit http://www.warc.com/

London,UK - 19 October 2012