

PRIVATE LABEL FOOD AND DRINK – CANADA – 2024

Rising food costs have elevated store brands' profile, but their value extends well beyond price. Addressing different aspects of value is critical to success.



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Private Label Food And Drink - Canada - 2024

This report looks at the following areas:

- Share of Canadian shoppers who buy store brands and what percentage of their grocery baskets store brands make up.
- Reasons why consumers buy more or fewer store brands.
- The degree of trust consumers have in different store and name brands.
- Attitudes toward quality and tiering in store brands.
- Interest in store brand innovation by category.
- Store brand launch activity overall, by category, company and brand.



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Overview

What is the purpose of store brands and why do companies invest in them? The foundation is price, but this is where the reasons for store brands start, not end. Value is, of course, more than just about price, but rather falls along a continuum around quality, wellness and convenience in addition to other considerations. For store brands to be successful over the long term, it's important to clearly articulate the value they provide both to shoppers and to internal teams to offer consistently excellent experiences. This involves having a considered strategy around tiering that adheres to a set of standards.

How should name brands respond? Central to the value national brands provide is the trust that is based on brand equity that's been built over time. In essence, it's important to leverage

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moats that extend beyond price. Admittedly, this is more realistic in some categories than in others, yet this point still matters.

As food inflation normalizes, will demand for store brands recede? It's impossible to know for certain, but what is evident is food prices remain a top issue for Canadians, and aggressive investment in private label programs on different fronts means gains made in recent times are unlikely to be lost anytime soon.

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Report Content

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- What you need to know

Consumer trends: key takeaways

- Consumer trend #1: shoppers expect different quality and price tiers to address their needs
- Consumer trend #2: store brands can bolster or damage retailers' reputations
- Consumer trend #3: name brands' best defence against store brands is the trust in their brands

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- Market overview
- Market predictions
- Opportunities

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- Managing price-gaps and trust around quality are the main defences for name brands
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- Shoppers want to mix n' match for price and quality across tiers
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- Store brands give retailers more control of the narrative
- One brand look across the store to tell a cohesive story
- Store brands can take more chances than name brands by spreading the risk
- Nothing but private label

Opportunities

- Hero items can make a difference, but they are exceedingly difficult to create
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- Soft versus hard launches?
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Published by Mintel Group Ltd

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