Welcome to the Breakout Session

Finding Harmony on the Shelf

2025 Global Outlook on Private Label & Branded Products

The quest for *next*

Find your next growth opportunity

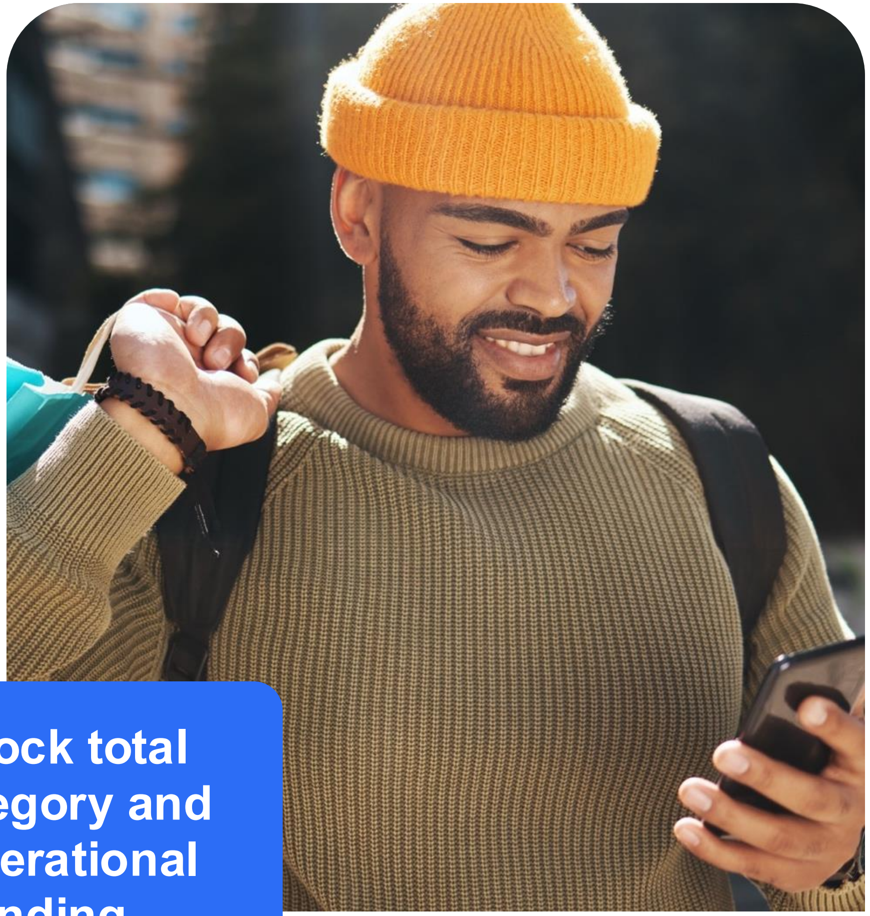
NIQ's Global Signature Report

2025 Global Outlook on Private Label & Branded Products

From competition *to collaboration*

Retailers have tested, iterated, developed, and marketed **next-level private label brands** that are capturing the eyes and wallets of consumers.

At the same time, **manufacturers** have **hit a stride with consumers beyond inflation highs** and have fostered emotional connections that extend their brand influence beyond any singular retail channel.



Unlock total category and generational spending potential, *together*.

A rising tide can lift all boats:

Every organization has the chance to help grow the size of prize with consumers

Seize consumers' openness to trying "whichever" brand fits their needs.

58%

of global consumers say **brand or store brand is irrelevant**; they just buy what they need.

Needs-driven decisioning

58%

of global consumers say they're **buying more brands, across more categories** than ever before

Broader consideration sets

65%

of global consumers say if they look hard enough, they can find a brand that fits their exact needs

Captive shopper audiences

Source: NIQ 2025 Private Label & Branded Products report global survey

Breakout Session Panelists & Moderator

Megan Sparks

Executive Leader - Sourcing Exclusive Brands

Clare Galvao

Vice President, Sales Growth & Capabilities

Marta Cyhan-Bowles

Chief Communications Officer and Head of Global Marketing COE

Breakout Session Moderator

Finding Harmony on the Shelf
Creating value together

Finding harmony between brands *starts with understanding the primary drivers of brand choice*

Today, consumer decisioning is driven most heavily by ***functional*** reasons.

Globally, what is most important to consumers when choosing a brand to buy?

Top/Bottom
reasons to buy a brand:

▲ **Affordable**

▼ **Celebrity-endorsed**

Average importance
% global respondents

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Functional reasons [F]
Specific aspects or offerings within a brand's value proposition

66%

Emotional reasons [E]
Intangible or reputational qualities/values of a brand

61%

Brand resonance [BR]
Aspects that align to one's personal or cultural resonance/identity

Source: NIQ 2025 Private Label & Branded Products report global survey

Value Perceptions

Brand Category dominance:
In many markets, name-brand costs are "worth it" to consumers

47%

of global consumers say that *name brands are worth the extra price*

From stigma to status:

Private label is growing more than just sales

The stigma has faded.

68% of global consumers say private labels **are good alternatives** to name brands

They deliver on value.

69% of global consumers say private labels **are good value** for the money

Source: NIQ Global Private Label Survey (2024)

Key Strategic Initiatives – Private Label

OPP & supply stability	Format/ channel expansion	Cost containment	Elevated innovation	Seasonal & gifting	Improvement & renovation
Opening Price Point	Impulse POS/on the go size Value size Omni Channel	Streamline Supply Chain Value Engineering Packaging adjustment/ procurement	Culinary/ Premium offerings	Everyday Seasonal Gifting LTOs	Customer driven improvement Industry/ Consumer relevance (New & line ext./swaps) Compliance & regulatory

Value is a perception - based on what someone is willing to pay, not only based on price

Shoppers are aware of their changing behaviors across categories when seeking value:

65% *acknowledge switching to large or bulk sizes*

52% *acknowledge switching to smaller pack types*

Pack Type/Size

- Multipacks
- Single Serve
- Bulk / Pantry

Experience

- Personalized
- Associations
- Emotions

Time & Convenience

- Modalities
- Service
- Quick Prep

Price

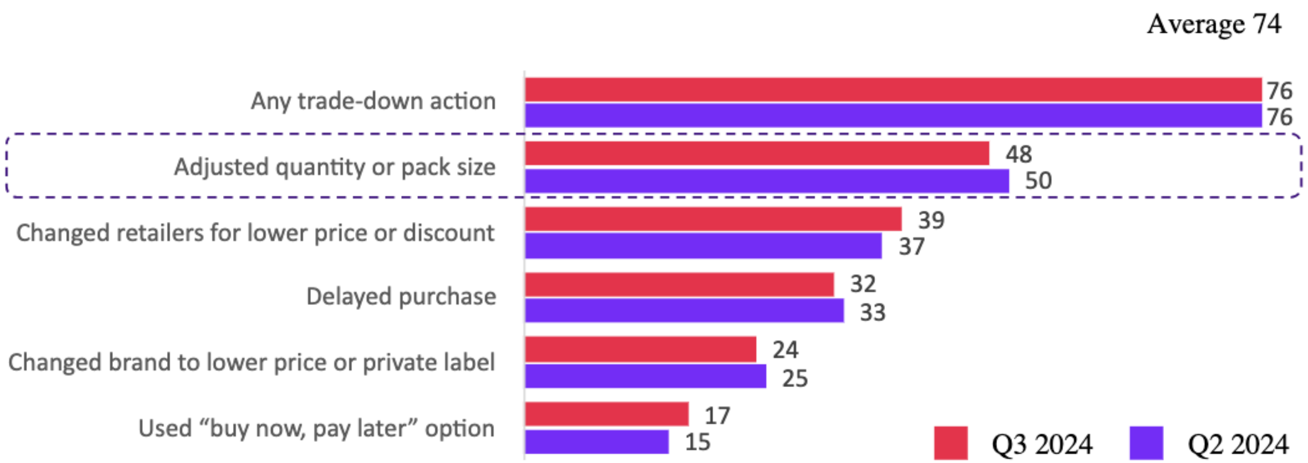
- Low cost
- High deal
- Budget

Consumers are changing the way they shop

Shoppers are **2x** more likely to adjust their pack size than switch to a lower priced brand or private label

Trading down remained prevalent, and purchase delays and payment plans grew in popularity

Share of respondents engaged in trade-down actions, by type, % of respondents



87%

of American consumers have changed how they have shopped for FMCG in order to manage expenses

Lower cost per use

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say they're switching to **buy more large, bulk pack sizes** of their product of choice

Lower cost to buy

52%

say they're switching to **buy more of the smaller pack** sizes of their product of choice

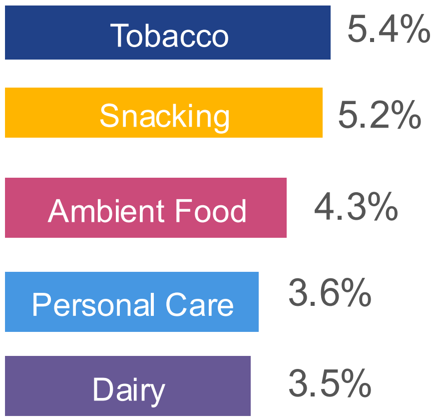
Kellanova

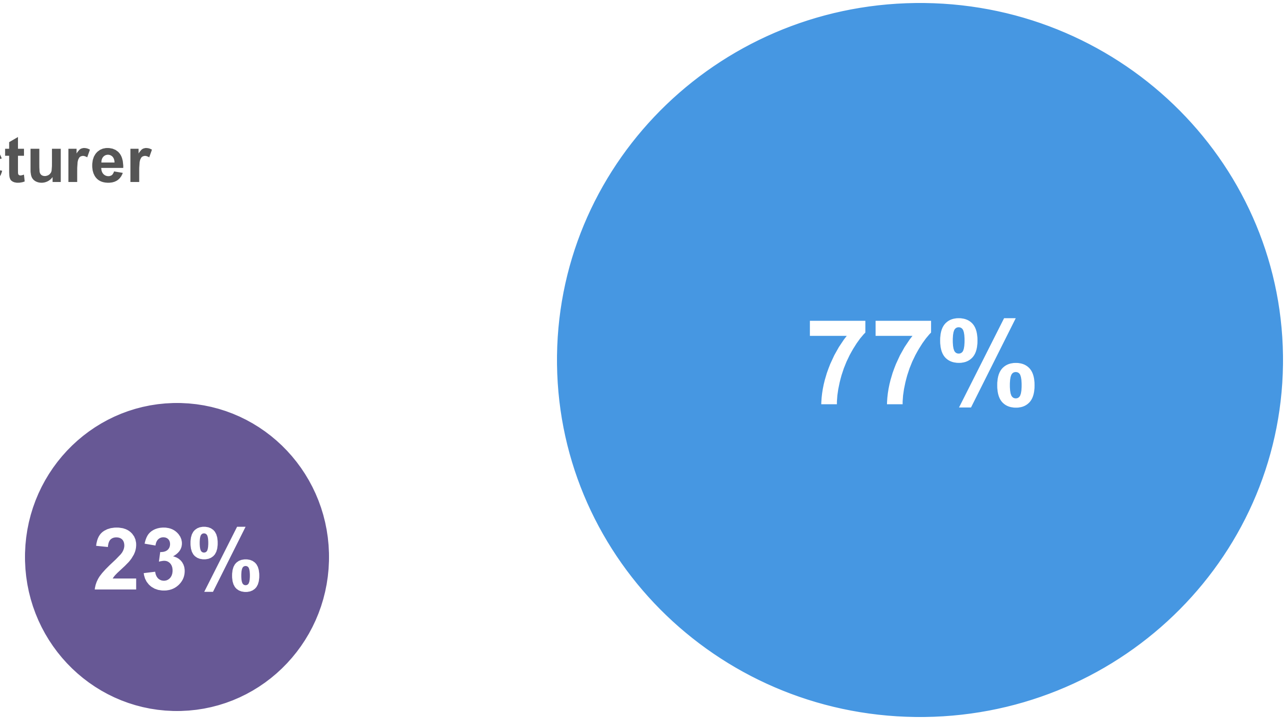
Source: McKinsey the State of the Consumer Report, Q3 2024 Update
Source NielsenIQ, Mid-Year Consumer Outlook – Global, 2024

Fueling Future Growth

FMCG Global Value Share Private Label vs. Manufacturer Brand

Top 5 Private Label YoY % Value Growth





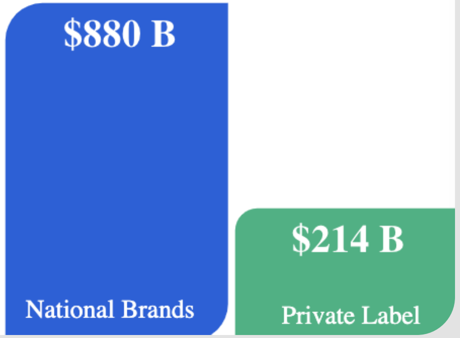
Private Label
Owned-Brand
Retail Brand
Store Brand
Exclusive Brand

Manufacturer Brand

Despite Private Label growth,
National Brands still dominate

Size

Branded sales are worth over $880 billion annually

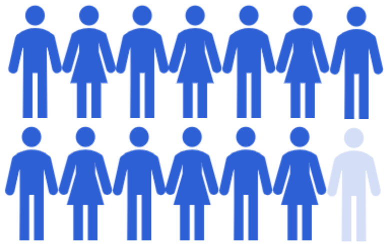


Share

National Brands $ share maintained at 80%+ the past 5 years

Penetration

Higher branded penetration in 13 of 14 departments reaching more shoppers

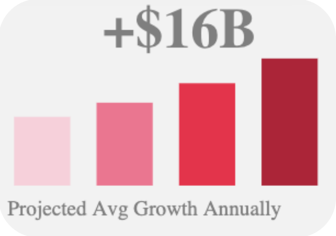


Spend

$35.22 vs. $15.92

Higher branded dollars per occasion vs. Private Label results in more valuable trips

US retail media ad spending is set to skyrocket over **$100B** by 2027, with **National Brands** supporting the majority of the ad spend[1]



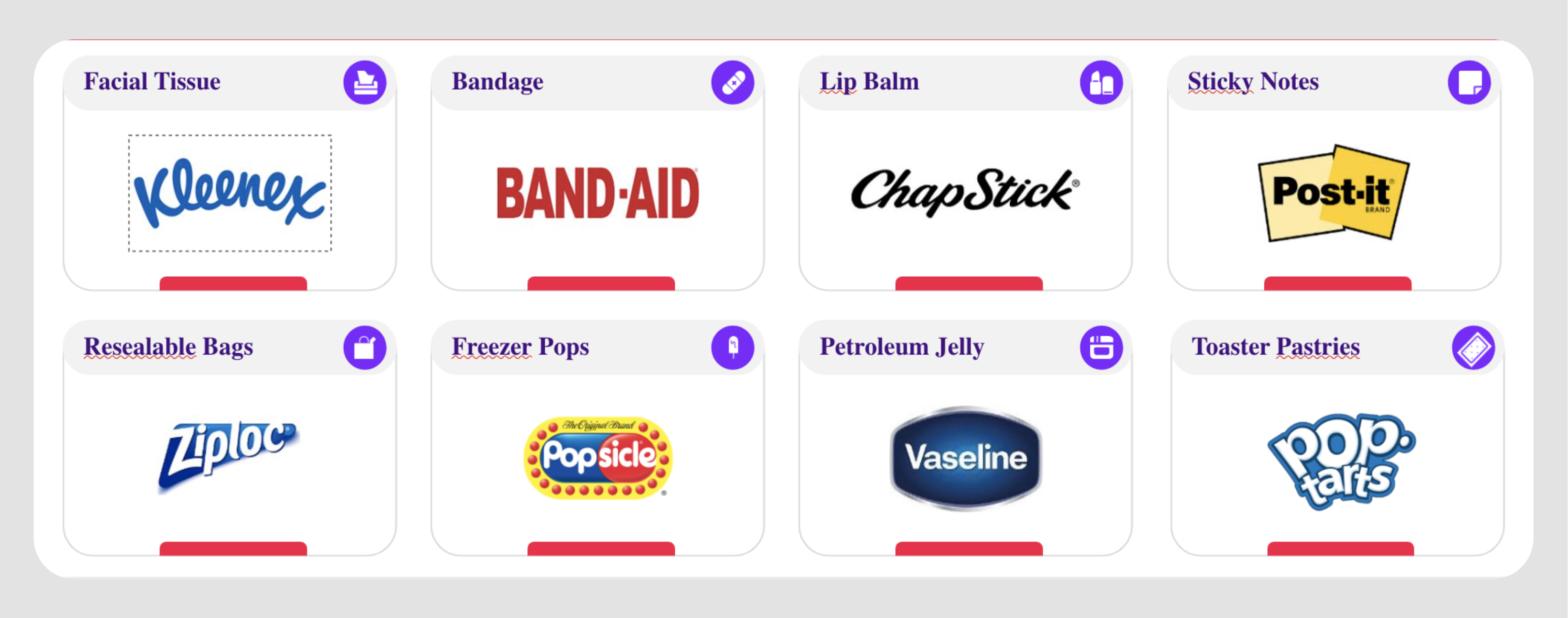
Kellanova

National Brands have a distinct strategy that **justifies their value**

> We rely on and love national brands. But here’s the thing: those brands need to innovate, nd those brands need to continue to bring big value”

Sam’s Club CEO
Chris Nicholas

They introduce consumers to the product, and sometimes it even becomes the common household name

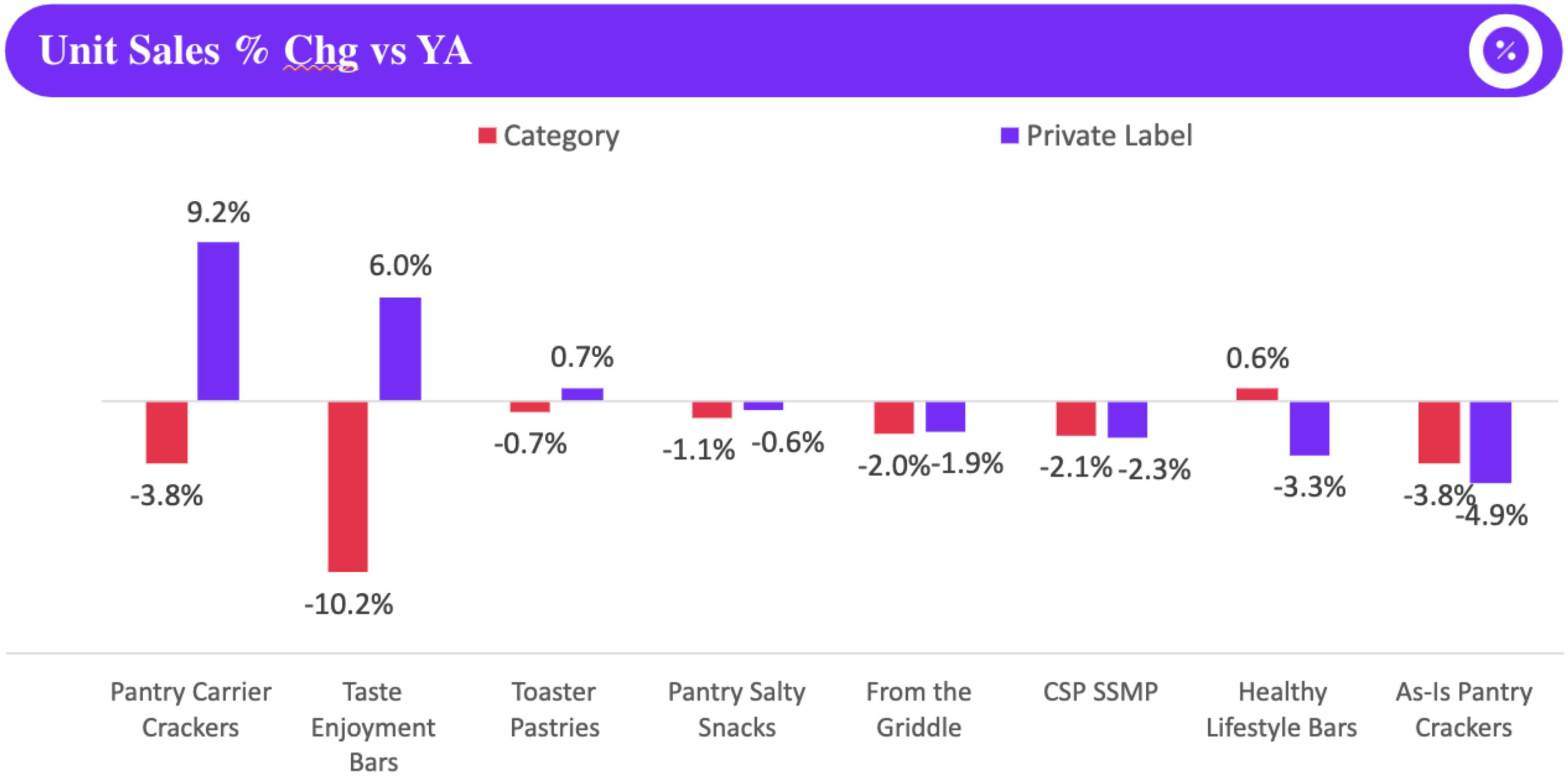


Source: https://www.supermarketnews.com/private-label/groceryshop-day-1-recap-it-s-all-about-private-label | October 7, 2024

Categories need both National brands and Private Label to succeed

78%

of retailers show a loss|
in dollar Market share
when Private Label gains
unit share



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PL Unit Shr	7.5%	14.7%	16.3%	5.8%	24.3%	2.7%	6.0%	2.4%

CSP SSMP: Convenient Snack Packs Single Serve Multipacks

Sources: NielsenIQ POS, Total US xAOC, 52 WE 10/19/24,
Unit Sales %Chg vs. YA, Unit Share

Acosta "Why Name Brands Still Matter!", May 2024

Kellanova

Strategic Initiatives to fuel growth, deliver results

Strategy Initiatives

Retail Decreases on Shelf → Increased Customer Counts

First 365 marketing campaign launch in company history

Results

Increased Private Label Unit Growth

Increased Brand Unit Growth

Owning Omnichannel

Consumers are ready to find the right brands — (including private label) ***across the many channels they frequent …***

59%

of global consumers say they **maintain different shopping lists** for different in-store and online outlets

63%

of global consumers say they **look online for things out of stock at their local store**

71%

of global consumers say they **shop at a physical store because it has the lowest prices**

Source: NIQ Global Private Label Survey (2024)

3-pronged strategy for omnichannel expansion

1. Geographical Expansion
2. Shelf Extension
3. Product Ratings

Symbiotic dynamics for private label and branded products

Brand halo effect

Name-brand reputation can boost private label credibility by comparison.

Increased traffic

Popular private labels drive overall retailer traffic that can benefit name brands.

Market expansion

Private labels can empower entire categories, propelling name-brand opportunities forward.

Price anchoring

Name-brand pricing sets a benchmark for private label value perception.

Finding harmony

You can struggle to survive alone—or strive to grow the overall size of prize.

Private labels ***and*** brands can lean on unique **symbiotic dynamics** to *collaborate*, rather than directly compete.

Key Takeaways

Value Perceptions

- Consumer will continue to seek & demand 'Value' in every purchase, rewarding brands (national or private) that deliver against their needs
- Brands & Private Labels will have to innovate to deliver value

Fueling Future Growth

- Brands and Private Label must **strive for harmonious growth**
- A collective growth strategy will **expand the overall category**

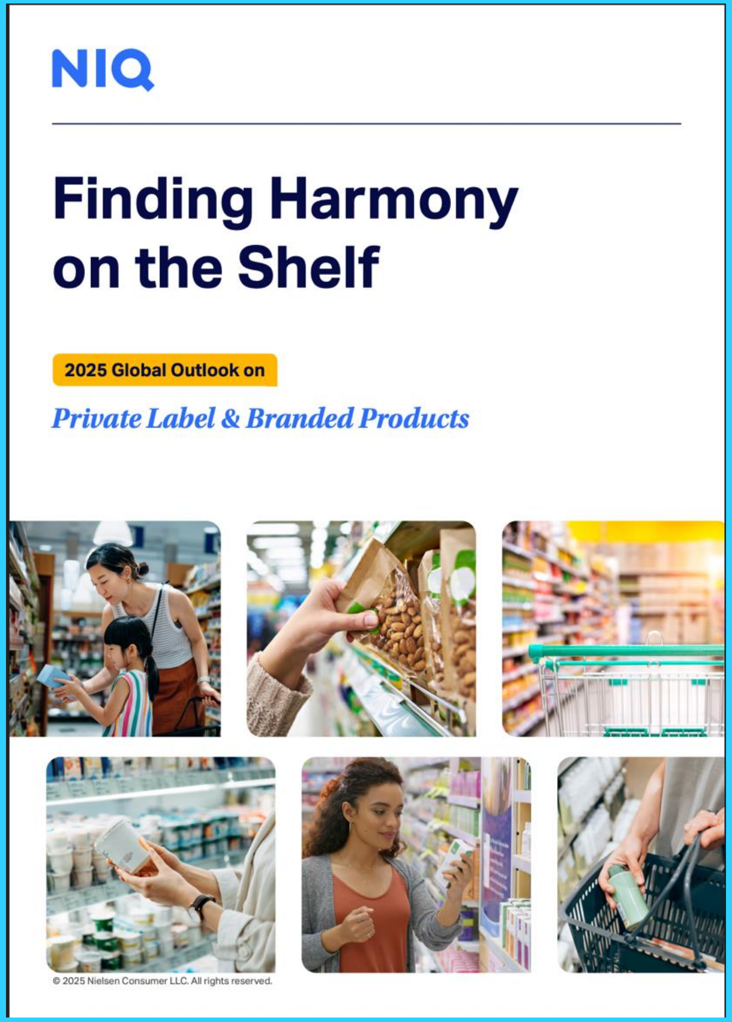
Owning Omnichannel

- Consumers purchase from multi-channels, **continuing Omnichannel expansion**
- Digital technologies will transform the way **consumers purchase and experience a brand**
- **eCommerce Channel** will continue to see growth and transformation

Finding Harmony on the Shelf

2025 Global Outlook on Private Label & Branded Products

Download
Complimentary Copy



Appendix : Reference Material

Behind *the global consumer survey research*

NIQ *2025 Private Label & Branded Products Report*

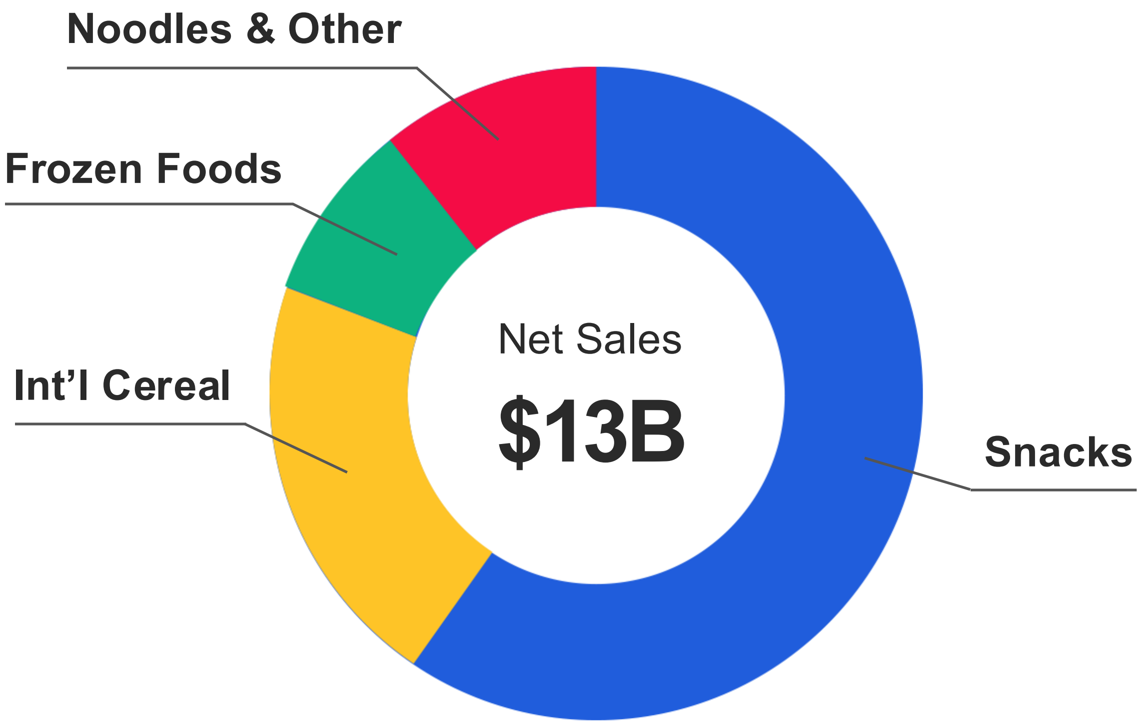
- Australia
- Brazil
- Canada
- Chile
- China
- Colombia
- Egypt
- France
- Germany
- Greece
- India
- Indonesia
- Italy
- Mexico
- Poland
- Romania
- Saudi Arabia
- Singapore
- South Africa
- South Korea
- Spain
- Thailand
- Turkey
- UK
- US

Global Scope
25 markets

17,000
Consumers

NIQ

Kellanova



Advantaged Categories & Differentiated Brands

>$1B	CHEEZ-IT baked snack crackers	PRINGLES
Approaching $1B	Eggo	pop-tarts
Approaching $0.5B	Kellogg's RICE KRISPIES TREATS CRISPY MARSHMALLOW SQUARES	MorningStar FARMS

Appendix

Finding Harmony on the Shelf — Creating value together

Finding harmony between brands starts with understanding the primary drivers of brand choice

Today, consumer decisioning is driven most heavily by ***functional*** reasons.

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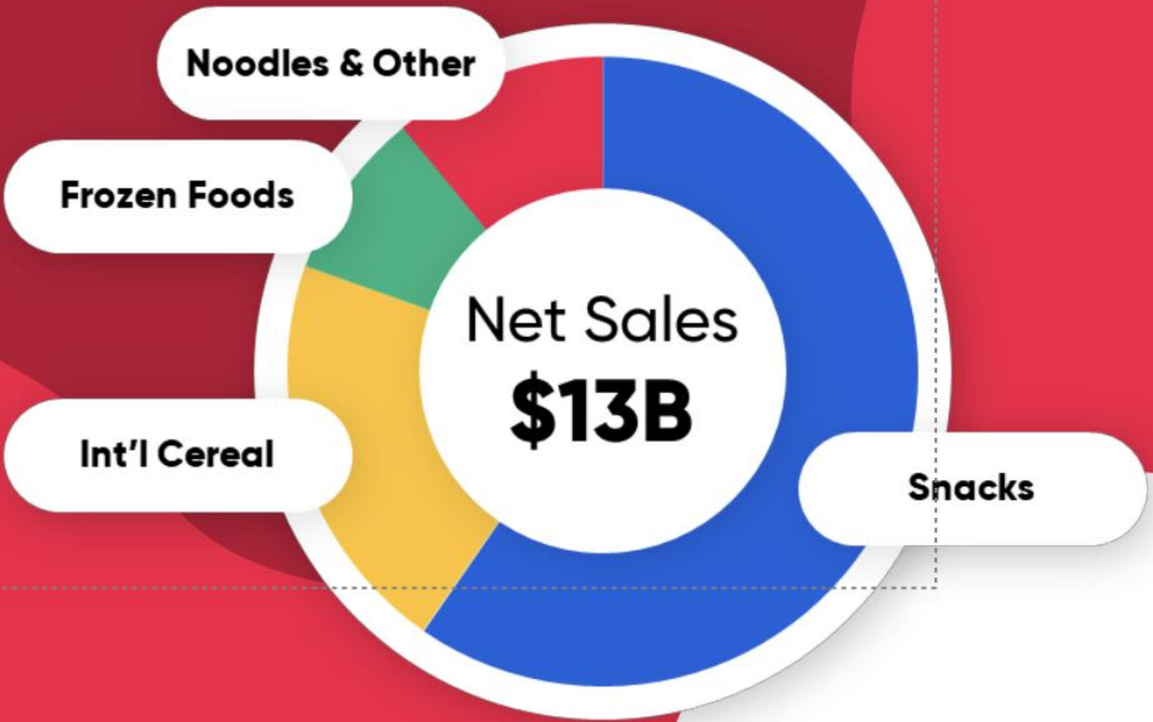

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>$1B	Cheez-It	Pringles
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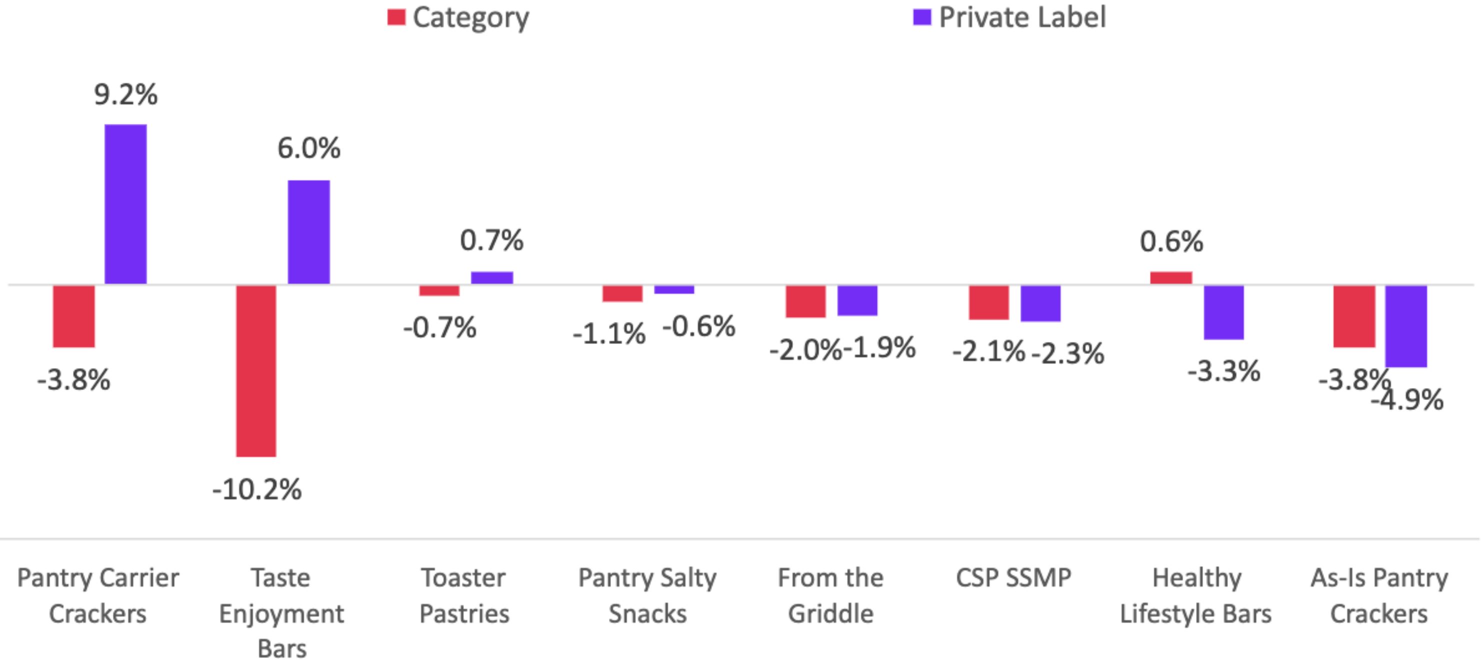

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Acosta "Why Name Brands Still Matter!", May 2024

strategy and message that justifies their value

bring great value."

- Sam's Club CEO Chris Nicholas

They introduce consumers to the product, and sometimes it even becomes the common household name

Facial Tissue | Bandage | Lip Balm | Sticky Notes

Facial Tissue	Kleenex
Bandage	BAND-AID
Lip Balm	ChapStick
Sticky Notes	Post-it
Resealable Bags	Ziploc
Freezer Pops	Popsicle
Petroleum Jelly	Vaseline
Toaster Pastries	Pop-Tarts

Consumers are changing the way that they shop

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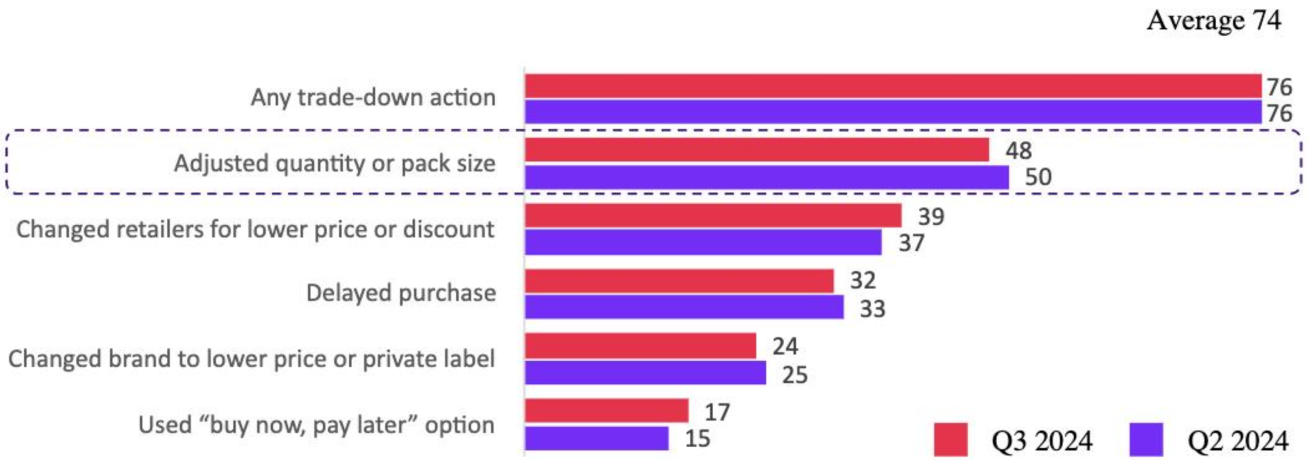

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Source: McKinsey The State of the Consumer Report, Q3 2024 Update
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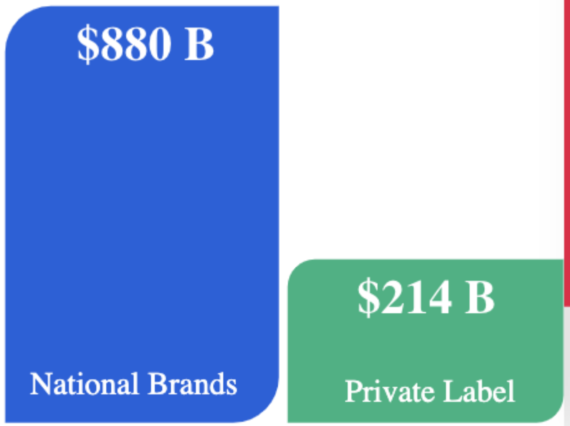
Despite Private Label growth, National Brands still dominate

Size

Branded sales are worth over $880 billion annually



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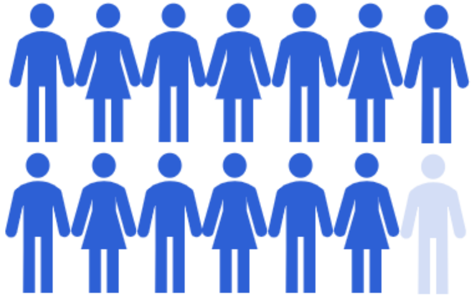

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DID YOU KNOW?

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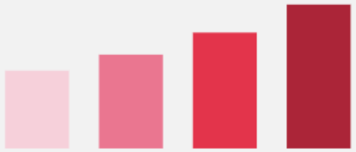

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Sources: Acosta, "Why Name Brands Still Matter!", May 2024, 1. Insider Intelligence, eMarketer Forecast, Dec 2023
Nielsen IQ Scan, Total US xAOC, 52 WE 11/2/24, $ Sales and $ Shr, Total Store including all departments except Bulk Bin, Floral, and Tobacco
Nielsen IQ Panel, Total US xAOC, 52 WE 10/5/24, $ Sales and $ Shr, Total Store including all departments except Bulk Bin, Floral, and Tobacco

Key Take-aways

Value Perceptions

Fueling Future Growth

Owning Omnichannel

- Consumer will continue to ***seek & demand 'Value'*** in every purchase
- Brands & Private Labels will have to ***innovate to deliver value***

- Brands and Private Label must ***strive for harmonous growth***
- An aaccerative growth strategy will ***expand the overall category***

- Consumers purchase channels will ***gravitate towards Omnichannel***
- Digital technologies will transform the way ***consumers purchase and experience a brand***

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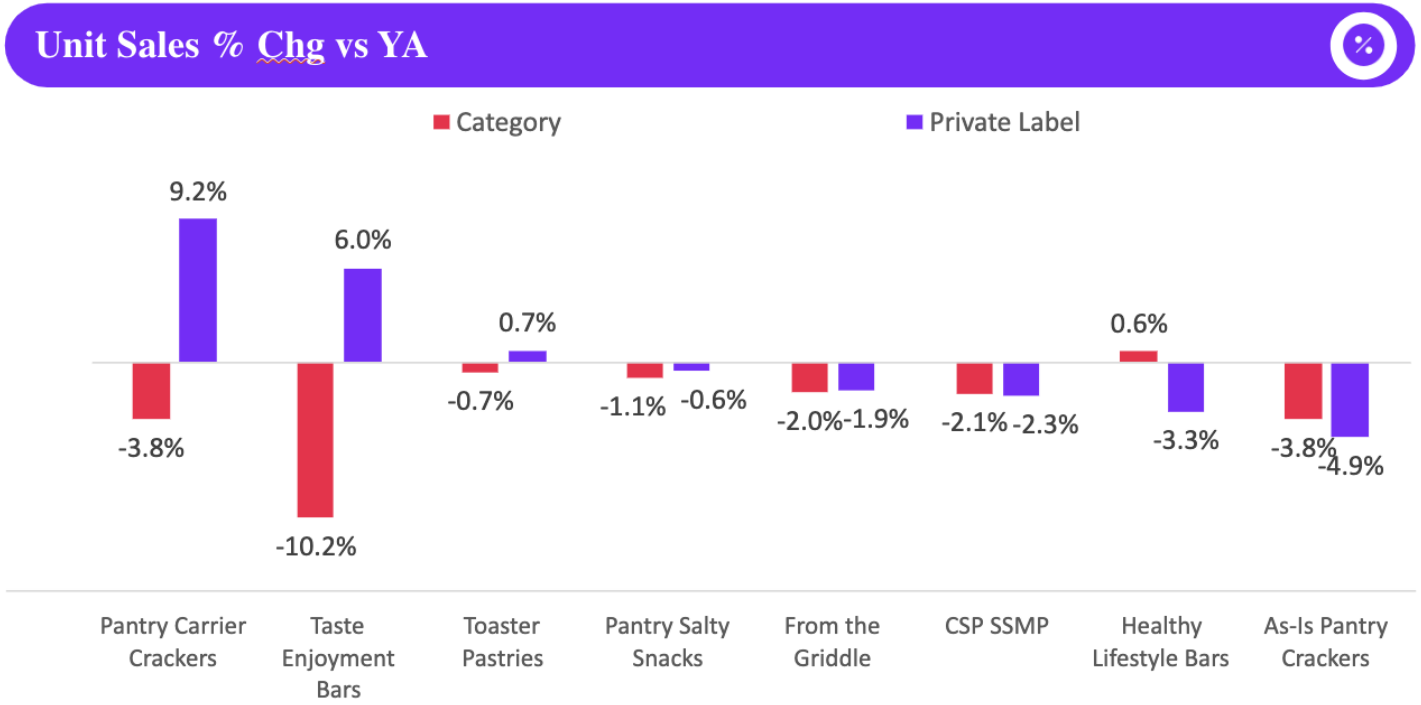

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Acosta "Why Name Brands Still Matter!", May 2024

Kellanova

Fueling Future Growth

46%
of North American consumers say they're likely **buying more private label products than ever before**[1]

+2.9%
annual North American sales growth year over year[2]

While still growing relative to the rest of the world, North American consumers are sold on private labels.
But retailers will need to think differently to avoid deceleration of growth.

-0.5–+0.3%
Top 10 North American brands see slower sales growth compared with private labels[3]

2X emotional connection
North American consumers are more than twice as likely to associate emotional factors with large name brands compared with private labels.[1]

The plot thickens globally, but top North American brands see slower sales momentum vs. private labels.
North American name brands have deep emotional connections among consumers.

In North America, across CPG categories …

Branded products are sold at

19%
higher average price than private label products.[4]

Sources: 1) NIQ 2025 Private Label & Branded Products report global survey with regional data references, 2) NIQ Retail Measurement Services, Total private label sales by region, Growth calculated vs. year ago, Annual period ended Q3 2024 through annual period ended Q4 2023, Value % growth and value % share - via Quarter By Numbers Private Label report, 3) NIQ Retail Measurement Services, Sales % growth vs. year ago, Annual period ended Q3 2024, via Quarter By Numbers Regional summary report, 4) NIQ, Global Strategic Planner, Total CPG across available regional scope, Directional read of % difference in Avg. Unit Price of Branded Products aggregate vs. Private Label aggregate, Latest 52 weeks ended Dec. 29, 2024, Reflected in US dollars

59%

consumers say they ***always buy same name brands they know and trust***

2X Average emotional connection according to consumers vs. private label

NIQ

Source: NIQ Global Private Label Survey (2024) – North America

56%

consumers say they would buy more private label products if ***a larger variety were available***

+2.9%

annual North America sales growth year over year

Source: NIQ Global Private Label Survey (2024) - North America

Panel Flow | Questions Guide

- **Opening slides – *Marta setup + Panelists Introductions***

- **Value Perceptions**
  - Marta to Megan: **As we've seen from the data, consumers' outlook on private (store) brands has changed and the stigma has somewhat subsided, as such, how has Whole Foods' strategic approach to innovation evolved, particularly in relation to the 'value centric', more price sensitive shopper? Has that influenced focus on new, exciting offerings?**
  - Marta to Clare: **How does Kellanova define value for shoppers? Do you prioritize affordability and value above all else?**

- **Fueling Future Growth**
  - Marta to Clare: **Knowing ~20% of purchases in store will be private label, what strategies does Kellanova employ to enable 'harmonious growth' across both store brands and national brands?**
  - Marta to Megan: **From the retailer's perspective, how can private label and branded products coexist 'in the same space' and drive growth without cannibalizing each other?**
  - *Marta follow up question: When a branded item and a similar Own Brand item appear on the same shelf, what are the key points of differentiation, and how do each position themselves to stand out to consumers?*

- **Owning Omnichannel**
  - Marta to Megan: **Since Whole Foods was acquired by Amazon, what strategic levers have you been able to pull thru omnichannel, utilizing their platform?**
  - Marta to Clare: **We know the consumer is constantly evolving – and so too are their expectations of a fully connected experience – how does Kellanova execute across digital and in-store? And how are you leveraging Omnichannel to fuel your growth?**
  - *Marta follow up question for Megan (optional): How are you leveraging consumer feedback and AI-driven insights from the Amazon platform to guide omnichannel, product innovation, renovation, and overall performance?*

- **Q&A**