



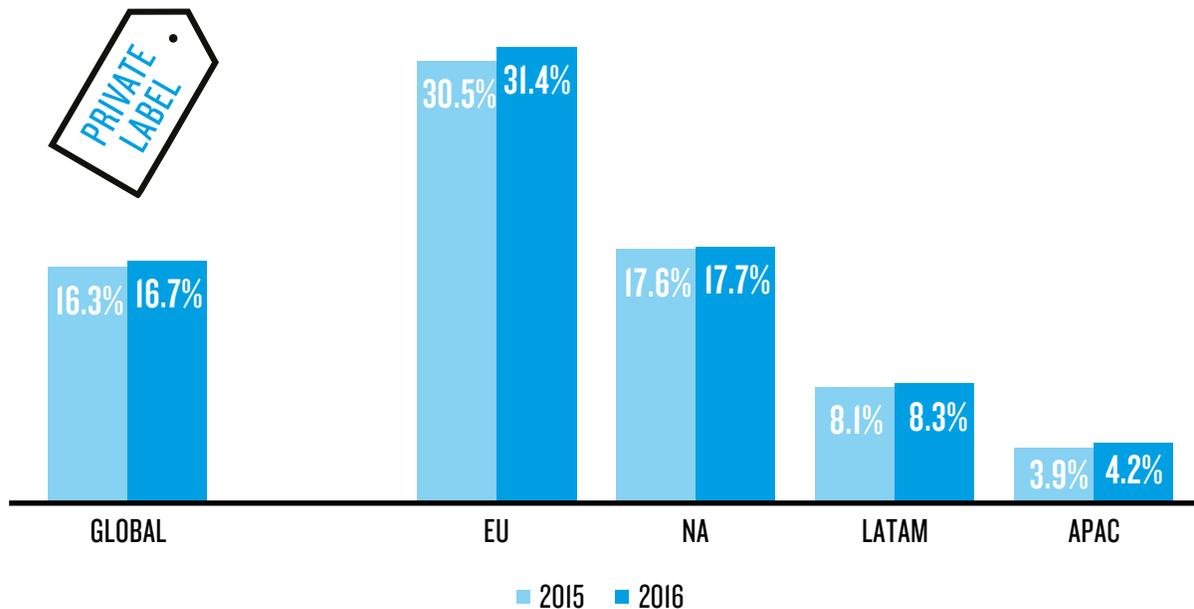
# THE RISE AND RISE AGAIN OF PRIVATE LABEL

There is a new retail revolution underway, and it's going to affect the food industry across the globe over the next five years in ways we have never seen before. We're talking about the development of private-label products and the new challenges that this will present for brands and manufacturers across the globe, as retailers develop and market their own products rather than multinational name brands to meet changing consumer needs.

Nielsen information across more than 60 countries shows that private-label products continue to gain share across all major geographies. The relentless store expansion by retailers over the past decade has given shoppers more access to private label and to brands. In recent years, e-commerce has given brands another way to reach the consumer. However, private-label growth is also being driven by the wider choice that the digital economy offers to consumers and the globalization of shopping trends (media, technology, e-commerce). This growth is also accelerating wherever disruption is present in the trade structure. For example, we see this with the market share growth of discounters in the developed markets of Western Europe.

## GLOBAL PRIVATE LABEL

Value Share Growth 2015-2016



EU—Europe; NA—North America; LATAM—Latin America; APAC—Asia-Pacific

Source: Nielsen Retail Measurement Services

Disruption in the trade structure, however, is only the tip of this iceberg.

Consumers today are connected at all times and have access to endless information. As a result, their expectations are changing and they're shopping differently. Many now see private-label brands as being

equivalent to or substitutable for multinational brands. When consumers consider quality, many view private-label products as good and getting better. For example, we see this with the extensions into premium private-label products, where quality is very good. Examples include wine, specialty groceries, coffee, and prepared/ready-to-cook chilled meals of restaurant quality.

In the U.S., natural and organic products, including those without certain “undesirable”<sup>(1)</sup> ingredients or those that meet certain criteria (non-GMO, sustainable), present a huge opportunity for developing value-added innovations (source: Nielsen Product Insider, total U.S.). While the largest brands have struggled to find growth with conventional products, a world of new opportunities exists for manufacturers of all sizes by catering to consumers’ desire for organic and sustainable goods (source: Nielsen Product Insider, total U.S.).

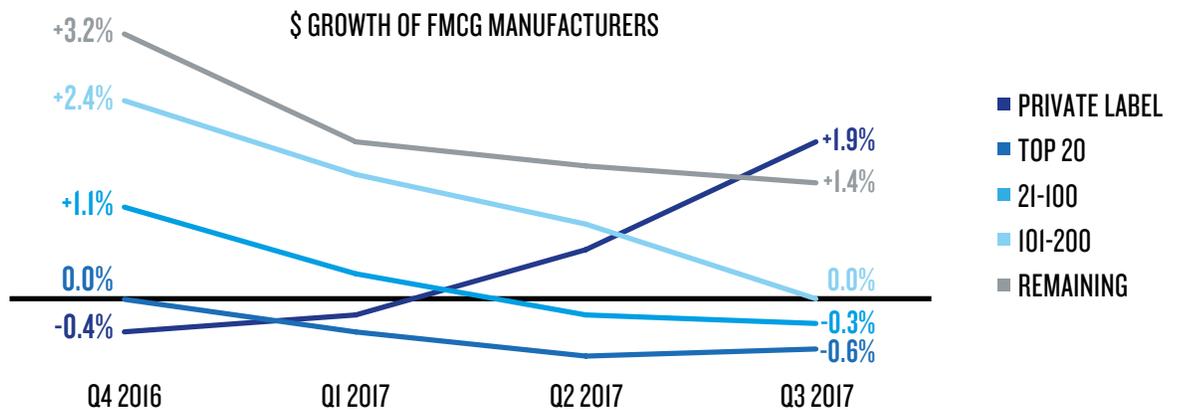
And at the opposite end of the spectrum, in the case of discounter private-label, the prices are significantly lower, yet quality is at least comparable with local brand leaders.

The value for money continuum—from premium through to budget private label—is being stretched, and retailers are innovating quickly to meet shopper expectations, which has strategic implications for brands.

In the U.S., for example, we’ve seen a performance reversal among private-label and manufacturer-branded products over the past year. While manufacturers of all sizes saw flat or positive performance in the fourth quarter of 2016, store-branded products took the lead a year later, growing at 2%.

## U.S. PRIVATE-LABEL PERFORMANCE

Private-label growth trajectory rises beyond all branded tiers



Source: Nielsen Retail Measurement Services, Core syndicated hierarchy, Total U.S., 52-week periods vs. year-ago, latest period to Sept. 30, 2017, UPC-coded

<sup>1</sup>Common “undesirable” ingredients include BHT (Butylated Hydroxytoluene), Potassium Benzoate, High Fructose Corn Syrup, Monosodium Glutamate (MSG), Sodium Nitrate, Partially Hydrogenated Oils, Potassium Bromate, Yellow 5, etc. “Conventional” products include one or more of those ingredients.

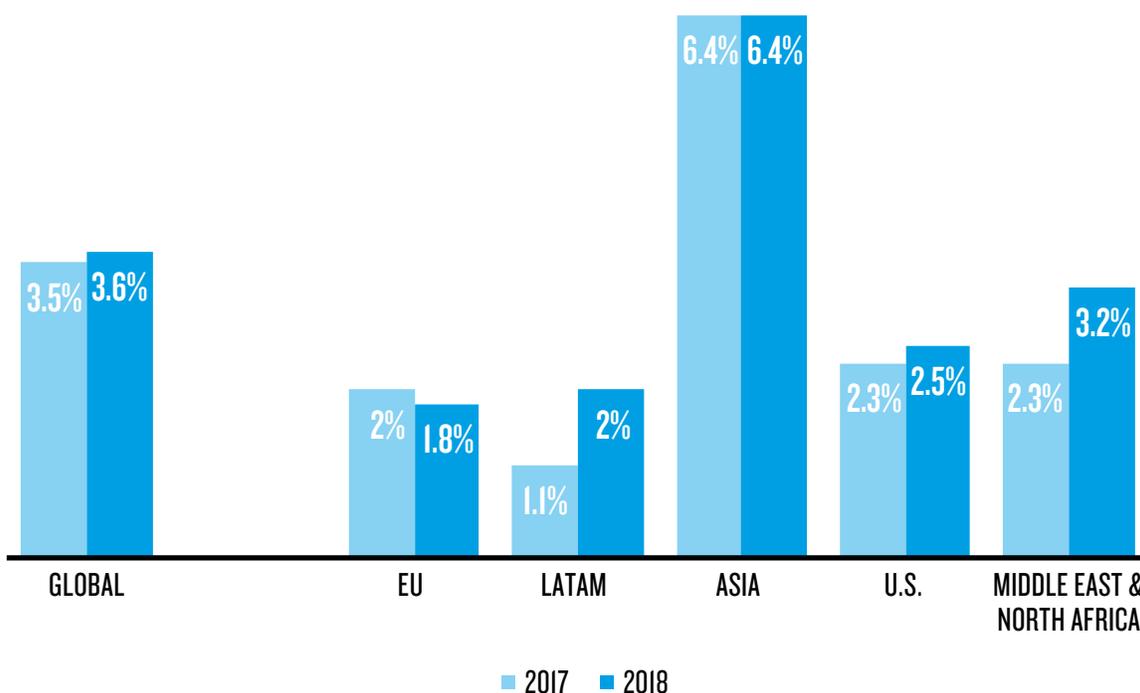


# CHANGING ECONOMIC CONDITIONS WILL HELP PRIVATE LABEL GROW

According to IMF's new World Economic Outlook, global GDP growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018.

## WORLD ECONOMIC OUTLOOK PROJECTIONS

(GDP Percent Change)



In looking through Nielsen's recent global Consumer Confidence Index reports, we see that consumer optimism is high, and positive momentum is continuing globally. In fact, confidence levels in every region except Africa/Middle East finished the year stronger than they began.

It's expected that consumers increase their private-label purchases when the economy is struggling. That's when consumers trade down, and economic recessions are a big driver of private-label growth as shoppers need to make cost savings.

When an economy recovers from recession, however, changed shopper behaviour often remains, and this sentiment is favorable when it comes to continued private-label growth.

When coming out of economic downturns, consumers will maintain a more cautious approach with regard to household expenses, having developed a habit of seeking and expecting value for their money.

Private-label is also a new opportunity in developing countries, faster-growing economies and countries recovering from economic decline or stagnation. Therefore, looking ahead, private-label brands have several avenues for future growth around the globe.

**“PRIVATE LABEL WILL CONTINUE TO GROW IN DEVELOPED MARKETS AS CONSUMERS ARE NOT REVERTING TO PREVIOUS SHOPPING BEHAVIOUR. IN EMERGING MARKETS, PRIVATE-LABEL BRANDS ARE GROWING, AND THIS WILL CONTINUE BECAUSE THEY ARE NOW PART OF THE GROWTH OF THE ECONOMY.”**

**OLIVIER DESCHAMPS - SVP RETAILER SERVICES - WESTERN EUROPE, CANADA AND PACIFIC**





# KEY PRIVATE-LABEL TRENDS VARY BY COUNTRY

The largest markets for private-label products are found primarily in the more mature European retail markets. Comparatively, private-label still has much room for growth, especially in North America, where penetration is still relatively low.

The private-label market in Latin America is also small in terms of value share. The challenging economic situation in Latin America <sup>(2)</sup>, however, may help private-label become a good alternative for Latinos looking for value. Penetration and adoption will also increase as consumers are increasingly exposed to private-label offerings through retail expansion by global and local retailers.

In Asia-Pacific, where consumers are more brand loyal, private-label value share is significantly low compared with the global average.

Some brands may have relied for too long on premium pricing to build brand equity, and if there has been a reluctance to develop product price tiers, this can also leave a gap for private label to fill.

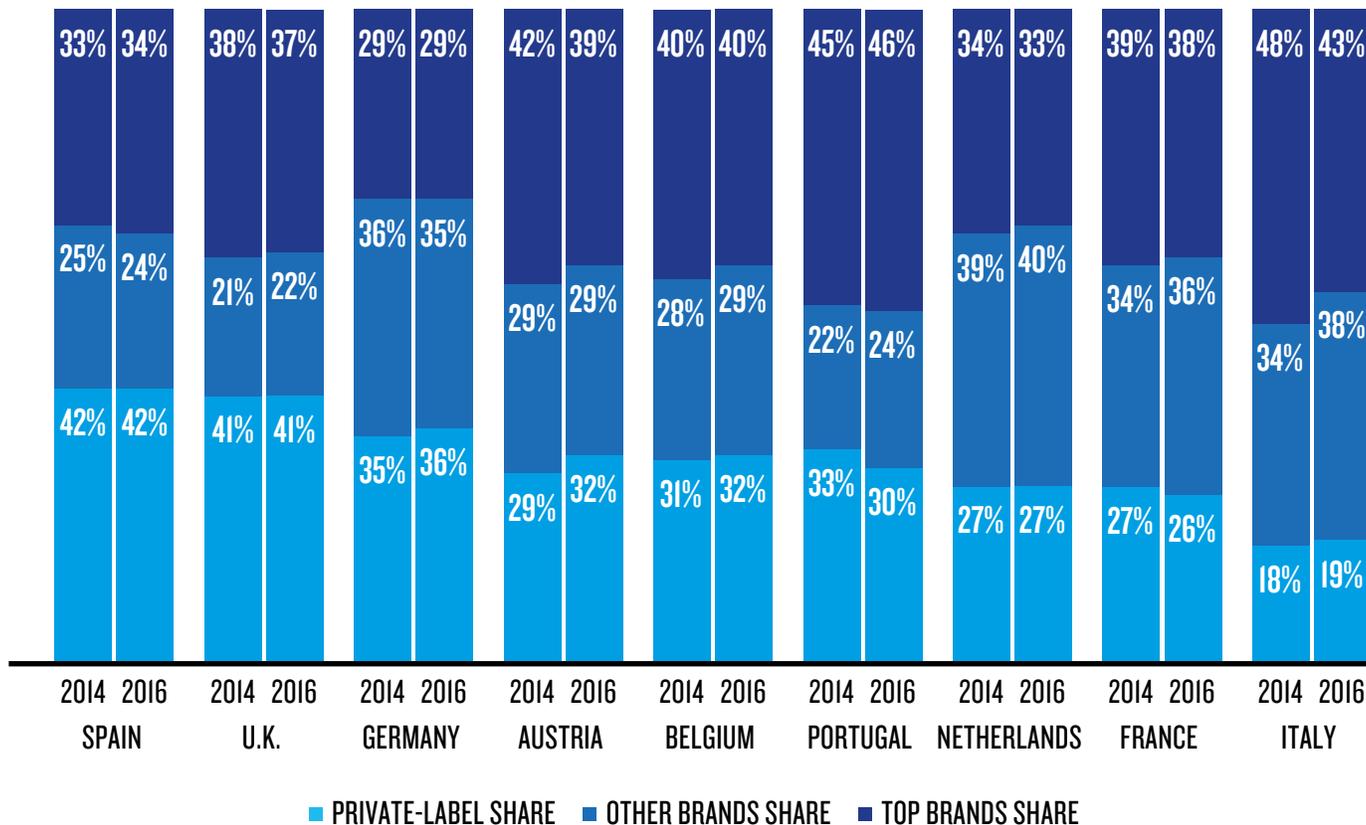
**“ONE OF THE LIMITATIONS THAT WE ARE GOING TO HAVE IN LATIN AMERICA IS THE PRODUCTIVE CAPACITY OF EACH COUNTRY; IT’S HARD FOR RETAILERS IN SMALL COUNTRIES TO FIND PARTNERS TO PRODUCE PRIVATE BRANDS. IN MOST CASES, BRANDS COULD HAVE THE CAPACITY, BUT THERE IS THE DILEMMA TO PRODUCE OR NOT PRODUCE FOR THEIR COMPETITORS. DEVELOPING NEW, SMALL OR LOCAL MANUFACTURERS WILL BE KEY, AND IT’S NOT JUST A MATTER OF DEMAND, BUT OF SUPPLY AS WELL.”**

**PEDRO MANOSALVA - RETAILER SERVICES LEADER, GROWTH MARKETS, NIELSEN**

<sup>2</sup>After a decade of high growth, thanks to the commodity super cycle, Latin America has lost its glow: economic growth is near zero, equality gains have stalled and the political landscape is changing. While individual nations in the region are faring differently, all Latin American countries are facing a challenging economic climate. The China-led commodity boom, which powered much of South America’s growth during the 2000s, has slowed sharply since 2013. Low oil, coal and iron ore prices have hit the region hard. Inflation and unemployment have risen. World Economic Forum: <https://www.weforum.org/agenda/2016/01/5-things-to-know-about-latin-america-s-economy/>

# PRIVATE-LABEL SHARE, TOP BRANDS AND SMALL BRANDS BY COUNTRY

(2016 vs. 2014)



Source: Nielsen Retail Measurement Services

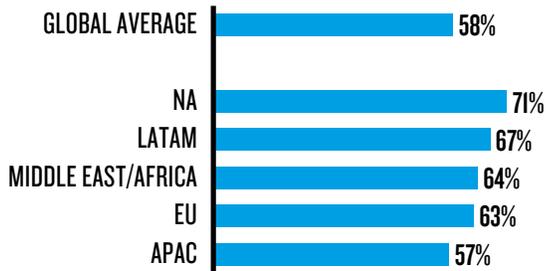
Smaller, secondary brands are also winning market share from multinational name brands. We see this in the Netherlands, France, Italy, Portugal, the U.K. and Belgium. In these markets, we see smaller and niche brands that offer specific benefits gaining share over multinational brands. Examples include tea, organic products and natural product categories in personal care that offer perceived health benefits. Comparatively, private-label brands are losing share in Spain because top brands are still growing helped by increased promotional activity.

Smaller, niche and private-label brands often lead innovation, and these brands have been very successful in communicating to shoppers that there is no price or quality trade-off in their offerings.

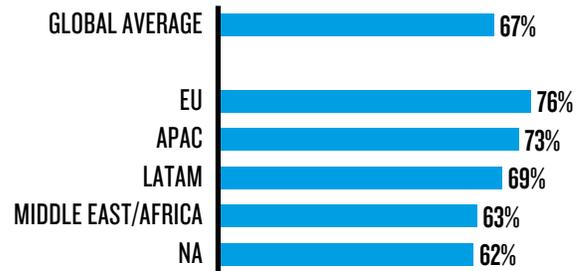
# PERCEPTIONS ABOUT PRIVATE-LABEL ARE FAVORABLE



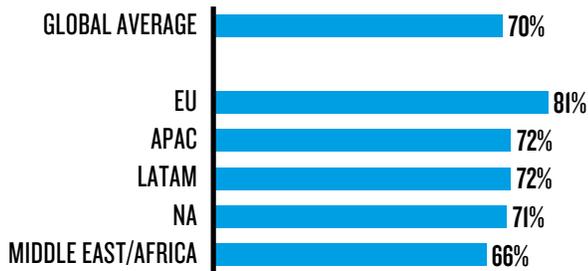
I AM A SMART SHOPPER WHEN I BUY PRIVATE LABEL



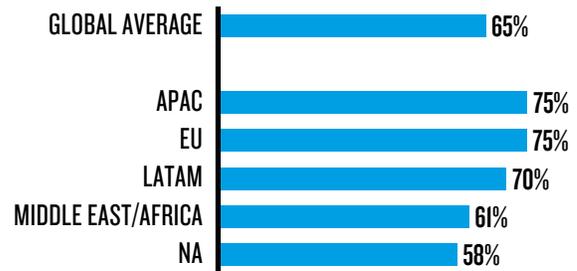
PRIVATE LABELS ARE USUALLY EXTREMELY GOOD VALUE FOR MONEY



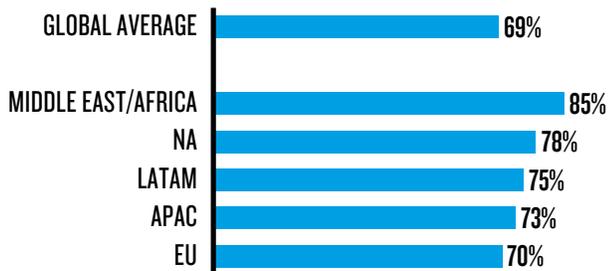
I PURCHASE PRIVATE LABEL TO SAVE MONEY



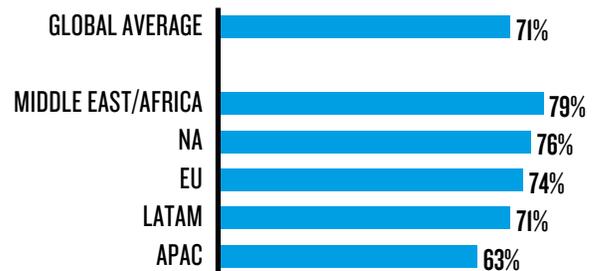
PRIVATE LABELS ARE GOOD ALTERNATIVE OF NAME BRAND



IT'S IMPORTANT TO GET THE BEST PRICE ON A PRODUCT

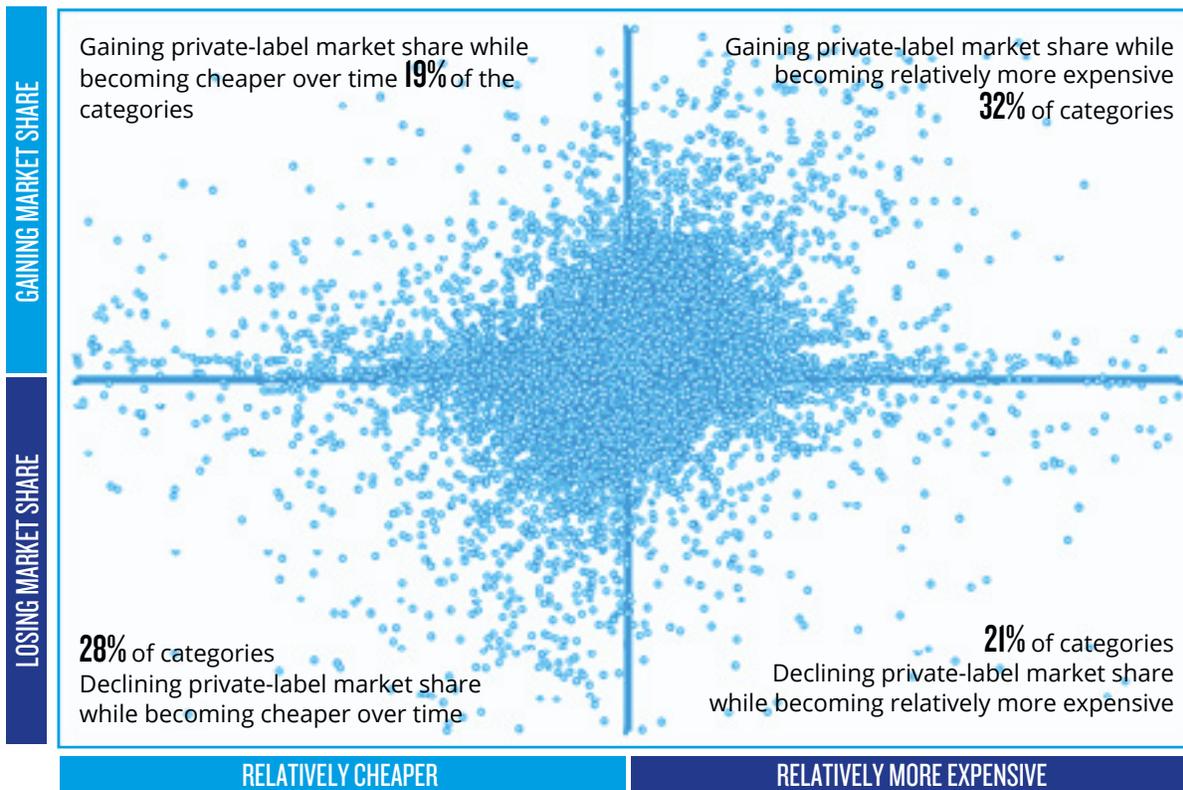


PERCEPTIONS ABOUT PRIVATE LABEL QUALITY HAS IMPROVED OVER TIME



NA—North America; LATAM—Latin America; APAC—Asia-Pacific; EU—Europe  
Source: The Nielsen Global Connected Commerce Survey, Q3 2016

## CHANGE IN PRICE STRATEGY OVER TIME



Source: Nielsen Retail Measurement Services

Therefore, if retailers use private label to target niche categories and to enter new channels, this will be a further challenge to established brands.

**“WE ALSO SEE A PREMIUMISATION OF PRIVATE LABEL PRODUCTS SPECIFICALLY IN FOOD WHERE HEALTH, WELLNESS AND FOOD SAFETY ARE DRIVING CONSUMER DEMAND. IN MARKETS WHERE LEGISLATION GUARANTEES PRODUCTION PROCESSES AND FOOD ORIGIN, PRIVATE-LABEL PRODUCTS GRANTED WITH PRODUCTION ORIGIN LABELS (SUCH AS ORGANIC LABELS OR LOCALLY PRODUCED LABELS) ARE RESPONDING TO CONSUMER DEMAND WITH AFFORDABLE PREMIUM PRODUCTS AND ARE CAPTURING A GOOD PART OF THESE SEGMENTS GROWTH.”**

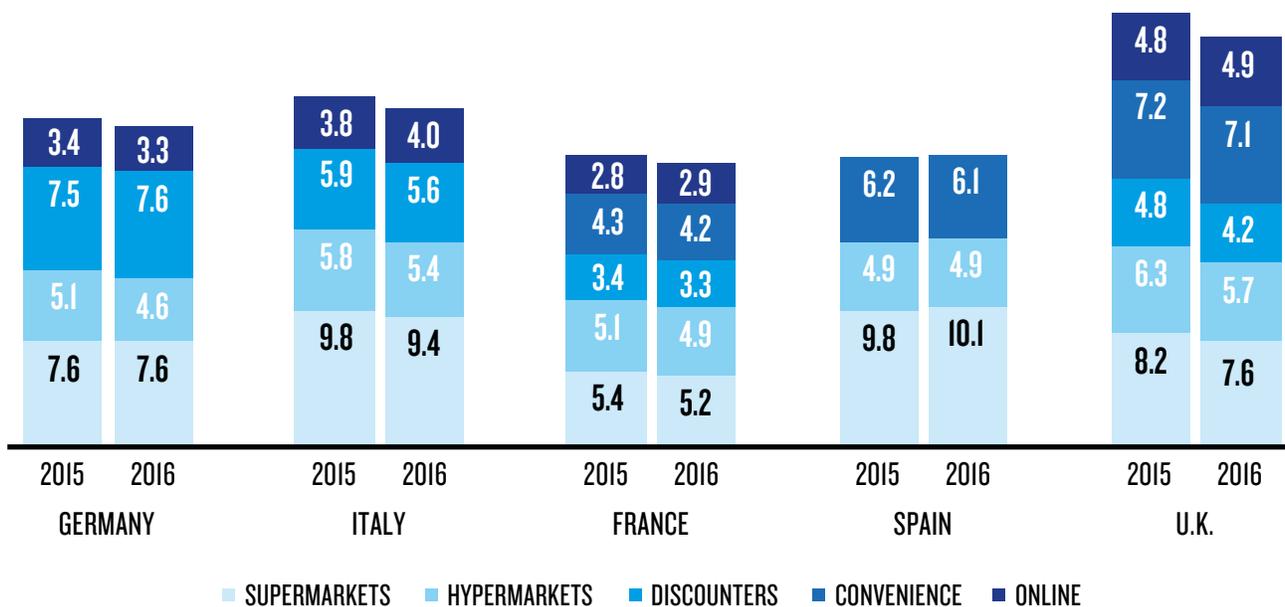
**MARIE LALLEMAN - EVP STRATEGIC CLIENTS**



# SHOPPERS ARE THINKING AND SHOPPING DIFFERENTLY, AND THIS WILL BENEFIT PRIVATE-LABEL GROWTH

## SHOPPING FREQUENCY BY CHANNEL

Average number of trips per month

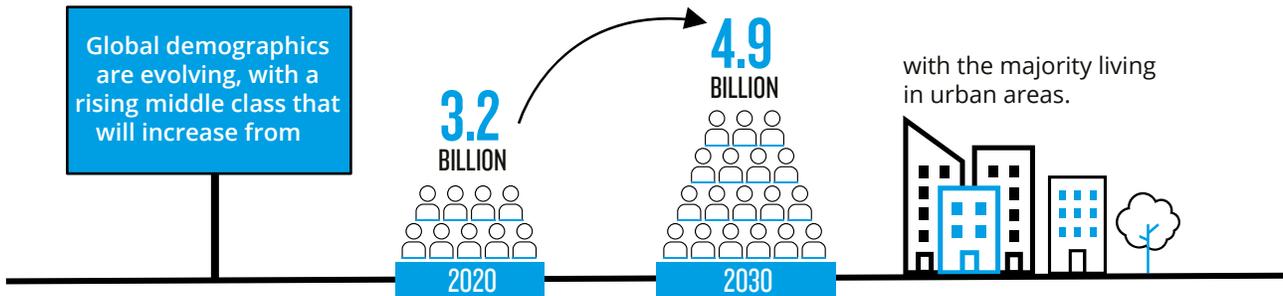


Source: Shopper Trends

For the first time in over a decade, shoppers in the U.S. actually made more trips to stores in 2016, taking an average of 109 trips per household. Despite this increase in trips, however, overall spending was flat, as 85% of those additional trips had smaller basket sizes (less than 15 items per trip) than the year prior. In Western Europe, where we see the “little and often” shopping trends (for example in the U.K.), we see more private-label items in these smaller shopping baskets, and the development of modern convenience stores is also helping private-label growth.



# THE GLOBAL POPULATION WILL CONTINUE TO INCREASE AND WILL BECOME MORE DIVERSE



## CHANNEL DYNAMICS

Deep discount and supercenters drive overall growth in shopping frequency

	TOTAL CHANNELS							
TRIPS PER HOUSEHOLD	109	42	23	12	10	15	11	13
TRIPS PER HOUSEHOLD % CHG	0.5	0.5	2.3	0.6	1.6	2.9	-3.1	-0.2
\$ SPEND/TRIP	\$34	\$36	\$47	\$70	\$34	\$27	\$20	\$12
\$ SPEND/TRIP % CHG	-0.9	-0.7	-1.5	-3.2	0.8	-0.3	3.1	-1.9
\$ SHARE	-	38.6	22.1	11.3	5.0	4.2	3.8	2.5
PENETRATION	-	96.8	75.3	52.2	57.3	40.6	68.4	62.5

- CONVENTIONAL GROCERY
- SUPERCENTERS
- WAREHOUSE CLUB
- MASS MERCHANDISERS
- DEEP DISCOUNT
- DRUG STORE
- DOLLAR STORES

Source: Nielsen Homescan, Total U.S., 52 weeks ending April 29<sup>th</sup> 2017 vs. YAGO, UPC-coded items

The overwhelming population shift we see today is urbanization, a net positive for fast-moving consumer goods (FMCG) companies. One reason people move to cities is because the job opportunities are better. Their income goes up, and with it their spending for FMCG products in modern trade. People in cities tend to buy what they consume, so regardless of geography, channel or store size, urbanization is giving a boost to private-label purchasing.

Retailers are investing in their private-label brands, and they seek ways to differentiate themselves to meet consumer needs and gain attractive margins. How we shop and where we shop is changing. Shoppers are now thinking and spending differently.

Despite the fact that consumers are often mindful of their spending, meaning they seek good value for a good price, Nielsen research evidences that consumers, particularly those in developed markets, are willing to spend more for premium products. They're primarily willing to do this when the product boasts a point of differentiation.

**“GIVEN THEIR WILLINGNESS TO PAY A PREMIUM FOR NATIONAL BRANDS THEY TRUST, MULTICULTURAL HOUSEHOLDS ARE LIKELY TO CONTINUE TO INVEST IN NATIONAL BRANDS IF THEY CONTINUE TO PROVIDE THE QUALITY THEY DEMAND.”**

**JORDAN ROST - VICE PRESIDENT OF CONSUMER INSIGHTS, NIELSEN**



## MILLENNIALS THINK DIFFERENTLY AND WILL DRIVE FUTURE FMCG SPEND

There is, however, a new and significant challenge to brands that's being driven by changes in demographics. Millennials now comprise 24% of the global population, and over the next five to 10 years, we expect them to replace Baby Boomers as the generation with the highest discretionary spending power. Compared with older generations, Millennials are more open-minded to new trying products and this includes private label; they also demand products that do more, provide more convenience and offer a variety of lifestyle options and the loyalty to established brands in FMCG can no longer be assumed. Going forward, the vast majority of growth in FMCG will be driven by Millennials, hence their importance. They are very value conscious, they do a lot more product investigation before buying, and they will buy private-label brands if they think they are as good as multinational brands.

When looking at Millennial shopping habits, we see that Millennials are willing to spend on what matters to them, even though many are just beginning their professional careers. And their annual spending adds up. FMCG demand from Millennials is outpacing that of older consumers. FMCG manufacturers should re-orient their brand strategies to address the unique characteristics of Millennial demand.



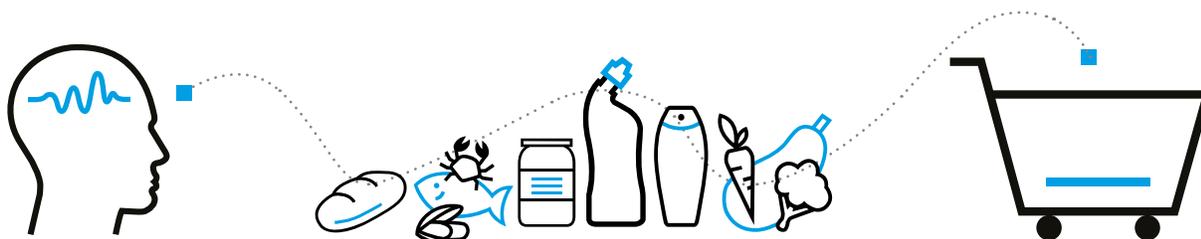
## PREMIUMIZATION HELPS PRIVATE LABEL

Wealth polarization exists in many countries: older shoppers are wealthier and younger shoppers have relatively less income.

Consumers are making category-by-category decisions, and retailers and brands need category expertise to understand consumers in every single category. In many markets, private-label offerings are becoming a local alternative to premium. So as retailers move into premium, they are positioning private label much closer to multinational brands.

Organic and natural are emerging trends helping top-performing retailers grow. In addition to meeting a consumer need, offering fresh options often boosts sales across the entire store. As the impact of digital continues to affect overall trips to the store, and as consumers buy more on-the-go meal solutions and seek out convenient products, it will be critical that retailers use the fresh departments (and the variety within them) to create experiences their customers will want to come back for.

As such, retailers across the grocery space need to establish their advantages and to keep customers engaged. And across the brick-and-mortar space, leading fresh departments (bakery, deli, meat, produce and seafood) have become destinations for consumers. In fact, retailers with well-established fresh departments are using these offerings as differentiators to drive growth across the entire store—and that's something all retailers can learn from.





## “ARE WE READY FOR” THE DECADE OF THE ACTIVELY AND DIGITALLY ENGAGED SHOPPER?

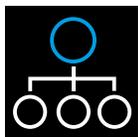
For many of us, shopping has evolved into an exercise of choosing what’s most convenient. But future generations aren’t going to enjoy decision-making in the supermarket; there is no fun in that when almost everything else has been turned into entertainment. Brands have to be connected directly with the digital consumers to engage them; they cannot just be a brick-and-mortar option.

In the next generation of retail, the demand is getting connected, and brands have to balance what goes in store and what goes online to be successful.

**“SHOPPERS EXPECT BRANDS TO PLAY A DIFFERENT AND BIGGER ROLE IN THEIR DIGITAL LIVES. CONSUMERS NOW DEMAND PERSONAL BENEFITS FROM BRANDS, LIKE ‘THIS MAKES MY LIFE EASIER’, OR ‘SAVES ME TIME’.”**

**JEANNE DANUBIO - HEAD OF RETAIL FOR LEAD MARKETS**

It will be possible to apply e-commerce techniques to brick-and-mortar stores. The consumer will expect personalization when shopping in-store, with product assortment, prices and offers that are uniquely tailored to them, complete with their favorite brands.



# THE CHANGING TRADE STRUCTURE IS THE BIGGEST CATALYST TO AN ACCELERATION OF PRIVATE LABEL

The consolidation and expansion of modern retail chains has been one of the biggest catalysts for private-label growth. Larger stores, such as hypermarkets, provide wider product ranges, and private-label can be given more visibility and space alongside brands. In addition, smaller stores, often with a focus on fresh and chilled, can offer new, innovative private-label products in “food for now” and convenience foods.

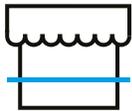
Convenience stores, discounters and online grocery retailing are the formats that are seeing the strongest footprint expansion. Hypermarkets, which are typically over 2,500 square meters, and supermarkets, which are smaller, will make changes to reflect the changing needs of shoppers as online grocery shopping will remain the biggest channel growth opportunity over the next five years.

Hypermarkets have always used discounts and promotions to drive demand and bring consumers into stores. It trains also consumers to wait for discounts instead of buying products at full price.

With the “big shop” in decline in the long term in many developed countries and consumers shifting to replacement shopping missions to convenience and food service retailers, we can expect to see growth in more fresh food and more private-label offerings.

**“IN ASIA, THE CONVENIENCE SECTOR IS BY FAR THE SECTOR THAT IS GROWING THE MOST—7-ELEVEN IN TAIWAN OR IN THAILAND, THAT’S WHERE WE ARE MOST LIKELY TO SEE INNOVATION HAPPENING.”**

**PETER GALE - MANAGING DIRECTOR RETAILER SERVICES, ASIA-PACIFIC, NIELSEN**



## LOCAL RETAILER CHAMPIONS ARE WINNING USING PRIVATE LABEL

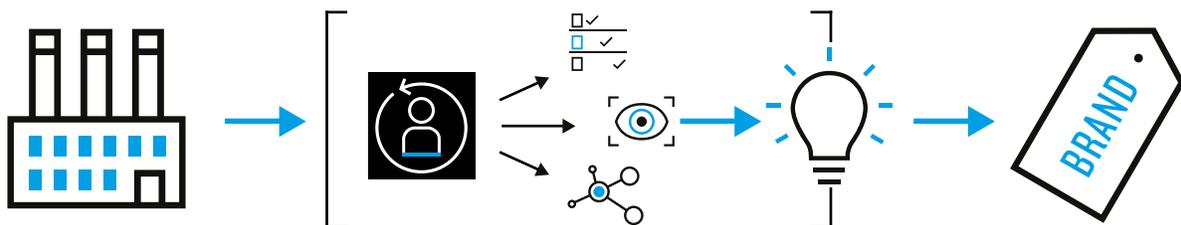
Successful national retailers like Mercadona and Tesco understand the lifestyle choices that consumers are making in the countries where they operate. They maintain a consistent awareness of what is top of mind for their shoppers on the convenience and health agenda, and quickly deliver appropriate private-label product innovation to market to win hearts and minds. They also have a core commitment to providing the highest quality products at the lowest prices—in many respects mirroring the strategy of many discounters.

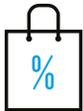
Mercadona has a high share of private label in Spain, and the reason is the good value for money that consumers perceive under the heading everyday low prices without advertisements or promoted products. Mercadona’s success relies on its ability to provide customers with innovative private-label products, largely from its most renowned Hacendado, Bosque Verde and Deliplus brands.

The U.K. is a market where retailers have used private-label ranges to reinforce an already-strong store equity position. The major supermarkets’ strategy has been to grow private-label sales, particularly in fresh foods, while reducing the range of packaged goods, typically by 15%, to help simplify inventories and improve availability. This approach has bolstered the major supermarkets’ competitive position against discounters, delivered stronger volume growth for the retained brands and sparked faster private-label growth across the store.

**“MANUFACTURERS CAN WIN BY REINFORCING THE RELEVANCE OF THEIR BRANDS TO PEOPLE’S LIVES. SO EFFECTIVE MARKETING IS KEY, NOT DEVELOPING RANGES JUST TO HAVE A HIGHER PRICE. BY KNOWING THE REAL CONSUMER AND SHOPPER, MANUFACTURERS WILL DEVELOP BETTER PRODUCTS.”**

**ROBERT BUCKELDEE - GLOBAL CLIENT LEAD, NIELSEN**





## MORE DISCOUNTERS MEANS MORE PRIVATE-LABEL SALES

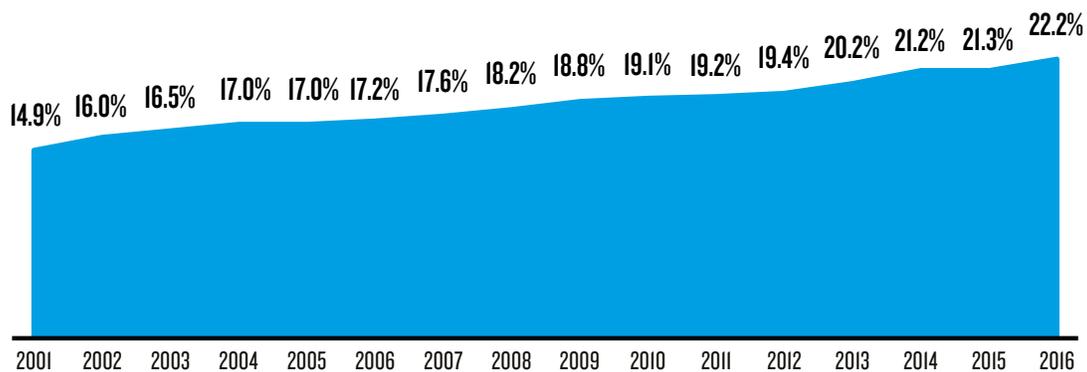
Competition in the grocery segment is intensifying due to the aggressive expansion of German discount supermarket chain Aldi and its German competitor Lidl, which entered the U.S. market in 2017 and plans to open 150 U.S. stores by 2018. Aldi has announced plans to accelerate its U.S.

Both of these retailers have had a significant impact on the U.K. grocery market in the last five years. They have taken share from the “big four” grocers in the U.K. (Sainsbury’s, Tesco, Asda and Morrisons) whose collective market share has fallen from 73% in 2012 to 66% in 2016 (source: Homescan). Aldi and Lidl have also put downward pressure on these retailers’ margins.

Aldi and Lidl are able to keep prices low by limiting inventory to a lean selection of private-label items, whereas traditional supermarkets tend to carry a variety of different brands of a single product. In addition, Aldi and Lidl operate much smaller store formats and limit their store investment more than traditional supermarkets do. This allows these discounters to deliver convenience and affordability to shoppers.

In Europe, all discounters now generate 22% of all FMCG sales—up from 17% 10 years ago. Put another way, hypermarkets and supermarkets have lost sales to the discounter channel and the majority has been due to the shoppers shifting spend away from brands to private-label products.

### DISCOUNTER SALES IN EUROPE



Europe includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Ireland, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Hungary and Poland

Source: Nielsen Retail Measurement Services



## PRIVATE LABELS ARE TARGETING HEALTHIER FOODS AND FOODS WITH PROVENANCE

Busy consumers want the speed of quick-service restaurants, but they also want fresher, more healthful options. Retailers are expanding their private-label brands to include better-for-you options, including those for consumers with special dietary needs. They should also look for opportunities to remove, reduce or replace undesirable ingredients in their prepared foods, and they should prominently tout these benefits on packages and with in-store signage.

Also, as consumers demand more transparency about the foods they eat, retailers are providing more nutritional information for private-label prepared foods to help consumers to make more healthful and better-informed choices.

Some consumers may be pressed for time but still enjoy cooking or desire more control over the ingredients that go into their meals, while others may need quick solutions but don't want a ready-to-eat meal.

Brands should also look for opportunities to better serve these consumers, such as by offering meal kits that contain premeasured portions of all of the ingredients respondents need to prepare a quick meal at home as shoppers are becoming less reliant on packaged goods, the historical strength of private label.

**“THE KEY IS TO CONNECT WITH CONSUMERS. THE GROWTH OF DISCOUNTERS WILL CONTINUE, SO THE WAY TO COMPETE IS NOT BY BEING DISCOUNTERS; YOU HAVE TO OFFER SOMETHING ELSE. HOW DO YOU MAKE SOMETHING BETTER, STRONGER, INNOVATIVE? DEVELOP THE PACKAGING AND BE CREATIVE ON FORMULATIONS AS CONSUMERS ARE BECOMING OBSESSED WITH HEALTH, PROVENANCE AND FOOD SECURITY.”**

**MIKE WATKINS, HEAD OF RETAILER AND BUSINESS INSIGHT, U.K.**



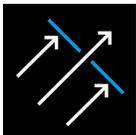
## E-COMMERCE WILL BE ANOTHER DISRUPTER TO BRANDS

Online grocery is set to grow rapidly in the U.S. and China as the battle between major players becomes even fiercer. The U.S. is a particular laggard in grocery e-commerce, but we are now seeing online activity from the biggest American grocery retailers, including major acquisitions by Walmart. At the same time, moves from online giants JD.com and Alibaba Group will likely boost China's online grocery segment.

Amazon, for example, isn't just disrupting the consumer product space. It's fragmenting the path to purchase and opening new opportunities for private label, like with the Whole Foods acquisition. Working with Amazon, which is growing FMCG sales fast, will benefit brands; but we're now in an age when private-labelers also have a great opportunity to compete by using e-commerce platforms.

**BY 2025, THE SHARE OF ONLINE GROCERY SPENDING COULD REACH 20%, REPRESENTING \$100 BILLION IN ANNUAL CONSUMER SALES. THAT IS THE EQUIVALENT OF APPROXIMATELY 3,900 GROCERY STORES. EXPECT A SIGNIFICANT NUMBER OF BRICK-AND-MORTAR CATEGORIES, REPRESENTING 40% OF CENTER STORE VOLUME, TO MIGRATE TO AN ONLINE SHOPPING EXPERIENCE.**

**THE VOICE OF FOOD RETAIL 2017 - NIELSEN**



# WHAT'S NEXT?

As we look ahead, there are three inflection points in the Nielsen outlook that present further growth opportunities for private-label products around the world.

1. The global economy will always have peaks and troughs. During an economic downturn, or when currencies devalue or collapse (e.g., Russia a few years ago) and inflation accelerates, or when shoppers are faced with falling real incomes, they will seek to purchase cheaper goods and services. In the FMCG world, this often means purchasing more private label. Following this change in shopping behavior, retailers gain a new foothold to develop their own products across a wider range of categories. This then gives a springboard for extending private label when the economy starts to recover. The learning for brands during economic disruption is to ensure that price and promotions are adapted to meet the expectations of shoppers looking to save money.
2. Consumers now have a global outlook on life, and with the use of technology are more knowledgeable and perhaps more willing to make trade-offs in terms of range, price and availability when choosing a product or service. With retailers also following the consumer into fast-growing or niche categories, such as health, wellbeing and food provenance, brands may no longer have a first-mover advantage. While this can put pressure on the traditional loyalty to big-name brands, it will also give these brands the opportunity to reinforce the values of differentiation based on long-term brand equity.
3. As FMCG shopping moves toward a fusion of off- and online purchasing, this new and different shopper journey has the potential to further disrupt the relationship that shoppers have with brands. Over one-third of shoppers will typically view a product page during their online shopping experience, and shoppers who research online and purchase offline also spend more time online and build larger shopping lists (source: Nielsen Brandbank). In the brick-and-mortar world, when shoppers visit stores more often, they will purchase more private-label products. As the online share of FMCG sales continues to grow, this behavior is very likely to be replicated in the e-commerce world.

All of these have strategic and long-term implications for brands with the rise and rise again of private label.

## ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global measurement and data analytics company that provides the most complete and trusted view available of consumers and markets worldwide. Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge. For more than 90 years Nielsen has provided data and analytics based on scientific rigor and innovation, continually developing new ways to answer the most important questions facing the media, advertising, retail and fast-moving consumer goods industries. An S&P 500 company, Nielsen has operations in over 100 countries, covering more than 90% of the world's population. For more information, visit [www.nielsen.com](http://www.nielsen.com).



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