



GVH Distribution

THE DAYS WHERE PRIVATE LABEL MEANT GOOD PRICE, BUT NOT GOOD QUALITY, ARE GONE...



Over the past decade, private labels have grown consistently in both retail and foodservice markets. Private label goods are available in a wide range of industries, from food to cosmetics.

A private label product is a product manufactured by a contract or third-party manufacturer and sold under a retailers' brand name. Examples of retailers who utilize private labels are Walmart, Costco, Aldi, and Trader Joe's.

Private label brands are often positioned as lower cost, high quality alternatives to regional, national, or international brands. Store brand goods are typically less expensive than national brand goods because the retailer can optimize the production to suit consumer demand and reduce advertising costs.

Food is the strongest channel for private label development. In 2019, food and manufacturer sales were **\$860 billion**. Of that total, **\$245 billion** (29%) was private label. Currently, private label share in foodservice is about 45%. We forecast that private label will grow at approximately 5% annually over the next 5 years, with comparable growth across both food service and retail channels - in comparison, manufacturer brands are projected to grow about 2%.**

The last ten years have brought a huge increase in the number of retailers interested in developing private label brands. Distinctive advantages of doing private label branding include...

- **Personalized product selection for customers which typically leads to more sales**
- **Better pricing and quality control** • **Increased profit margin[^]**
- **Building brand loyalty which keeps shoppers coming back for more**

Private label benefits everyone involved - manufacturers optimize line times and operational efficiency, retailers save on trade spend, and consumers pay less at the register. Private label is a chance for store brands to shine, set a tone, secure consumer loyalty, while showing a bit of personality.+

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