

Development of Private Labels

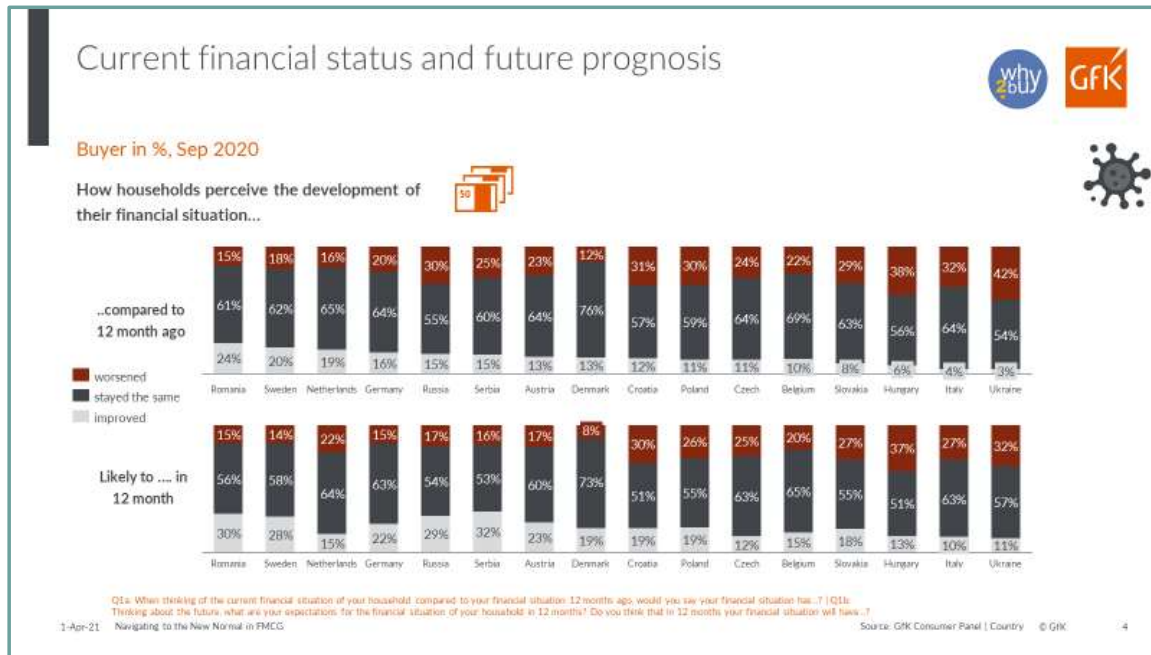
European Overview

Dr. Marc Knuff

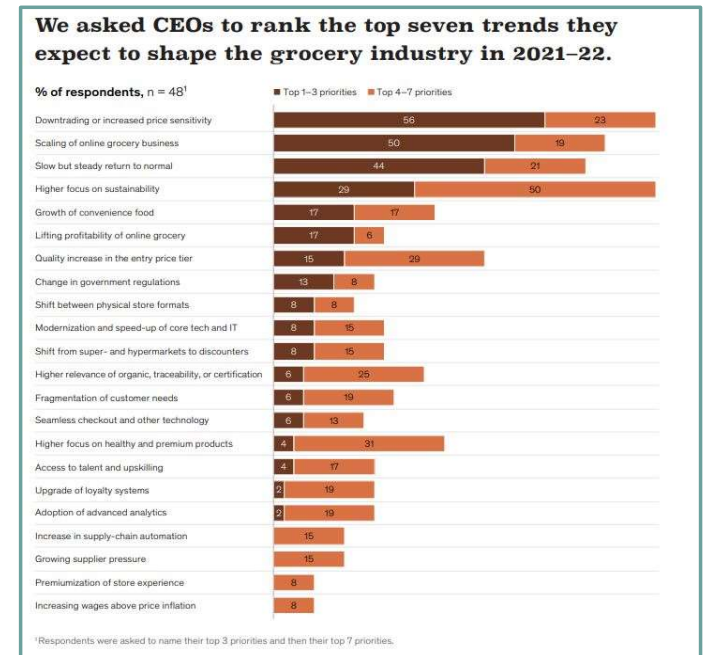
GfK Consumer Panels & Services



Economic downturn due to COVID-19 drives Private Label (PL) growth in Europe



In most of the European countries households perceive that their financial situation has worsened in the last 12 months and will get worse in the next 12 months¹

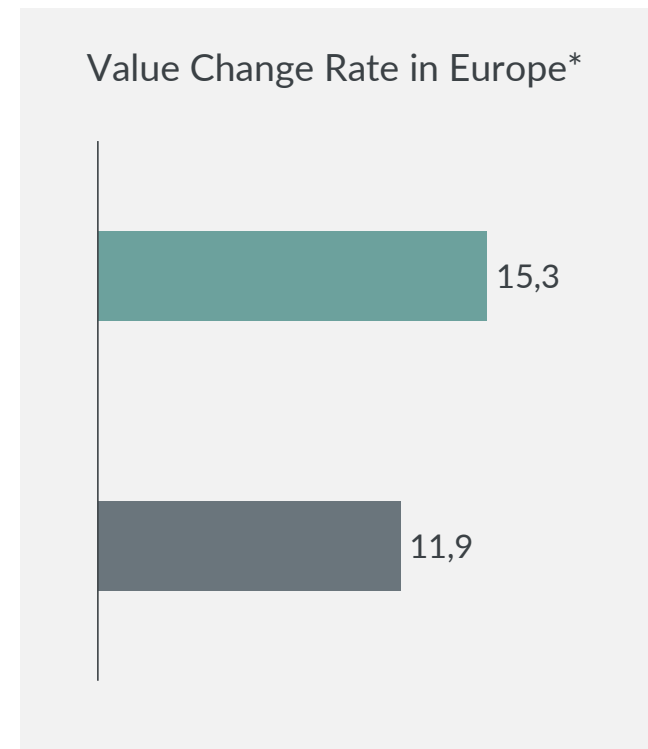
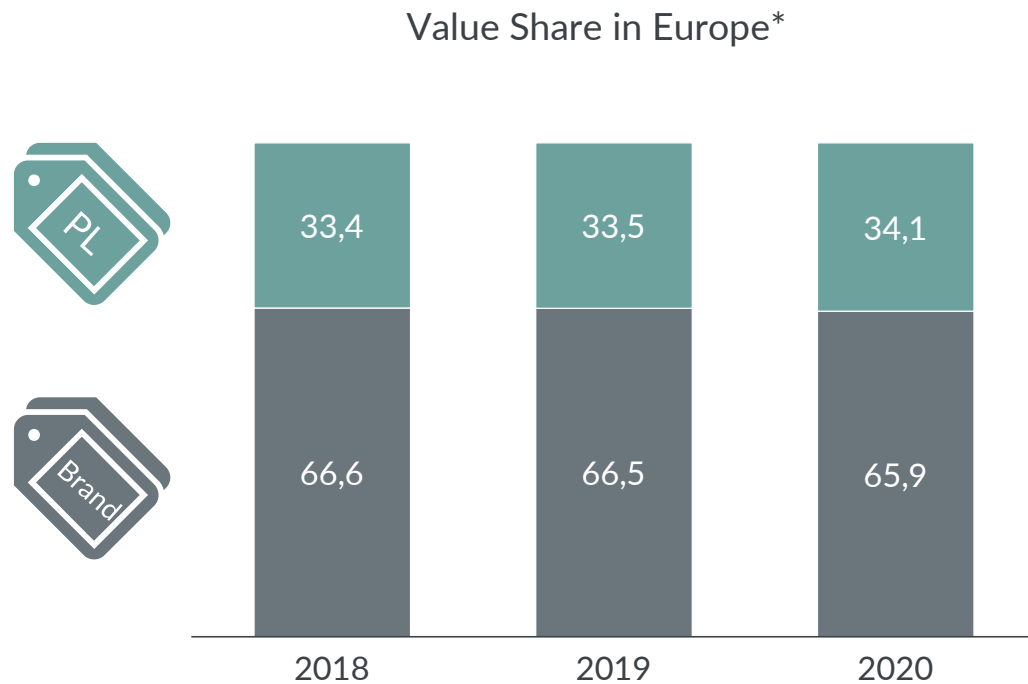


CEOs of European Retailers rank “increasing price sensitivity” as top trend for 2021-22²

Source: ¹ GfK Shopper Navigator - Navigating to the New Normal in FMCG, Dec 2020; ² McNissey & Co./EuroCommerce, Disruption & Uncertainty - The state of Grocery Retail 2021, Europe, Mar 2021

Growth of Private Labels in Europe*

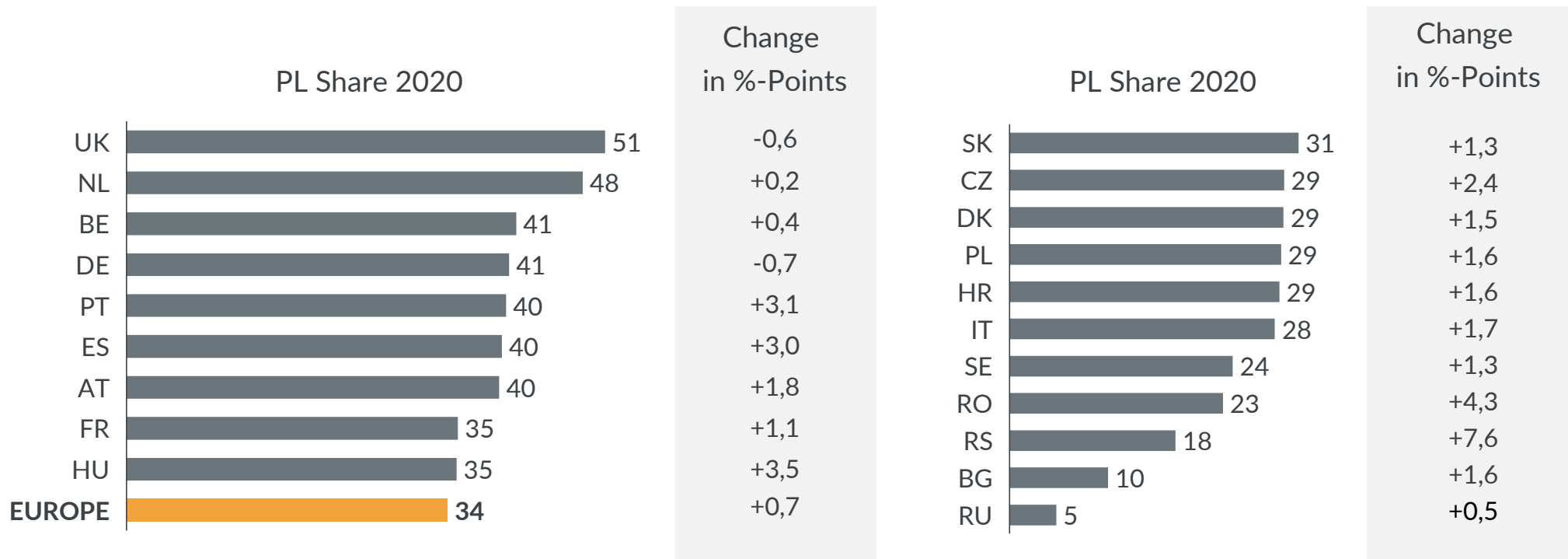
Value Shares in %, Value Change Rate 2020 vs. 2018



Source: KANTAR Worldpanel & GfK Consumer Panels FMCG (only calibrated packaged goods); Value Shares in %, Value Growth 2020 vs. 2018; * Based on 20 European Consumer Panel Countries

Highest Private Label Share in UK

PL Share 2020, Change of PL Share 2020 vs. 2018 in %-Points

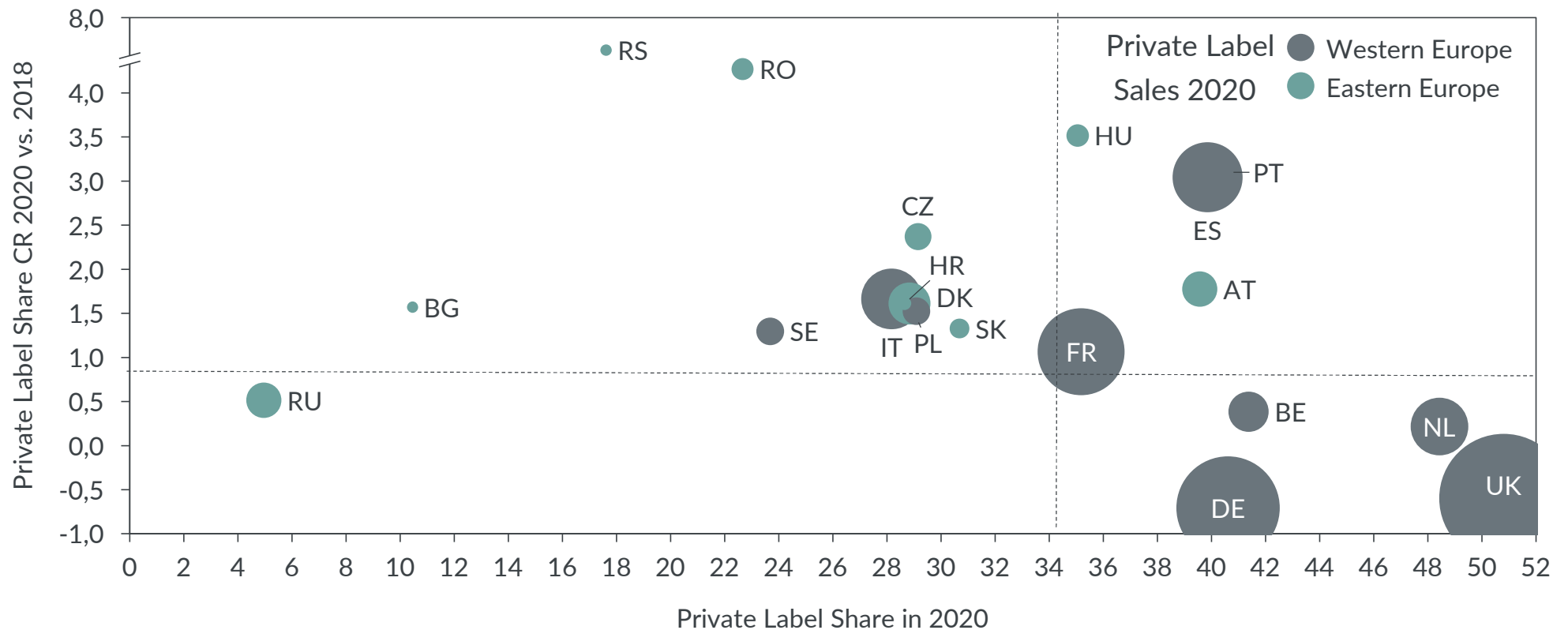


Source: KANTAR Worldpanel & GfK Consumer Panels FMCG (only calibrated packaged goods); Private Label Share (Sales) in 2020

Strong PL growth in smaller countries



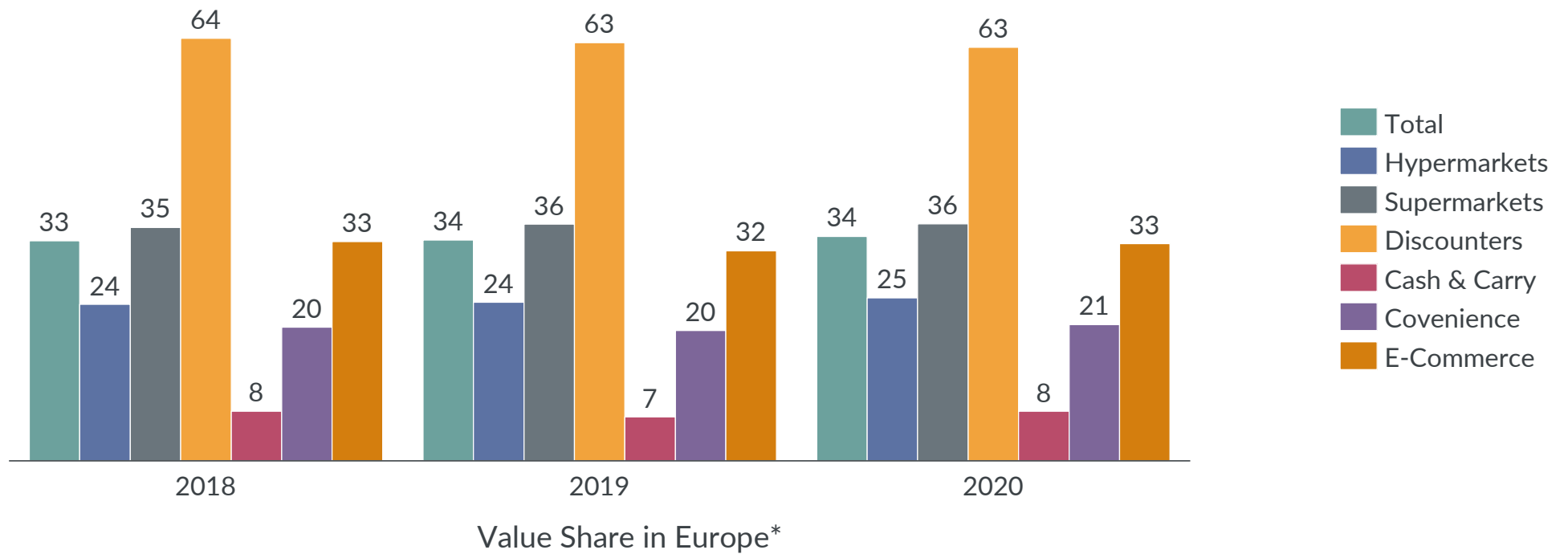
Private Label Share in 2020 & Private Label Share CR 2020 vs. 2018



Source: KANTAR Worldpanel & GfK Consumer Panels FMCG (only calibrated packaged goods); Private Label Share (Sales) in 2020, Private Label Growth (Sales) 2020 vs. 2018;

By far, highest PL share within Discounters

Private Label Value Share 2020 within Retail Channels

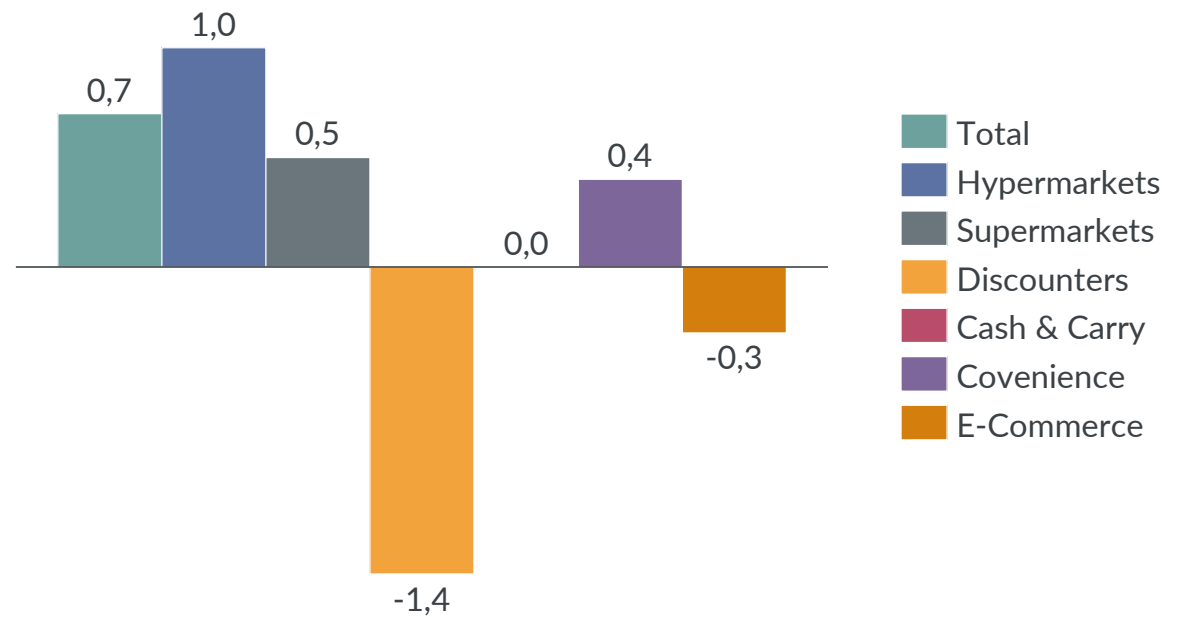
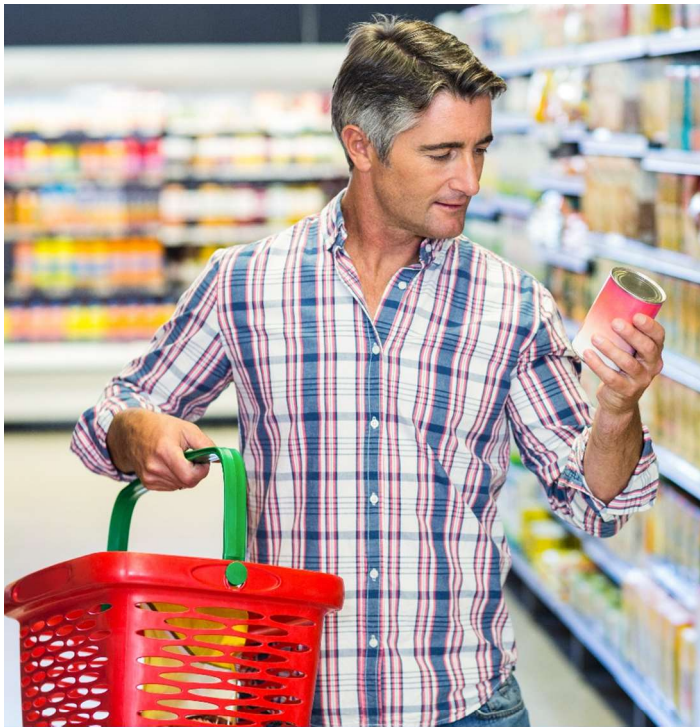


Source: KANTAR Worldpanel & GfK Consumer Panels FMCG (only calibrated packaged goods); Private Label Value Share in 2020, * Based on 20 European Consumer Panel Countries

Strongest Decrease of PL Share in Discounters



Private Label Share Change Rate (CR) in %-Points



Private Label Share CR 2020 vs. 2018

Source: KANTAR Worldpanel & GfK Consumer Panels FMCG (only calibrated packaged goods); Private Label Share (Sales) in 2020, Private Label Growth (Sales) 2020 vs. 2018; Based on 20 European Consumer Panel Countries

Private Labels will continue to grow in Europe



Key Insights

Increasing Market Shares for Private Labels

Eastern European countries drive the increase

Discounters with highest Private Label Shares

Prediction of further Market Share Growth in 2021

- Private Labels (PL) are gaining Market Shares in Europe. Especially during the COVID-19 crisis in 2020 they increased their Market Shares by 0,6%-Points.
- PL have the highest Market Shares in Western European countries, e.g. UK, the Netherlands, Belgium and Germany. However, they couldn't increase their Markets Shares in these mature FMCG markets. Instead of that the increase of the PL Markets Share is coming mostly from Eastern European countries with relatively low PL Share that were economically hit quite hard from the COVID-19 crisis in 2020.
- It comes as little surprise that the Market Shares of PL are the highest within Discounters, but these are not the drivers of the Market Share increase. Within Discounters the Market Shares dropped by 1,4%-Points, especially due to listing of A-brands at Hard Discounters. In contrast, there are strong increases of PL Market Shares in Hyper-/Supermarkets.
- We predict an even stronger growth of PL in 2021. The economical implications of the COVID-19 crisis will become more visible in 2021. Therefore, more shoppers will have a tight budget. These shoppers will buy more PL at Super-/Hypermarkets or will buy more at (Hard-)Discounters, which usually also drives Private Labels Sales due to its high Share of PL products in the assortment.

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