

# Shoppers Choose Private Label

07 February 2014

According to a new survey from Canadean Custom Solutions, 81% of UK adults are happy to buy private label brands. Approximately three in ten people (30%) say that at least half of the items they buy are store own brands. Biscuits (53%) is the product people are most likely to buy private label.

The survey found that 55% of UK adults believe that the quality of private label food and drinks is just as good as branded alternatives. More worrying for branded manufacturers is that 46% of respondents believed that branded and non-branded food and drink is produced in the same factory and it is only the packaging that is different. Furthermore, 64% believe that any extra costs associated with branded food are down to advertising costs and non quality indicators. The results show that if branded manufacturers are to differentiate from private label alternatives, more needs to be done to leverage traits such as quality, authenticity and brand heritage.

Michael Hughes, Research Manager at Canadean Custom Solutions, says "the figures show that continued growth of private label is not just a knee-jerk reaction by consumers to a recessionary environment, but the result of decades of investment in product portfolios by retailers. This has also been helped by an increasing level of scepticism towards the food and drink industry as a whole, with consumers ultimately believing branded and non-branded groceries are the same, with only different packaging and advertising resulting in different retail prices".

## Discount stores successfully targeting middle-class Britain

30 January 2014

The message being pushed by ALDI and LIDL that discount stores are a good place to pick up a bargain on premium brands is resonating with UK shoppers. This attitude, shared by both higher and lower income groups, highlights how discounters' strategy to appeal to middle-class Britain is succeeding.

A new survey by Canadean Custom Solutions finds that 51% of adults aged 18 years and over have been visiting a discount store such as ALDI or LIDL in the last three months.

According to the survey, 54% of consumers believe that the quality of food sold in discount stores is of at least the same quality as that stocked in supermarkets, while 45% believe that the continental offerings served in discount stores offer an added level of appeal and excitement to those offered by the major retailers. Additionally, 64% of consumers believe that stores such as ALDI and LIDL allow shoppers to pick up bargains on premium brands.

Perhaps most importantly for the discount chains, is that the view that premium quality brands are available in discount stores is shared by both middle-to-higher income consumers (classified as ABC1) (64%) and consumers with lower income (classified as C2DE) (65%). This attitude among ABC1 class consumers is particularly important as such chains look to target consumers from middle-to-higher income backgrounds and shake off the association with shoppers who are less affluent.

Michael Hughes, Research Manager at Canadean Custom Solutions explains "these findings show that the attempts by discounters such as ALDI and LIDL to target middle class consumers through advertising campaigns and products stocked in-store are paying dividends. The association with discounters and low quality offerings has long been eroded and middle-to-high class consumers are happy to do their grocery shopping there – irrespective of levels of financial well-being. If discounters continue to expand their grocery ranges, this could prove a significant threat to established retailers in the long-term."