International Shopper Study (2024/25)

Simon-Kucher survey of 8,000 participants on the purchasing behavior of private labels for food and drugstore products

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Unlocking better growth

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Key Findings of the Private Label Study 2024/25 (1/2)

A new survey in **December 2024** interviewed **8,000 consumers** in **seven countries** about their **private label purchasing habits**.

Significant growth potential for private label products

Across all countries, over half of the respondents (53%) will choose private labels in 2024, preferring them predominantly (32%) or exclusively (21%) over branded products. This suggests a shift in value perception.

Thereof, highest share of private label purchasers (predominantly or exclusively) in Spain (64%), followed by France (60%) and the Netherlands (58%). Of these countries, even 25-27% state that they buy (almost) exclusively private label products.
In Germany, 52% of the respondents indicate that they predominantly or exclusively buy private labels.

As the share of private labels is particularly low in the US (42%) and Sweden (47%), private label products have significant growth potential.

Price sensitivity fuels private label growth and private labels are establishing as a credible alternative to brands

Despite a decline in inflation at the turn of 2023/24, 55%-66% of respondents across all countries in the study indicate that price has become an even more important purchase criterion particularly in the UK, the US, and ES.

One reason may be the persistently high price levels for food and drugstore products.

∅ 34% of respondents across countries rate the importance of quality higher vs. previous year with particularly high increases in the US (45%) and Germany (37%).

In addition, for around 28% on average, sustainability has become more important, driven by the younger group.

This suggests the onset of a "habituation effect to high prices“, making other factors like quality more important again.

Source: Simon-Kucher & Partners Shopper Study 2024/25

Key Findings of the Private Label Study 2024/25 (2/2)

A new survey in **December 2024** interviewed **8,000 consumers** in **seven countries** about their **private label purchasing habits**.

Increased share of private labels in 2024 across almost all countries and categories – only exceptions are "alcoholic beverages" and "baby & toddler products"

In general, the share of respondents buying more private label products in 2024 increases across all product categories. The highest increase in private label items is seen in the categories of dairy and dry products as well as fruits/vegetables and frozen products.

The share of respondents buying more private label products increases across all ages.

Category exceptions are alcoholic beverages and baby and toddler products, where the share of private labels decreases in 2024.

However, in France and Sweden there are some product categories in which the proportion of respondents with decreasing private label quantities in the shopping basket is greater than with increasing private label quantities (e.g. bread and bakery products, sweets, non-alcoholic beverages and body care).

Private label boom continues – private label customers are becoming loyal buyers!

In case of rising prices, >50% of respondents would turn even more to private labels, particularly in the Netherlands (58%), Spain (56%), and the UK (55%).

If prices remain stable in the future, 63% (US) - 74% (GER) of respondents say they will maintain their purchasing habits and continue to buy the same amount of PL products.

At stable prices, 12-18% of respondents even intend to buy more private label products, but an equally large proportion says they plan to buy more branded products again.

If prices were to decline, ca. 50% of respondents would keep their purchasing behavior (brand vs. private label) stable. Notably, amongst the age group 18-24 years, ca. 17% would even increase their private label share as they are increasingly making purchasing decisions based on factors other than price (quality/sustainability).

Source: Simon-Kucher & Partners Shopper Study 2024/25

Total Shopper Study: General information on the respondents

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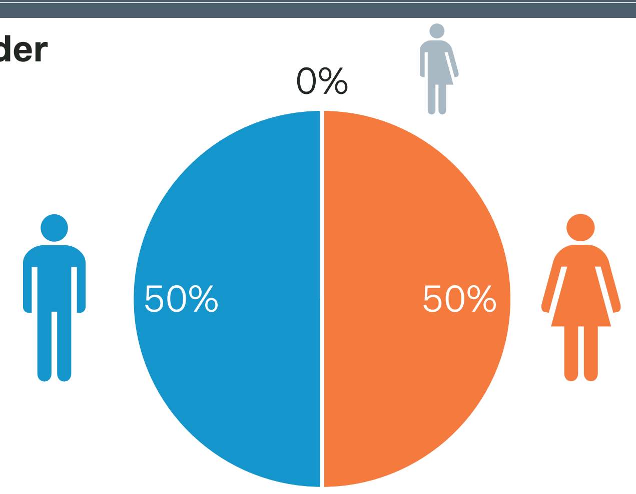
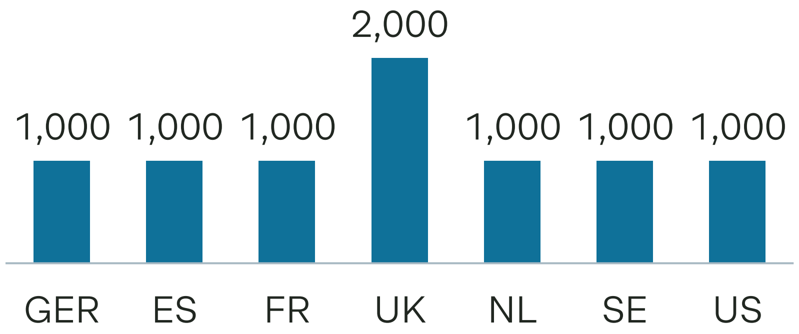
Total: **8,000 participants**

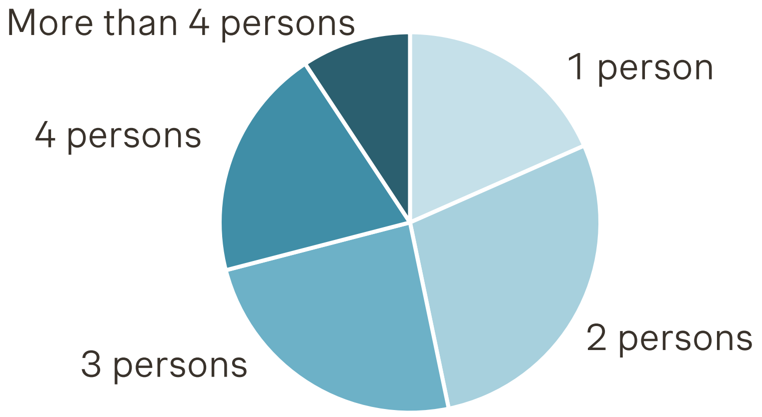
Gender



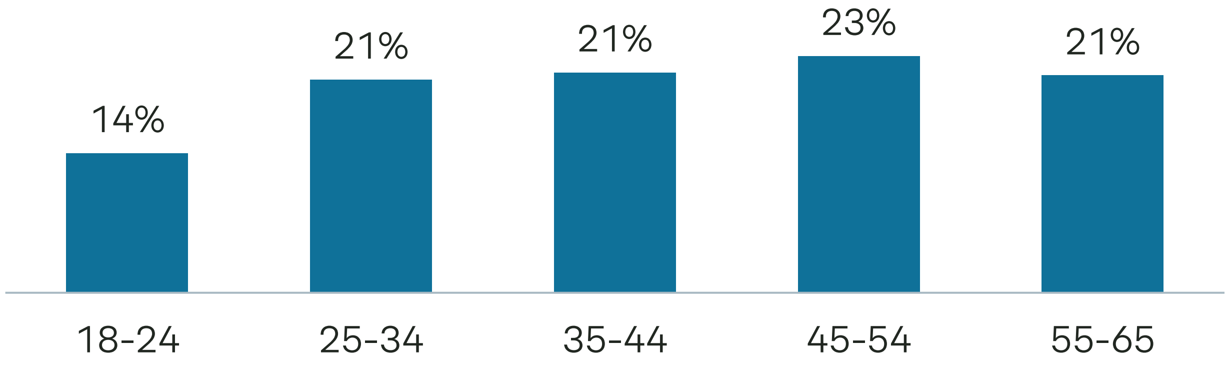
Number of respondents per country



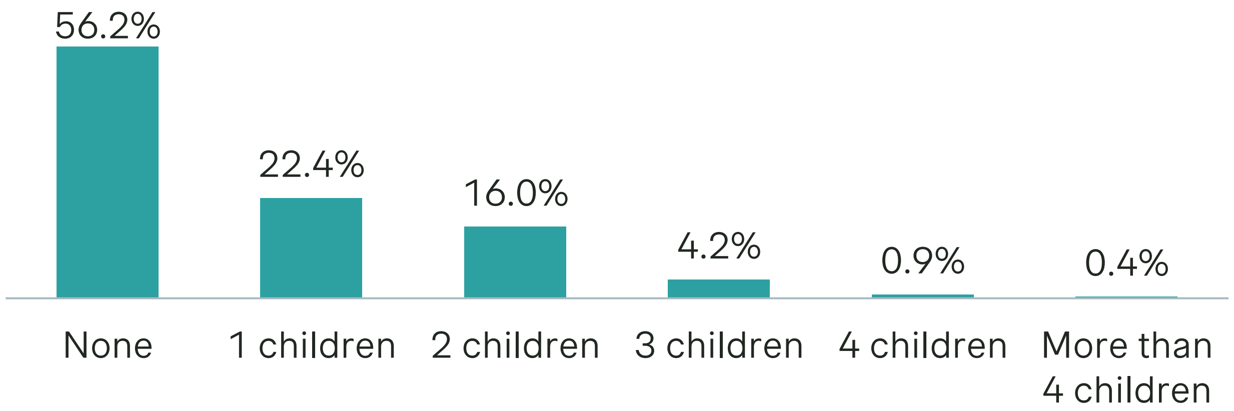
Number of people in the household



Age (in years)



Number of children under 18 in the household



Source: Simon-Kucher & Partners Private Label Study 2024/25

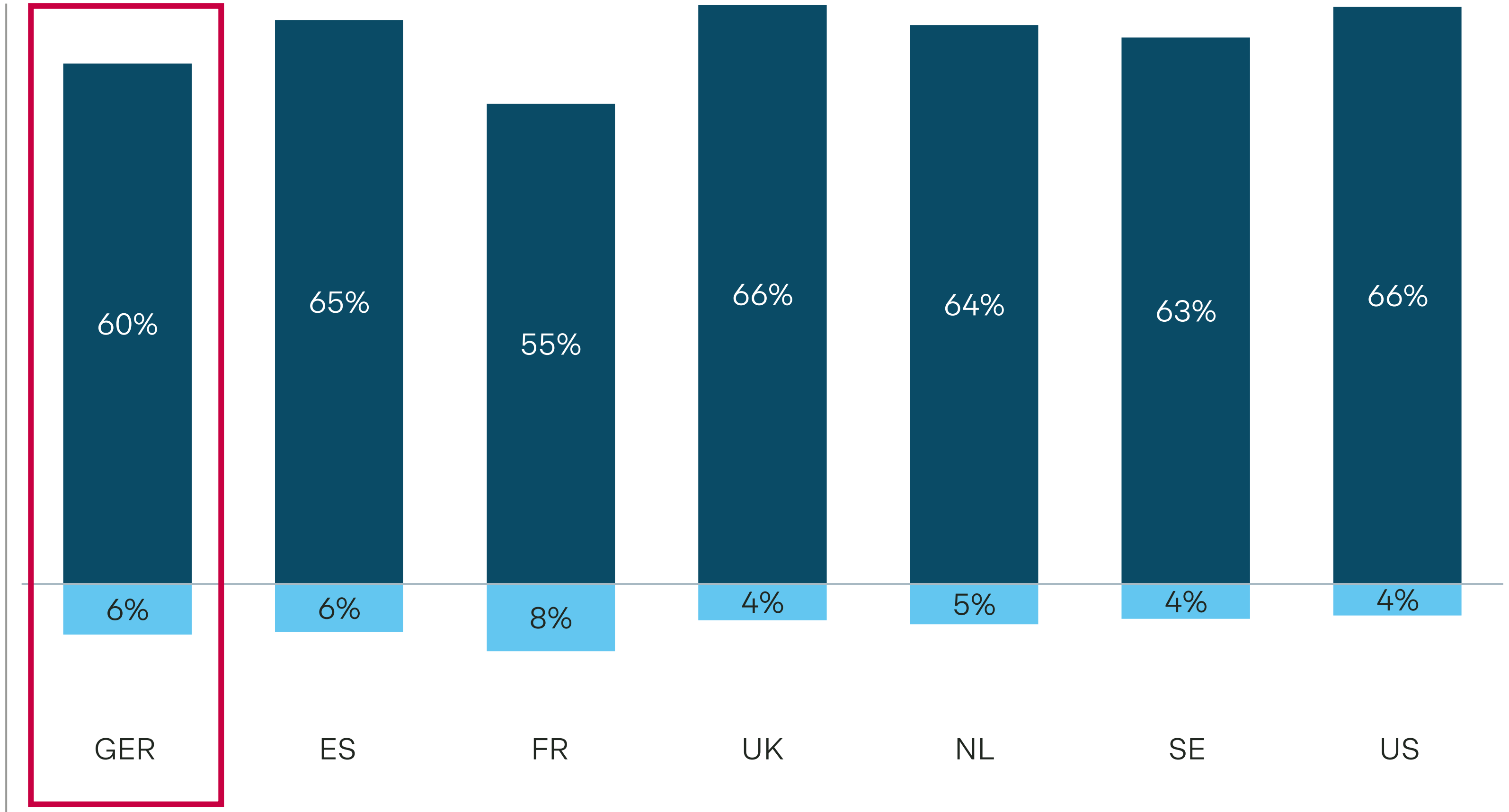
PRICE: When purchasing food and drugstore items, the importance of price is increasing with more than 55% of respondents in each country

Question: "How has your current shopping behavior for regular grocery and drugstore purchases changed compared to your behavior at the end of 2023 (before the return to low inflation)?"

The price of the products...

... is currently **more important** to me than in the comparison period (end of 2023/beginning of 2024 time of high inflation)

... is current **less important** than in the comparison period (end of 2023/ beginning of 2024 time of high inflation)



Despite moderate inflation, **price** remains the purchasing criterion with **the highest increase in importance** across all countries:

Between **55% and 66% of respondents in each country** stated that price has become more important to them compared to the end of 2023/early 2024 (during higher inflation).

The **most significant increase** in the importance of price is seen in the **UK, the US, and Spain**, with 65% and 66% of respondents, respectively.

The proportion of respondents for whom price has become **less important** remains very low, at around 5%.

Study 2024/25:
Comparison of the period of moderate inflation with the period of high inflation

Source: Simon-Kucher & Partners Shopper Study 2024/25

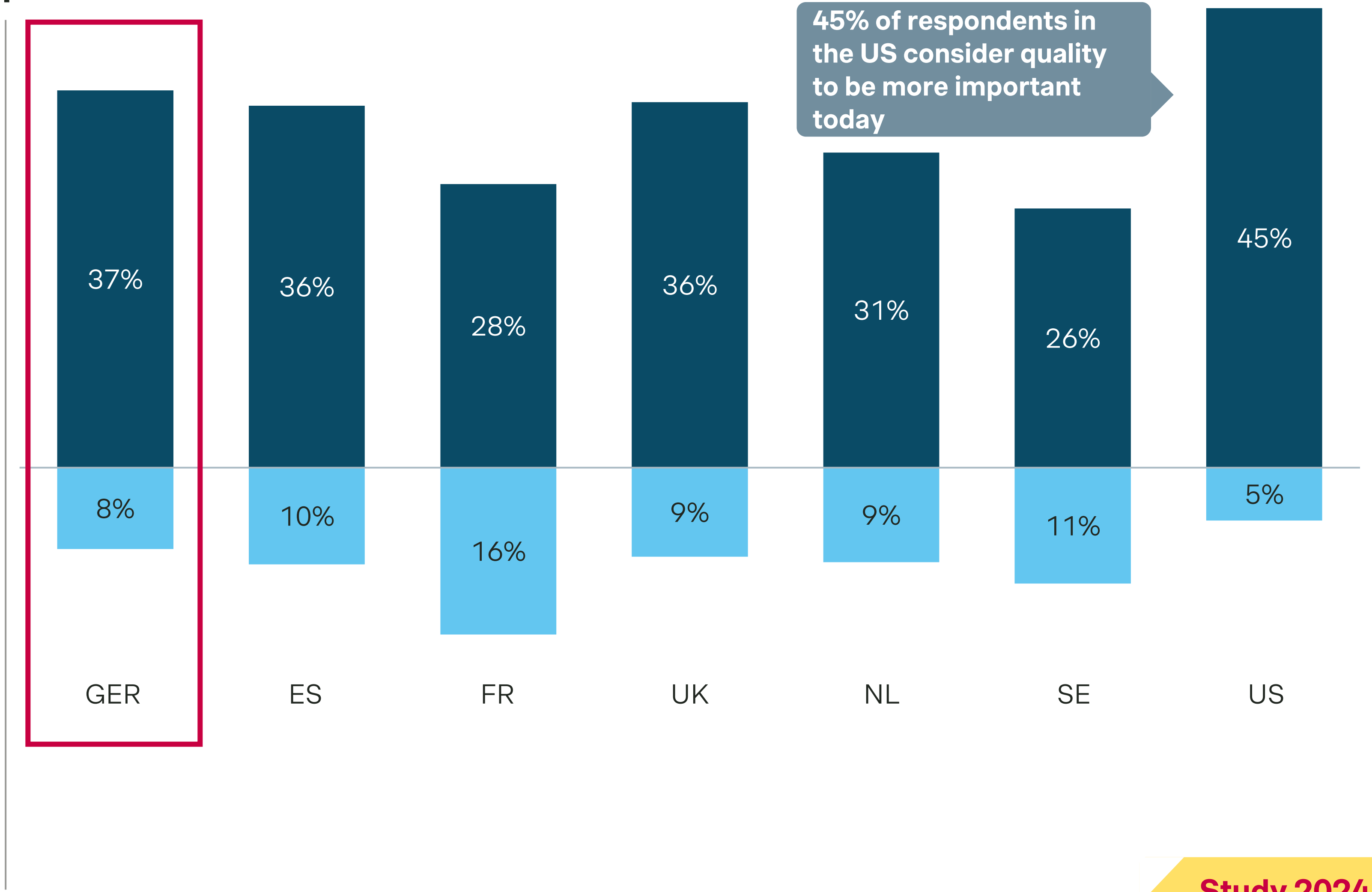
QUALITY: The purchasing criterion "quality" is also gaining importance, but only 26-37% of respondents in European countries and 45% in the US report this

Question: "How has your current shopping behavior for regular grocery and drugstore purchases changed compared to your behavior at the end of 2023 (before the return to low inflation)?"

The quality of the products...

... is currently **more important** to me than in the comparison period (end of 2023/beginning of 2024 time of high inflation)

... is current **less important** than in the comparison period (end of 2023/ beginning of 2024 time of high inflation)



Quality is gaining importance in all countries in scope:

While **36-37%** of respondents in **Germany, the UK, and Spain** noted an **increased relevance of quality,** the **proportion** was **significantly lower in France (28%)** and **Sweden (26%).**

At **45%,** the proportion of respondents in **the US** for whom quality has become more important is **significantly higher** than in European countries.

Along with the strong **increase** in the importance of **price** in the US, this may indicate **potential** for **high-quality, differentiated private label product ranges**.

Study 2024/25:
Comparison of the period of moderate inflation with the period of high inflation

Source: Simon-Kucher & Partners Shopper Study 2024/25

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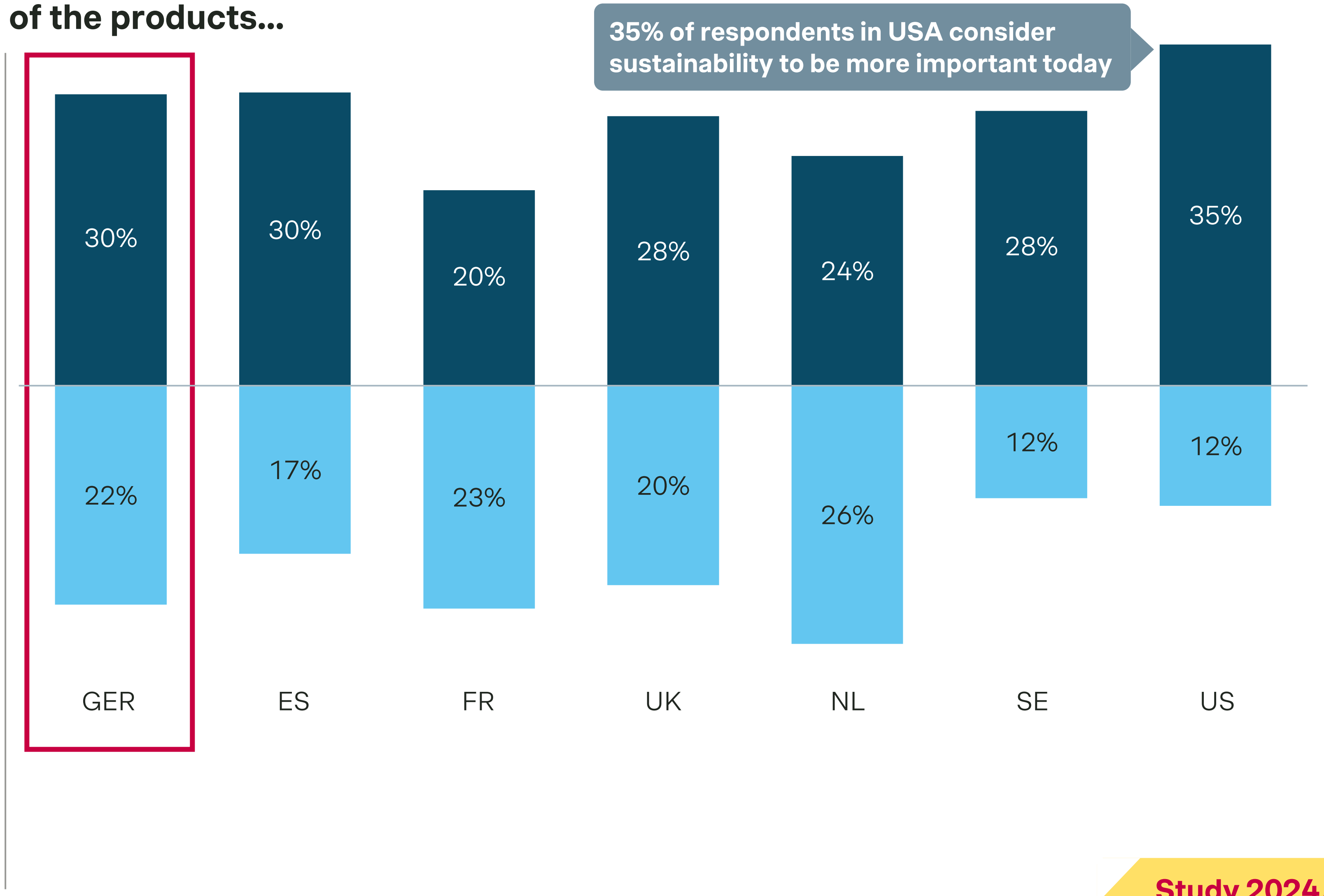
SUSTAINABILITY: Unlike “price” and “quality”, the purchasing criterion of sustainability is gaining importance for almost 30%, but it is also losing relevance for nearly 20% of respondents

Question: “How has your current shopping behavior for regular grocery and drugstore purchases changed compared to your behavior at the end of 2023 (before the return to low inflation)?”

The sustainability of the products...

... is currently **more important** to me than in the comparison period (end of 2023/beginning of 2024 time of high inflation)

... is current **less important** than in the comparison period (end of 2023/ beginning of 2024 time of high inflation)



The importance of sustainability is increasing for around **30%p** of respondents in **Germany, Spain, the UK, Sweden, and the US.**

In contrast, only **20%p in France and 24% in the Netherlands** report an increase.

At the same time, **sustainability is losing relevance** for a significant proportion of respondents (nearly 20%p) **in all countries** compared to the previous year, especially in the NL (26%).

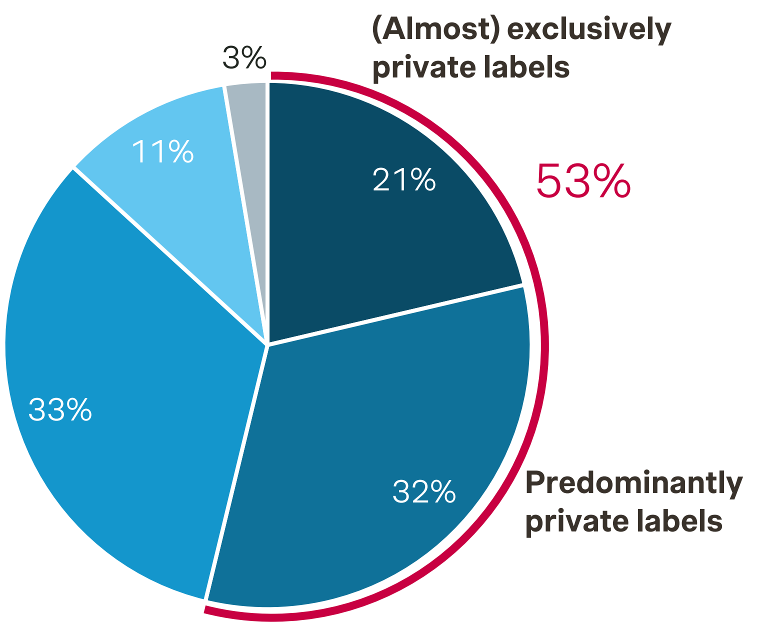
Study 2024/25:
Comparison of the period of moderate inflation with the period of high inflation

Source: Simon-Kucher & Partners Shopper Study 2024/25

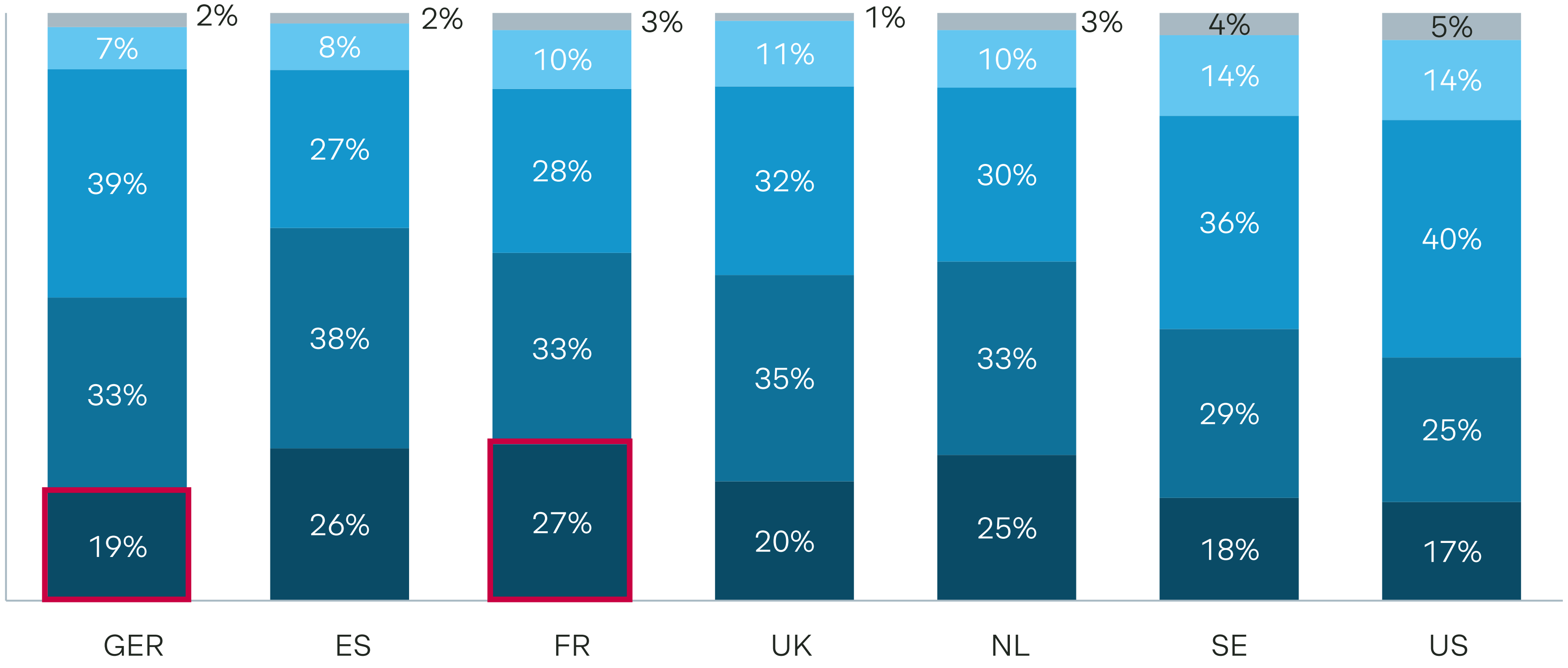
CURRENT PL-SHARE: International demand for private labels remains strong – on average 53% of consumers purchase private labels predominantly to exclusively

Q: *"What proportion of your current regular shopping basket consists of private label products in total compared to branded products?"*

I currently buy (2024)....



Average of all countries



(Almost) exclusively private labels | Predominantly private labels | Equal proportions of private labels and branded products | A small proportion of private labels | Hardly/never private labels

- **Particularly high demand in ES (64%), FR (60%), and NL (58% of all participants), while in SE and the US, the proportion is the lowest**
- **The highest proportion of (almost) exclusively private label buyers is in France (27% of respondents), followed by Spain (26%) and the Netherlands (25%). The highest proportion of respondents who buy only a small share of private labels is found in the US (14%) and Sweden (14%)**

Source: Simon-Kucher & Partners Shopper Study 2024/25

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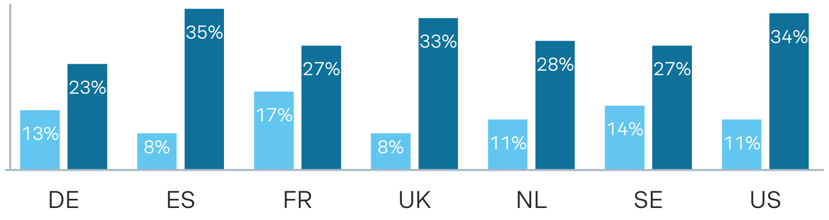
The share of private label products in the shopping baskets has also increased internationally in all categories, except for "alcoholic" and "baby products" (1/2)

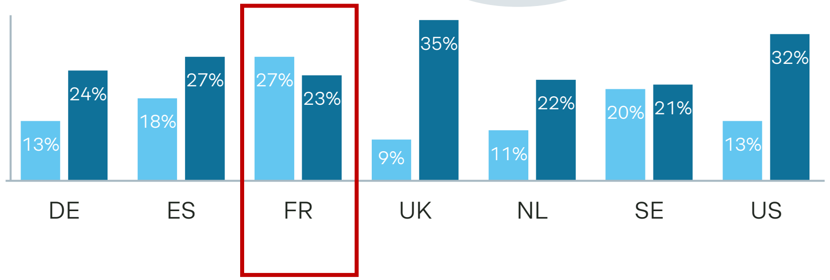
Question: "How has the proportion of private label products you bought changed per category compared to branded products?" **Backup**

The proportion of private label products I currently buy in the category …. has decreased/has increased.

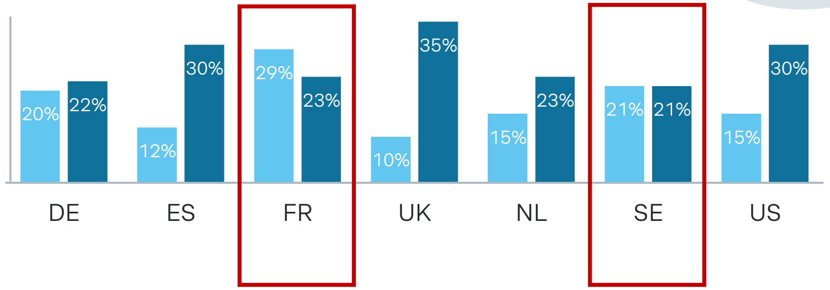
Dairy products ∅ 29.6%



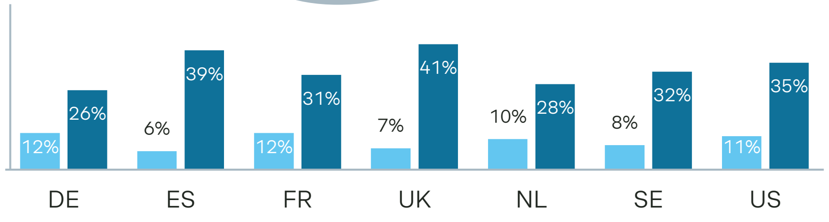
Bread and bakery products ∅ 26.3%



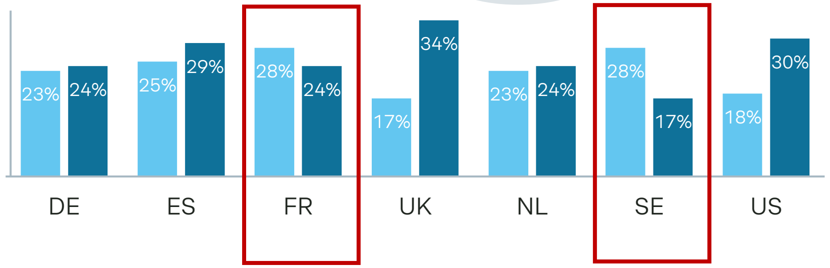
Pre-packed fish/meat/sausage products, eggs ∅ 26.3%



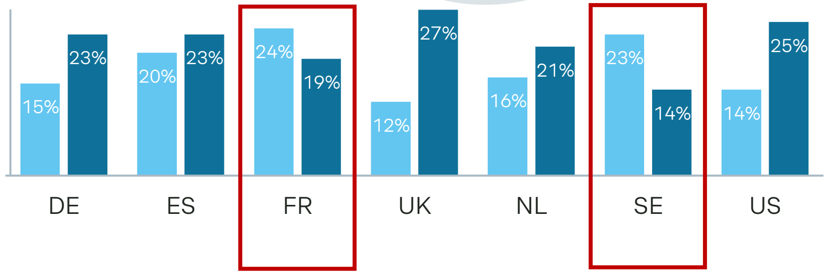
Dry products ∅ 33.1%



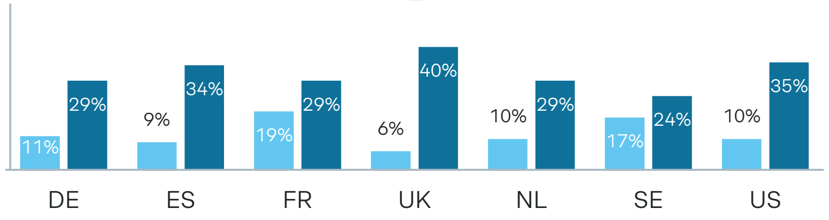
Confectionery and snacks ∅ 26.0%



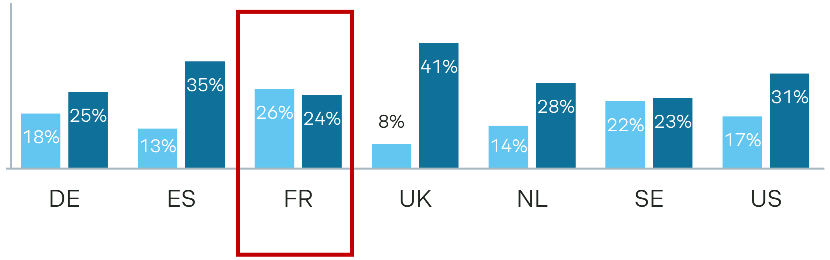
Non-alcoholic beverages ∅ 21.7%



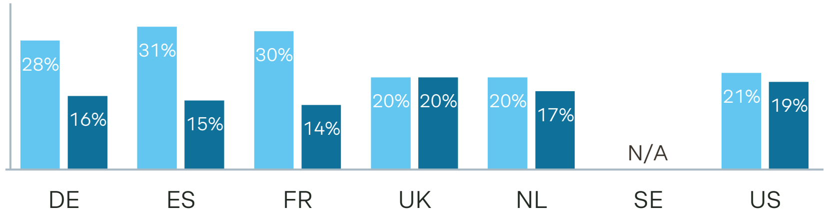
Fruit and vegetables ∅ 31.4%



Frozen products/ ice cream ∅ 29.6%



Alcoholic beverages ∅ 16.8%



… has decreased … has increased Different category-specific development of total category Different country-specific development within a category Average share of respondents buying more private label per category across countries

Source: Simon-Kucher & Partners Shopper Study 2024/25

The share of private label products in the shopping baskets has also increased internationally in all categories, except for "alcoholic" and "baby products" (2/2)

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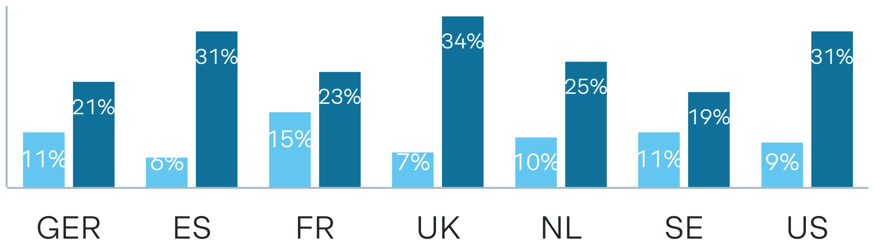
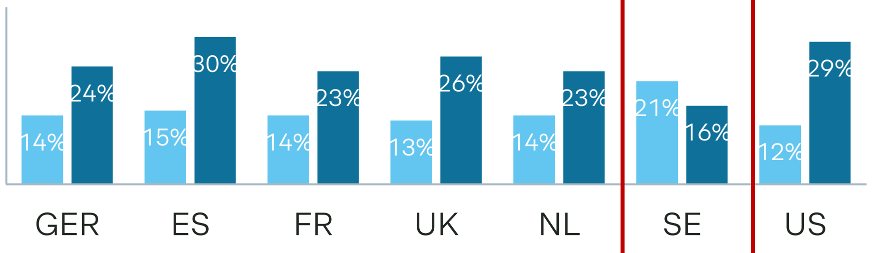
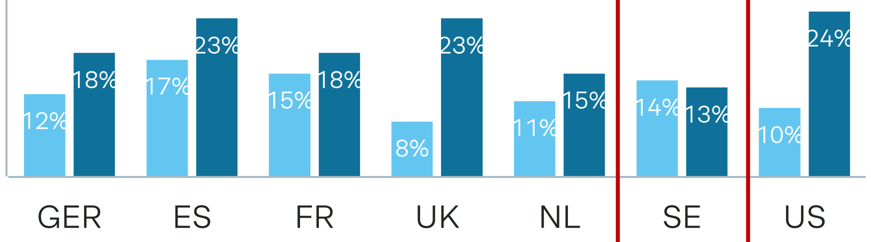
Washing/cleaning/detergents ∅ 26.3%



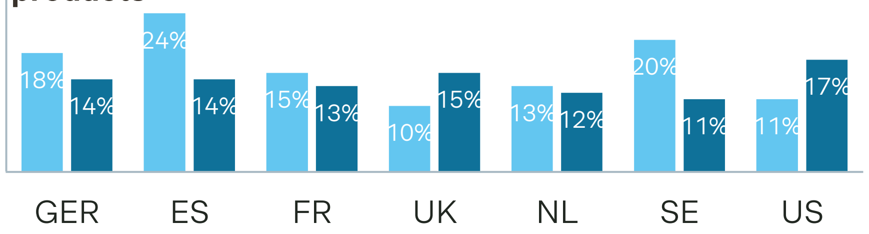
Body care/ cosmetics ∅ 24.4%



Pet food and accessories ∅ 19.1%



Baby and toddler products ∅ 13.7%



... has decreased ... has increased Different category-specific development of the total category Different country-specific development within a category

Average share of respondents buying more private label per category across countries

Source: Simon-Kucher & Partners Shopper Study 2024/25

Simon-Kucher Shopper study on food and drugstore products 2024/25

In the international comparison at the **product category level,** the share of **private label products increased in almost every day-to-day product category** in 2024

Product exceptions are **"alcoholic beverages"** and **"baby and toddler products,"** where the share of private label products in the shopping basket is declining, **especially in Germany, Spain, and France**

While the share of private label products increase in all countries with some **country-category-specific exceptions:** In **France,** in some categories (e.g. **bread and bakery products, frozen products, pre-packed fish and meat, non-alcoholic drinks**), the share of **branded products is increasing again,** contrary to the overall trend in all other countries

STABLE PRICES: If prices remain stable, 12-18% of respondents per country intend to buy more private label products, however, a noticeable share also thinks of more branded products

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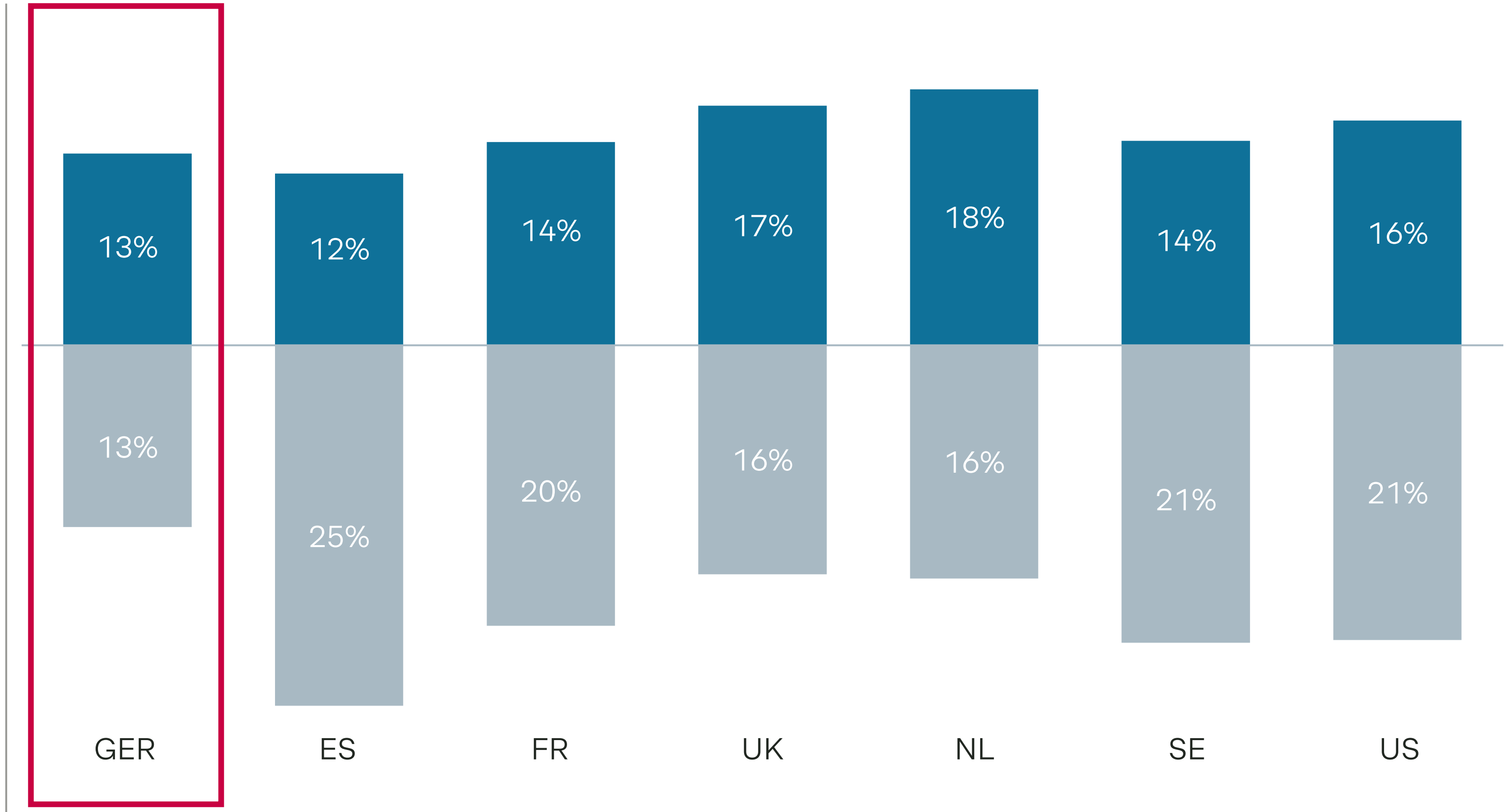
Q: "Thinking towards the future, how do you think your shopping behavior for grocery and drugstore products will change if prices remain stable?"

If prices remain stable, I will probably...

... buy even more **private label products**

... start to buy more **branded products** (again)



If **prices remain stable**, the proportion of respondents who want to buy **more private labels** in future varies from **12%p-18%p across countries.**

In particular, 16%p-18%p of the **respondents in the NL, the US and the UK** will probably buy **more private labels** .

Spain has the lowest proportion of respondents who, **would buy more private labels and furthermore the highest proportion of respondents who would buy more branded products.**

Germany has only a slight shift in purchasing behavior in both directions.

Study 2024/25:
Comparison of the period of moderate inflation with the period of high inflation

INCREASING PRICES: In response to incresing prices, on average > 50% of the respondents across all countries indicate that they are buying more private label products

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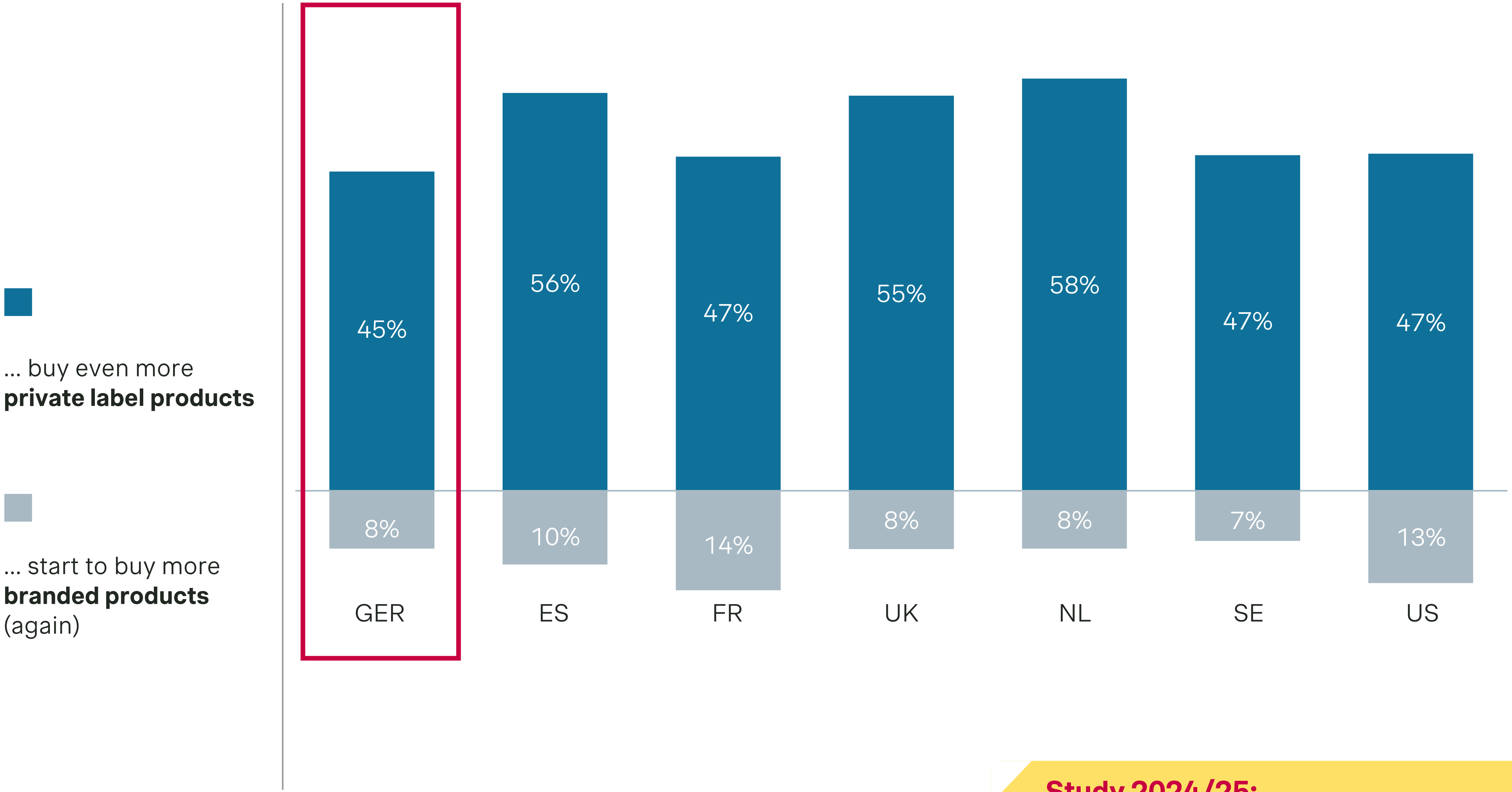
Q: "Thinking towards the future, how do you think your shopping behavior for grocery and drugstore products will change if prices rise?"

If prices rise, I will probably…



- **If prices rise,** ca. **50% of the respondents** across all countries indicate they will **purchase more private labels**, with this tendency being particularly strong in the NL (58%), ES (56%), and the UK (55%)
- Across all markets, only a **small percentage of respon-dents (7-14%)** indicate a willingness to **increase their consumption of branded products with rising prices**
- **Germany** has very low shares of both types of changed purchasing behavior

This means that the **fundamental potential of private label products increases significantly** as the **price level rises** and that the **price is a decisive factor** for the purchase of private labels

Study 2024/25:
Comparison of the period of moderate inflation with the period of high inflation

Source: Simon-Kucher & Partners Shopper Study 2024/25

DECLINING PRICES: If prices were to fall, only 9-16% of respondents across countries indicate they want to buy more private labels, while ∅ 30% would buy more branded products

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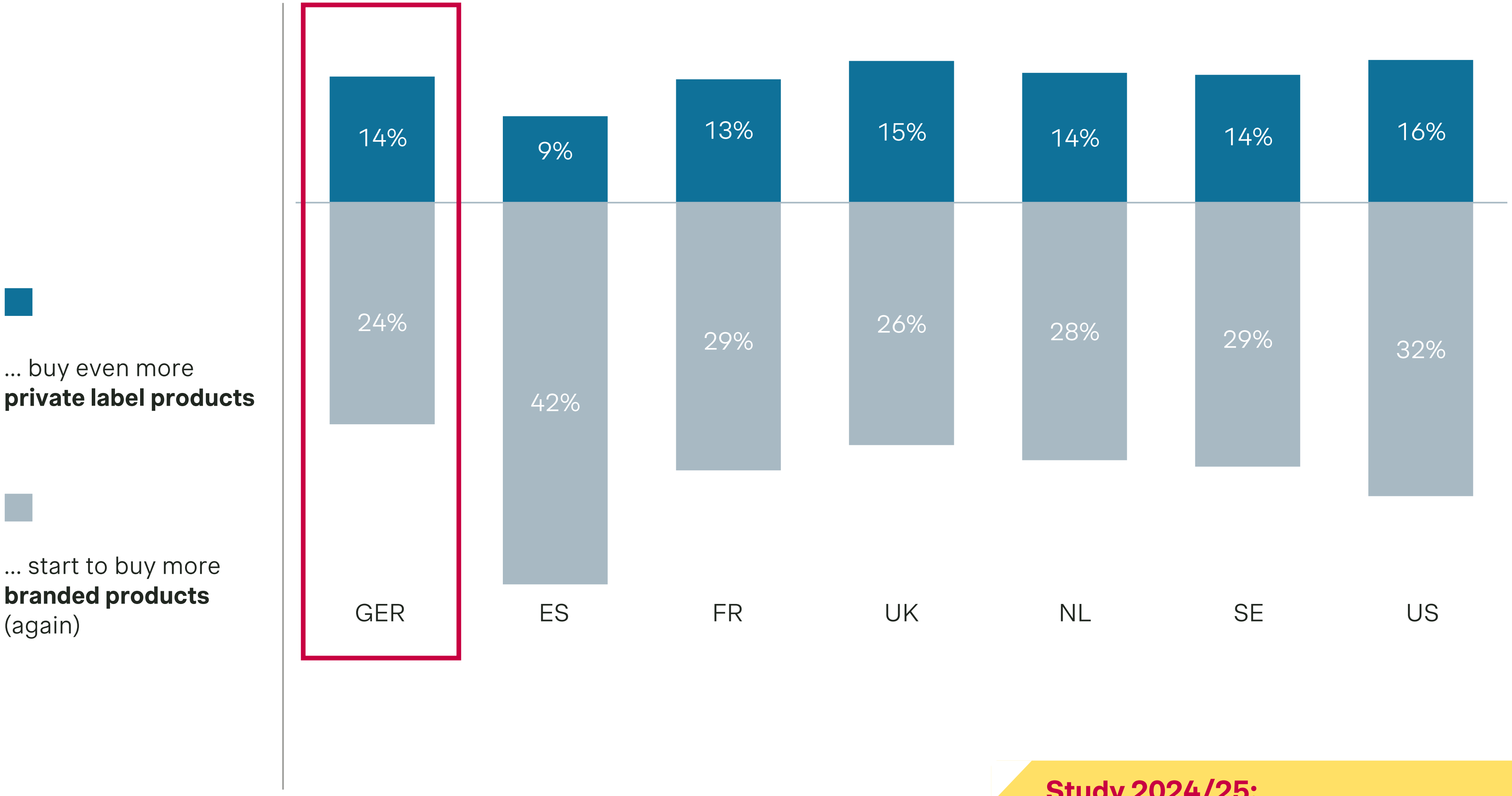
Q: "Thinking towards the future, how do you think your shopping behavior for grocery and drugstore products will change if prices decline?"

If prices decline, I will probably...



If prices were to fall, a noticeable share of consumers (∅30%) in all countries expresses a **willingness to return to branded products,** which is most evident **in ES (42%).**

Despite a decline in prices, countries like **GER (24%)** and **the UK (26%)** see a comparatively **lower shift back, which** indicates a stable preference for private labels in these regions

- **Although private labels have an increasingly established presence on shelves and given the economic situation, it can be assumed that they are gaining market share, falling prices would shift this share back in favor of branded products**

Study 2024/25:
Comparison of the period of moderate inflation with the period of high inflation

Source: Simon-Kucher & Partners Shopper Study 2024/25

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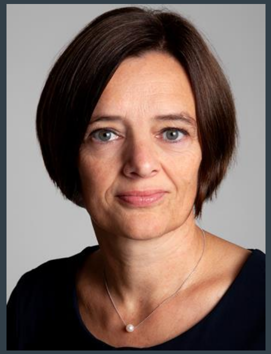

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