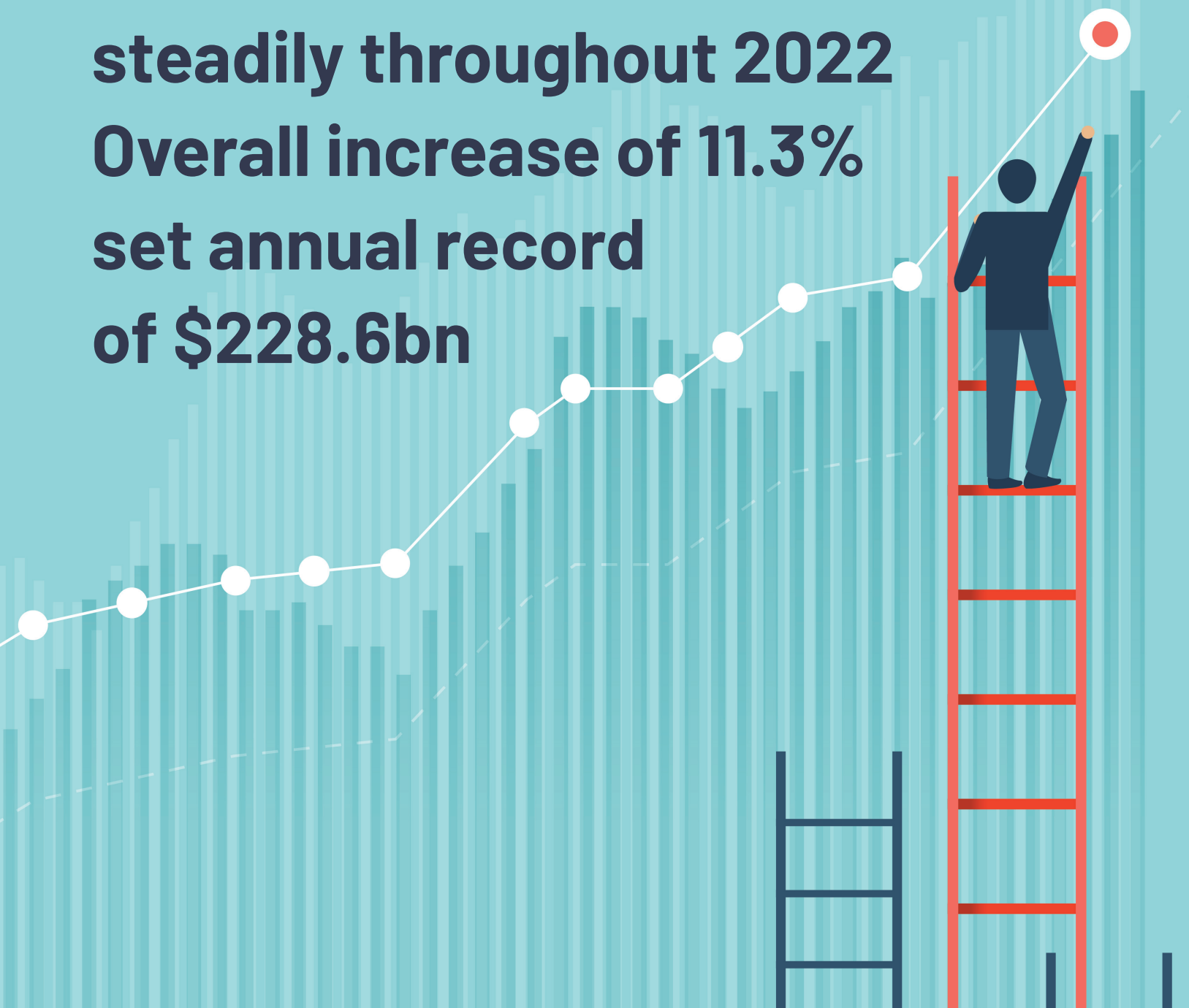


PLMA's 2023 Private Label Report

A statistical guide to today's store brands

Store brand sales climbed steadily throughout 2022
Overall increase of 11.3%
set annual record of \$228.6bn



Presented by the Private Label Manufacturers Association

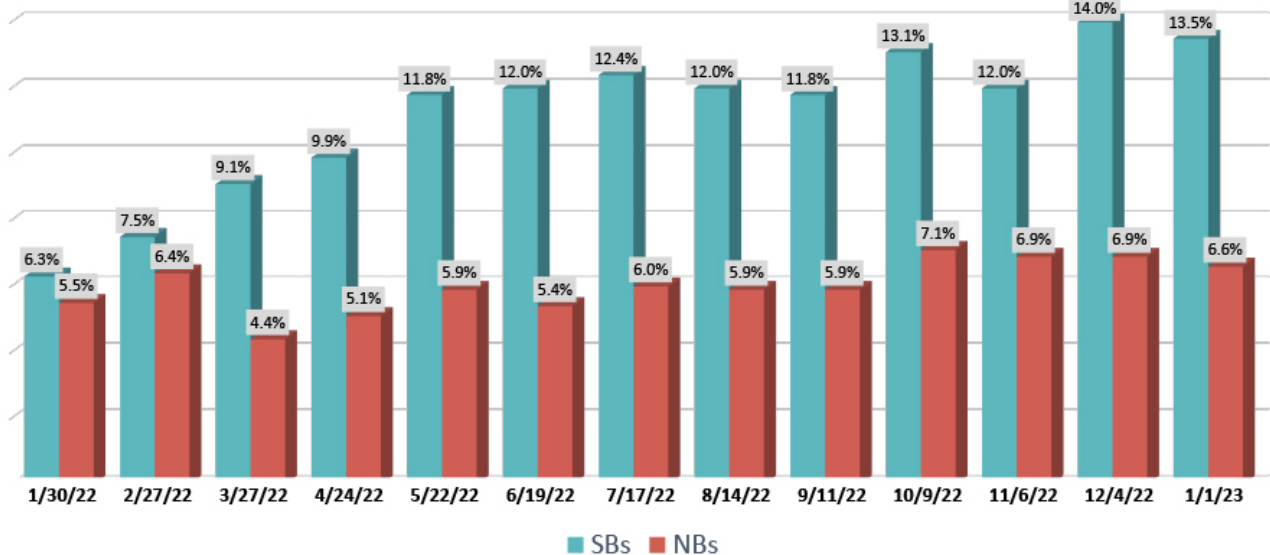
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OVERVIEW

Month after month, store brand dollar sales in the U.S. climbed steadily throughout 2022. The year began with modest, single digit increases in January (up 6.3%), February (7.5%) and March (9.1%). Then the monthly gains rose sharply to double digits in May (up 11.8%) and they never looked back, with the final four months averaging about a 13% sales improvement. For the 52 weeks ending January 1, 2023, store brand sales advanced by 11.3%, nearly twice the growth of national brands, which were ahead by 6.1% for the year. Monthly sales increases of national brands were in single digits and ranged narrowly from 4.4% to 7.1%, according to full year data provided exclusively to PLMA by IRI Unify.

Monthly store brand sales rose steadily; national brands plateaued

Dollar Sales vs '21



2022 Total: SBs + 11.3% NBs + 6.1%

In 2022, store brands' annual dollar volume increased by \$23.2bn, setting a new record of \$228.6bn for sales in all U.S. retailing channels. National brands gained 6.1% (\$56.6bn) in dollar sales, to \$981.1bn, bringing overall grocery industry revenue to \$1.21tn, up 7% (or \$79.8bn) over the previous year when the total was \$1.13tn, an all-time record at that time.

Store brands accounted for 29% of total industry sales increase

As a result, store brands accounted for 29% of all new dollar sales that flowed into the U.S. retailing industry last year. In terms of market penetration, store brand dollar share for 2022 came in at 18.9%, up 0.7 points from 18.2% in the prior year. Taking a longer, multi-year view, based on IRI Unify data, PLMA reports that by the end of 2022, annual store brand dollar sales totals had increased by nearly 40% over a five-year period.

Store brands also outperformed national brands when it came to unit sales during 2022. The products were off slightly at minus 1% compared to national brands which dropped 4.1%, producing an overall industry decline of 4%.

Store brands also outperformed national brands in unit sales

Unit Sales vs '21	SBs	NBs
1/1/23	0.3%	-3.7%
12/4/22	0.3%	-4.4%
11/6/22	-1.1%	-4.3%
10/9/22	0.0%	-4.3%
9/11/22	-1.7%	-5.3%
8/14/22	-1.5%	-5.0%
7/17/22	-0.7%	-4.5%
6/19/22	-0.5%	-4.7%
5/22/22	-1.0%	-4.0%
4/24/22	-1.1%	-3.4%
3/27/22	0.5%	-4.3%
2/27/22	-2.8%	-2.8%
1/30/22	-2.6%	-3.0%
2022 Total:	-1%	-4.1%

Note: Data provided to PLMA by IRI Unify is for the 52 weeks ending January 1, 2023.
Some results may have been rounded up or down.

Comparative unit sales are seen as an indicator of shoppers switching to store brands from national brands. Store brand unit share was 20.5%, up 0.6 points from 19.9% for 2021. Store brand unit sales were 58.8bn compared to 59.4bn in 2021, or minus 600 million, while national brands counted 228.4 units sold vs 238.3bn, or down 9.8 billion. The grand total for all brands was 287.2bn, a decline of 10.4bn. National brands were responsible for 94% of the total unit sales decline in U.S. retailing last year.

Notably, over the last two reporting periods (IRI Unify's data for PLMA is not precisely calculated on a monthly basis) store brand unit sales turned positive, ahead 0.3% for both, while national brands continued to shed units, down 4.4% and 3.7%, respectively. Over the year, store brand unit sales were up or even in four reporting periods; national brands declined in all.

“As an industry, we are extremely pleased with these results,” said Peggy Davies, PLMA President, in announcing the publication of the association’s 2023 Private Label Report. “They underscore the important role our food and non-food products play for both consumers and retailers in today’s grocery marketplace. We also want to acknowledge the outstanding work of IRI Unify, our online data partner, who kept us closely informed on the upwards trajectory of store brand sales during this record-breaking year.”

2022 Sales Dashboard

Dollar Sales	FY 2022	FY 2021	% Change
All Channels	\$1,209,680,535,152	\$1,129,851,929,885	+8.6%
Store Brands	\$228,589,532,155	\$205,436,191,231	+11.3%
National Brands	\$981,091,002,997	\$924,415,728,654	+6.1%

Unit Sales	FY 2022	FY 2021	% Change
All Channels	287,217,085,542	297,648,081,755	-3.5%
Store Brands	58,818,234,680	59,399,309,198	-1.0%
National Brands	228,398,850,862	238,248,772,557	-4.1%

Note: Data provided to PLMA by IRI Unify is for the 52 weeks ending January 1, 2023. Some results may have been rounded up or down.

The year 2022 was an outlier for store brand sales in a number of ways. Generally, over the past decade or so, the products' annual sales gains have landed in the mid-single digits. For example, prior to the pandemic, in 2018 and 2019, the increases were 5% and 6%, respectively.

The following year was a clear exception. As the pandemic took hold in 2020, annual sales jumped 12% amid the lengthy nationwide shutdown of foodservice, a greater emphasis on cooking at home, and a boom in online ordering and delivery. By comparison, national brands increased by 10% for the year.

Moving into 2021, as the country and foodservice sector slowly began to reopen for public activity and in-person business, some industry watchers predicted that store brand sales would eventually decline, giving back all or most of the prior year's increase. That did not happen. In fact, store brands held serve, as the products improved by 1% overall with annual dollar volume setting a new industry record.

Sales jumped double digits in nine departments

Store brand growth in 2022 was spread across the store. Looking at the 17 individual food and nonfood IRI Unify departments for the trailing 52 weeks January 1, 2023, store brand dollar sales increased in 16 of them, including double digit increases in nine: Beverages (the leader at plus 19.1%), Deli Prepared, Refrigerated, Liquor, General Food, Floral, Bakery, Produce and Deli Meat. Only in the small (\$67m in sales) Tobacco department were store brand sales off, down 10.9%.

Departmental results

IRI Departments 2022	SB % Change vs '21	SB FY Volume
Beverages	19.1%	\$12bn
Deli Prepared	17.3%	\$5.9bn
Refrigerated	17.1%	\$47.4bn
Liquor	15.6%	\$62m
General Food	14.0%	\$38.6bn
Floral	13.5%	\$883m
Bakery	12.6%	\$8.4bn
Produce	11.9%	\$13.5bn
Deli Meat	10.3%	\$1.7bn
General Merchandise	9.0%	\$27.7bn
Frozen	8.2%	\$17.7bn
Deli Cheese	5.5%	\$754m
Meat	5.1%	\$26.5bn
Health	3.1%	\$17.6bn
Beauty	2.7%	\$3.7bn
Home Care	2.1%	\$2.7bn
Tobacco	-10.9%	\$67m

Note: Data provided to PLMA by IRI Unify is for the 52 weeks ending January 1, 2023. Some results may have been rounded up or down.

In the two largest departments for store brands, Refrigerated, with \$47.4bn in sales for the year, and General Food, with \$38.6bn, the increases were 17.1% and 14%, respectively. In the department where store brands grew the most, Beverages, 2022 sales were \$12bn.

Store brands improved in billion-dollar categories & subcategories

Drilling down into IRI Unify's 317 individual categories and 967 subcategories presents a comprehensive picture of how store brands grew in 2022 across all sections, particularly in those where sales exceeded one billion dollars.

Increases among food products were particularly strong. Bottled Water store brands rose by 22.8% and reached \$6.7 billion in sales while Cookies increased by 18.3%, hitting \$3.4 billion. Also up were Fresh Eggs (plus 49.6%), Butter and Butter Blends (26.6%), Shortening and Oils (26.5%), Pastry and Doughnuts (19.3%) and Sugar (14.7%).

Store brand growth was not limited to food. Hair Appliances (up 95.6%), Drinkware (81.8%), Foil Pans (35.6%), Women's Fragrances (23.8%), Skin Care (21.2%), and Laundry Detergent (20.7%) were just some of the multi-million-dollar non-food categories that turned in double-digit increases.

Elsewhere, large non-food categories like Cups and Plates reached \$3.5 billion in sales, a gain of 19.6%. Toilet Tissue had \$3 billion as its private label dollar sales grew by 16.1%. Pet products were another bright spot in 2022: especially Cat and Dog Litter (20.3%), Pet Treats (20.3%) and Pet Food (17.8%).

Fastest-growing billion-dollar categories

Note: List compiled by PLMA, may not be complete.

IRI Categories	SB % Increase vs '21	Total '22 SB sales (in billions)
Fresh Eggs	49.6%	\$5.7
Butter/Butter Blends	26.6%	\$1.8
Shortening & Oils	26.5%	\$2.1
Processed Poultry	25.7%	\$1.1
Bottled Water	22.8%	\$6.7
Pastry/Doughnuts	19.3%	\$2.0
Cookies	18.3%	\$3.4
Cups & Plates	18.3%	\$1.9
Pet Food	16.8%	\$1.3
Toilet Tissue	14.8%	\$2.9
Sugar	14.7%	\$1.1
Side Dishes Rfg	13.9%	\$1.2
Luncheon Meats	13.8%	\$1.4
Meat Fz	13.7%	\$1.3
Coffee	13.1%	\$1.9
Poultry Fz/Rfg	12.8%	\$1.7
Creams/Creamers	12.7%	\$1.1
Vegetables SS	12.0%	\$1.3
Entrees Rfg	11.0%	\$2.4
Salty Snacks	10.1%	\$1.6
Meat Rfg	9.5%	\$4.9
Ice Cream/Sherbet	9.4%	\$1.5
Fresh Bread/Rolls	9.4%	\$3.2
Bottled Juices SS	8.9%	\$1.1
Food & Trash Bags	8.4%	\$2.4

**Note: Data provided to PLMA by IRI Unify is for the 52 weeks ending January 1, 2023.
Some results may have been rounded up or down.**

Fastest-growing billion-dollar subcategories

Note: List compiled by PLMA, may not be complete. Some subcategories and categories are identical.

IRI Categories	SB % Increase vs '21	Total '22 SB sales (in billions)
Fresh Eggs	51.4%	\$5.7
Cooking & Salad Oils	37.6%	\$1.4
Rfg Butter	26.9%	\$1.8
Disposable Plates/Bowls	18.6%	\$2.6
Cookies	18.3%	\$1.9
Toilet Tissue	14.8%	\$2.9
Rfg White Milk	14.7%	\$8.6
Rfg Sliced Lunchmeat	13.7%	\$1.4
Fz Meat (No Poultry)	13.6%	\$1.1
Single Cup Coffee	10.1%	\$1.2
Fresh Bread	10.1%	\$1.2
Ice Cream	9.8%	\$1.3
Natural Cheese Slices	9.7%	\$1.5
Rfg Uncooked Meat (NP)	9.5%	\$4.9
Garbage/Trash/Leaf Bags	9.2%	\$1.5
Fz Fruit	7.3%	\$1.2
Natural Cheese Shredded	7.3%	\$4.3
Rfg Bacon	6.7%	\$1.7
Cakes	6.1%	\$1.1
Rfg Handheld Non-breakfast	6.0%	\$1.0
Dog/Cat Needs	5.3%	\$1.7
Paper Towels	5.2%	\$2.2
Natural Cheese Chunks	5.0%	\$1.4
Household/Kitchen Storage	4.9%	\$1.2
Snack Nuts	0.2%	\$1.9

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Record gains attributed to consumer switching & retailer innovation

A major reason for the double-digit surge in 2022 was that store brands were embraced by American shoppers as a dependable ally against persistent inflation and other personal financial hardships. That was not unprecedented. During past periods of economic difficulties, such as the 2008 recession and the years following, store brands sales increased sharply.

In PLMA surveys at the time, shoppers across the country reported a high degree of satisfaction with store brand products they purchased for the first time in certain categories, adding they would continue to buy them even when the recession ended. Proving again that consumer trial is store brands' best friend, and that there is significant positive carry forward effect for store brands each time an economy-related bump in sales occurs.

Another driver of the 2022 gains is store brands and the retailers who market them have been very responsive to shoppers who, in the wake of the pandemic, became more concerned about how products are made and what's in them, from their raw ingredients and holistic health attributes and qualities to their sustainability in terms of manufacture, use and disposal.

As they continue to come to the shelves, more and more new and innovative store brand products are meeting these and other pandemic-influenced consumer demands. Many of them appeared on the floor of PLMA's 2022 Chicago Trade Show last November where they were featured in the association's popular Idea Supermarket, New Product Expo and Salute to Excellence product displays at the sold-out Show, which presented 1,423 companies in 2,334 exhibition booths and drew a near record overall attendance of 5,200.

"By adapting and shopping smarter by choosing store brands, U.S. consumers were able to purchase high quality, great value food and non-food grocery items for their families in the face of inflation, recession fears, supply chain issues and geopolitical unrest. That's a trend that historically accrues to the long-term benefit of the store brands industry," explained PLMA President Davies. "We have every reason to believe that this favorable dynamic will continue well into 2023."



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