



Insight Into Private Label

Innova Market Insights

May 2010

Different Response to Economic Downturn

- ✓ Focus on core products/brands with extra marketing spend behind them
- ✓ Pulling poorer performing brands off the shelf
- ✓ Rising interest in cheaper and own brand alternatives
- ✓ **Growing presence of discount retailers**
- ✓ Overall, number of product launches recorded globally over 2009 has risen by 34.6%, but share of private label products has fallen in terms of product launches. Market shares for private label has actually increased.
- ✓ Number of product marked as indulgent/premium has also fallen, however, number of products marketed on an economy platform has risen sharply.

Picture of overall activity and innovation is mixed

Where are the opportunities?

- In-line with Health & Wellness Trends
- Innovating in Niche Areas
- Matching Competitors
- Pushing Premium Boundaries
- Knock-offs and Price Comparisons

Healthy Innovation

- Private label offers consumers many healthy, innovative choices.



USA: Trader Joe's Shortbread Blueberry Bites with Almonds and Omega-3's

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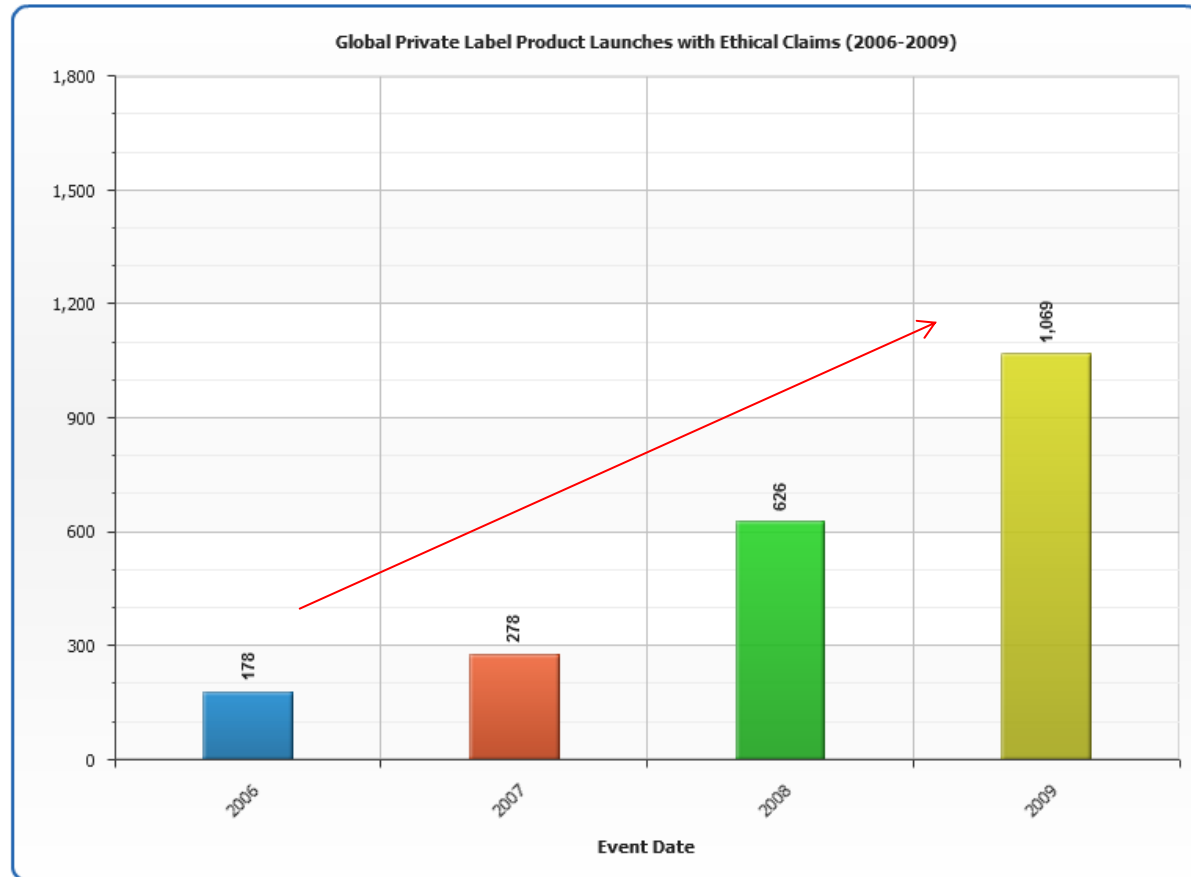


Brazil: Carrefour Viver Light Quiche Integral Legumes: Light Wholegrain Quiche with Vegetables. "Viver" is a health line product from Carrefour brand. 26% less calories. This is a microwavable product. 63% less saturated fat. Source of fiber.



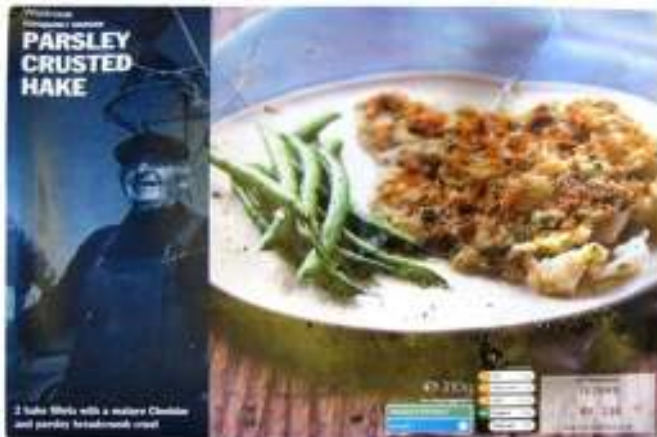
UK: Aldi Optifit Liquid Breakfast Probiotic Yogurt Drink with Apple and Mango Flavors with Added Vitamin C

Increase in PL Launches with Ethical Claims



Offering Sustainable Choices

- Sustainable farming practices followed for private label products.



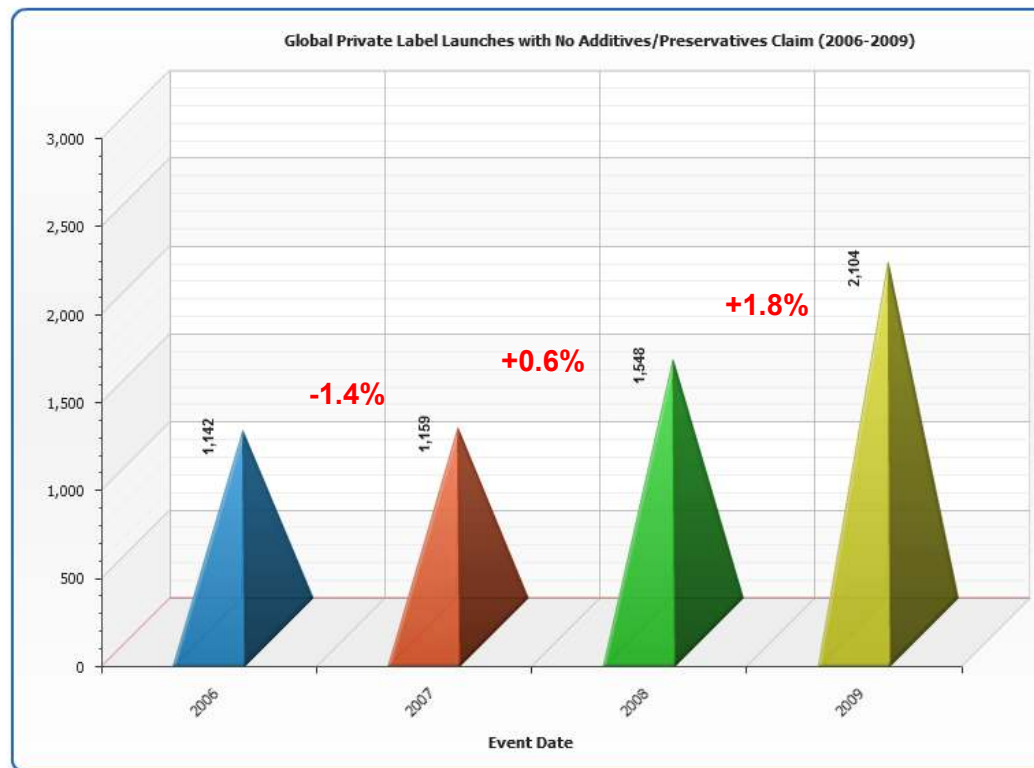
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The Importance Of Cleaner Labels

- With the natural trend, there are more and more products with claims stating, for example “**no artificial colors, flavors or preservatives**”. This type of claim is being used as a selling point to consumers and is boldly displayed **on the front of the packaging**.



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Innovating By Addressing Allergies

- Private Label has led the way with their “free from” ranges.
- Recognised a gap in the market. Gluten free product launches in particular, have shown significant growth in recent years.



UK: Sainsbury's Freefrom 5 Muesli Bars. Five gluten, wheat and dairy free muesli bars with mixed dried fruits, flaked almonds and hazelnut nibs.



France: Auchan Mieux Vivre Spaghetti A La Farine de Mais: Spaghetti Made From Corn Flour. Gluten free.

Wowing With Flavours

- Unique flavours represent an opportunity to stand out from the rest on the shelf.



France: Auchan Dark chocolate with violet.

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Greece: AB Tangerine Sanguine Carrot Juice



USA: Trader Joe's Rice & Bean Chips with Adzuki Beans



USA: Safeway Select Mandarin Orange Naturally Low Fat Sherbet

Differentiating Through Premium

- Premium is an area where private label in recent times has excelled
 - providing the consumer with excellent quality
- Excellent, select, choice etc are all examples of premium ranges.



Following Foodservice

- Angus beef has been promoted heavily in foodservice (eg McDonalds angus beef burgers)- private label follows trend.



UK: Asda Extra Special 2 6oz Aberdeen Angus Beef Burgers



Canada: President's Choice Angus All Beef Frankfurters

PL Copy Cats

UK: Asda Loaded Cookies & Cream



UK: Asda 2 Chapattis: 2 Flatbreads. Two unleavened Indian style flatbreads.



UK: Tesco Crunch Duo Mix Banana Choc Crunch. Deliciously thick and creamy vanilla flavored yogurt with a separate portion of crunchy milk chocolate coated cornflakes.



Australia: Coles Chocolate Mint Supremes

Special K Price Comparison



Spain: El Corte Ingles Fit Way Copos de Arroz y Trigo Integral Tostadas con Frutas Rojas: Rice & Wholemeal Wheat Toasted Flakes with Red Fruit

EUR 2.69 or EUR 8.97/KG



EUR 12.97/KG



Netherlands: AH Albert Heijn Special Flakes: Breakfast Cereal with Red Fruits

EUR 2.49 or EUR 8.30/KG