



# Finding Harmony on the Shelf

2025 Global Outlook on

*Private Label & Branded Products*



# *From* *competition to collaboration*

As both private labels and brands think about finding sustainable, long-term growth in 2025 and beyond, it's high time to think differently about embracing fellow brand players as friends, rather than foes. In this first-of-its-kind research on both private labels and branded products, we uncover NIQ's global outlook on how to find harmony on—and beyond—the shelf.

Unlock future opportunities with this global deep dive into the evolving landscape of private label and branded products. We explore how retail-owned brands and name-brand products can **coexist and thrive** together on the store shelf, driven by changing consumer perceptions and shifting market dynamics.

Our *Finding Harmony on the Shelf: 2025 Global Outlook on Private Label & Branded Products* report offers a comprehensive look at the trends driving the growth of private label and branded products worldwide—from regional variations in consumer behavior to the increasing influence of retail media networks.



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Opportunities for retailers and manufacturers to drive collaboration and growth

## Key findings:

- **Private label power continues:** 4.3% in global sales growth for private label [consumer packaged goods](#) (CPG) year over year<sup>1</sup>
- **Major brands post formidable growth:** +4.8% in global sales growth for Top 10 global brands, slightly outpacing global growth of private labels<sup>1</sup>
- **Consumers feel resilient:** 46% of global survey respondents expect to be in a better financial position by the end of 2025<sup>2</sup>
- **The era of needs-driven decisioning:** 58% of global survey respondents say brand or store brand is irrelevant to them; they just buy what they need<sup>2</sup>

The future  
belongs to  
those who  
*find harmony  
on the shelf.*

A jar of white cream in an orange container and a tube of orange cream. The jar is open, showing a dollop of white cream. The tube is orange and has a white cap. The background is a gradient of orange and yellow.

1

## Consumer outlook on private labels and brands

### *Trends driving global growth and regional nuances*

In this section, we highlight key sales performance trends across the global CPG space alongside qualitative drivers of consumer behavior. We connect the “say” and “do” of recent brand buying behaviors.

Let’s dive into the performance trends and underlying market dynamics behind the most-purchased consumer brands (both retailer-owned and name brands) around the world.

### **In this chapter:**

- Performance trends
- Consumer climate influencing choice
- Influencing spending today and tomorrow

# Consumers around the world are *sold* on private labels.

**4.3%** annual global sales growth year over year<sup>1</sup>

**53%** of global consumers say they're likely **buying more private label products than ever before**<sup>2</sup>

**6.64%** Some speculate that global private label food and beverage growth could progress at this rate.<sup>3</sup>  
CAGR through 2028

Sources: 1) NIQ Retail Measurement Services, Total private label sales, Annual period ended Q3 2024 vs. year ago, Value % growth - via Quarter By Numbers Private Label report, 2) NIQ 2025 Private Label & Branded Products report global survey, 3) Technavio via PR Newswire, Global Private Label Food and Beverages Market, Compound Annual Growth Rate (CAGR) 2023-2028

To put it simply: *The debate is over*—consumers around the world are **sold** on private labels.

More than half (**53%**) of global respondents say they're likely buying more private label products than ever before, and this strong measure of sentiment is a figure backed up by impressive worldwide sales data. In fact, [NIQ Retail Measurement Services](#) confirms that private label sales are up **4.3%** in annual global sales growth year over year. And, [according to research by Technavio](#), they have speculated continued growth of global private label food and beverages—to the tune of 6.64% CAGR through 2028.

A confluence of factors has allowed private labels to rise to the mainstream in most markets.

## The power of private labels

Global consumer sentiment (% respondents)

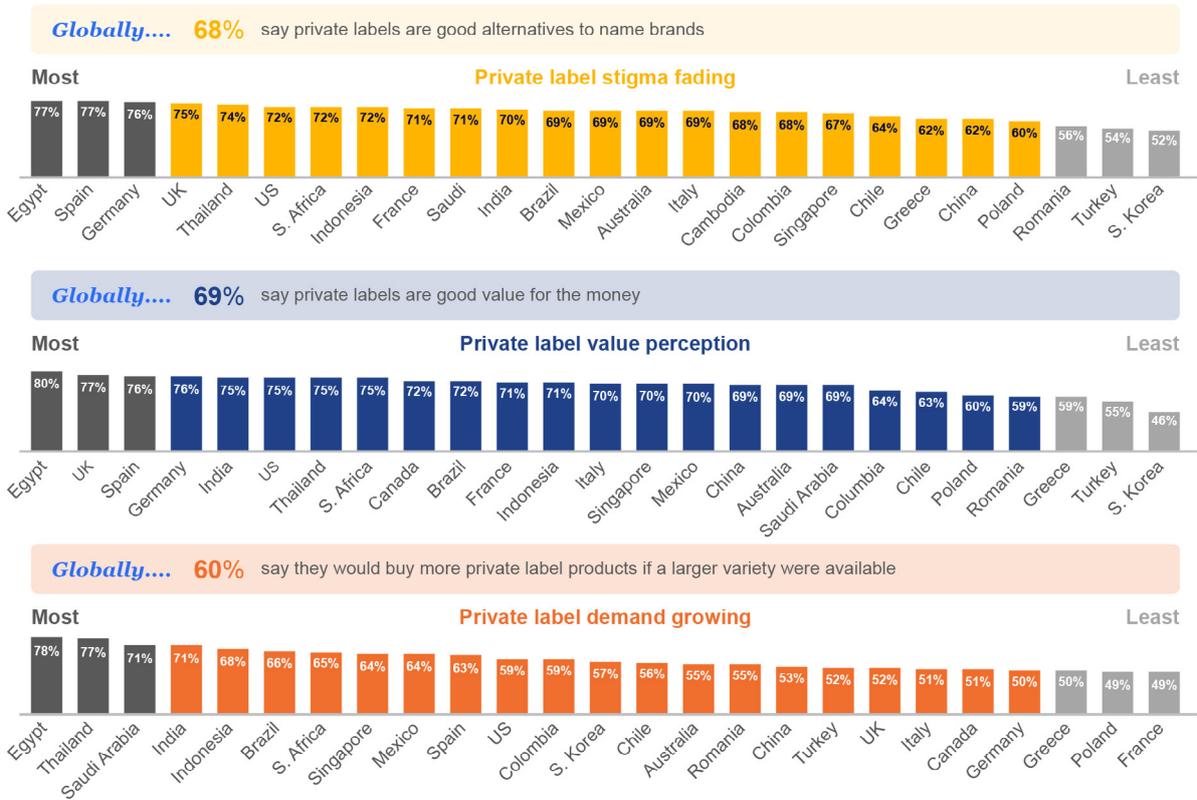


Source: NIQ 2025 Private Label & Branded Products report global survey

As can be seen in these strong global measures of consumer sentiment, the stigma around buying “store brands” is fading rapidly.

Private label products have closed the gap in consumer perceptions of quality and bolstered consumers’ view of their value proposition. In fact, to most surveyed respondents, private labels are both good value for the money (69%) and good alternatives to name brands (68%). There may even be room in retail for further private label expansion, with 60% of global consumers saying they would buy more private label products if a larger variety were available. In other words: **Demand is high—and ripe for further growth!**

## Regional nuances to how open consumers are to private label options



Source: NIQ 2025 Private Label & Branded Products report global survey

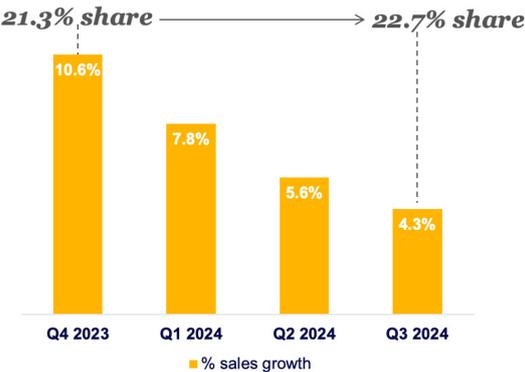
While this sentiment is overwhelmingly positive, there are some markets globally that are more open to private label options than others. For example, survey respondents in South Korea are least likely to see private labels as good alternatives to name brands, while Egyptian respondents are most likely to embrace and value them—and to demand a larger variety of them.

Looking at the rate of private label growth across the latest four quarters of data available, we see that while share of sales has risen by **1.4 points** globally, retailers will need to think differently to avoid deceleration of growth.

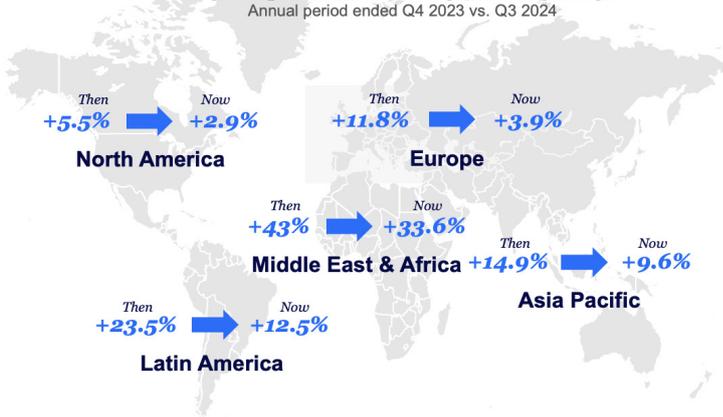
# Retailers must continuously innovate to maintain strong private label growth—globally and across regions

Though share of sales has risen by 1.4 points globally, retailers will need to think differently to avoid deceleration of growth.

Global private label sales % share and % growth vs. year ago



Regional private label sales % growth vs. year ago



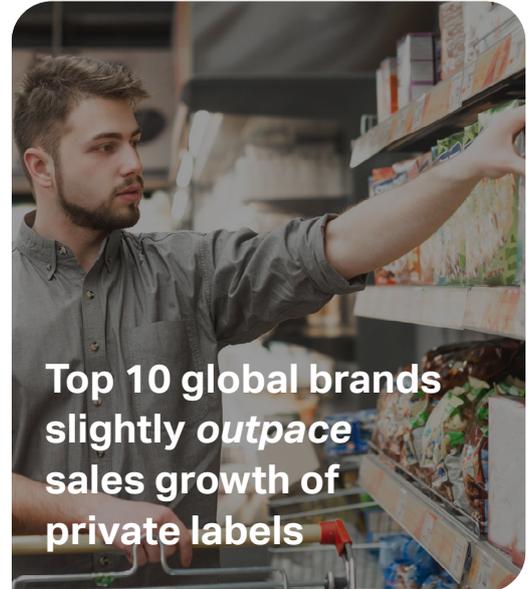
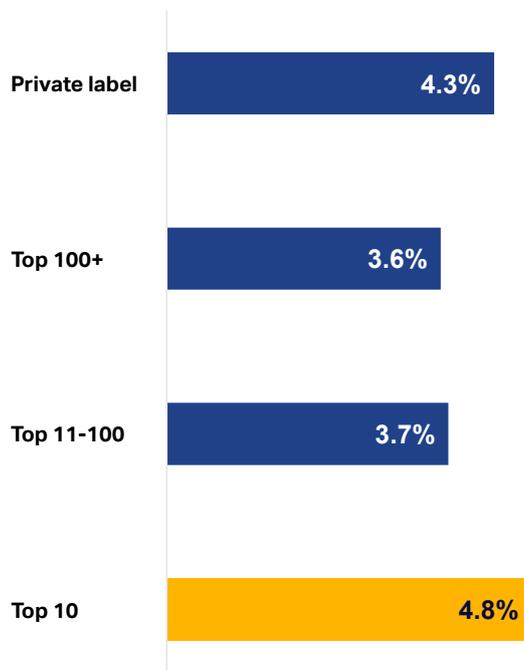
Source: NIQ Retail Measurement Services, Total private label sales, Growth calculated vs. year ago, Annual period ended Q3 2024 through annual period ended Q4 2023, Value % growth and value % share - via Quarter By Numbers Private Label report

In the latest period, we have seen signs of private label stabilization, where slowed growth is also being seen across all regions. In fact, as can be seen with Europe—areas that have the most mature private label market development historically—growth has slowed from nearly 12% in 2023 to **just under 4%** in 2024. While the year ahead could see performance turn in either direction, the overarching takeaway here is that **retailers must continue to pump the pedals of innovation to maintain and exceed consumers’ expectations.**

But growth belongs to more than one in this wildly diverse playing field. As consumers are beginning to come out of their inflationary spending mindsets, we’re seeing the top global brands regain sales momentum as well. In fact, the top 10 global brands are now outpacing private label sales growth vs. a year ago.

# The plot thickens: Top global brands regain sales momentum as well

Sales growth vs. year ago:  
Private label and top global brands



Source: NIQ Retail Measurement Services, Sales % growth vs. year ago, Annual period ended Q3 2024, via Quarter By Numbers Global summary report, figures exclude China

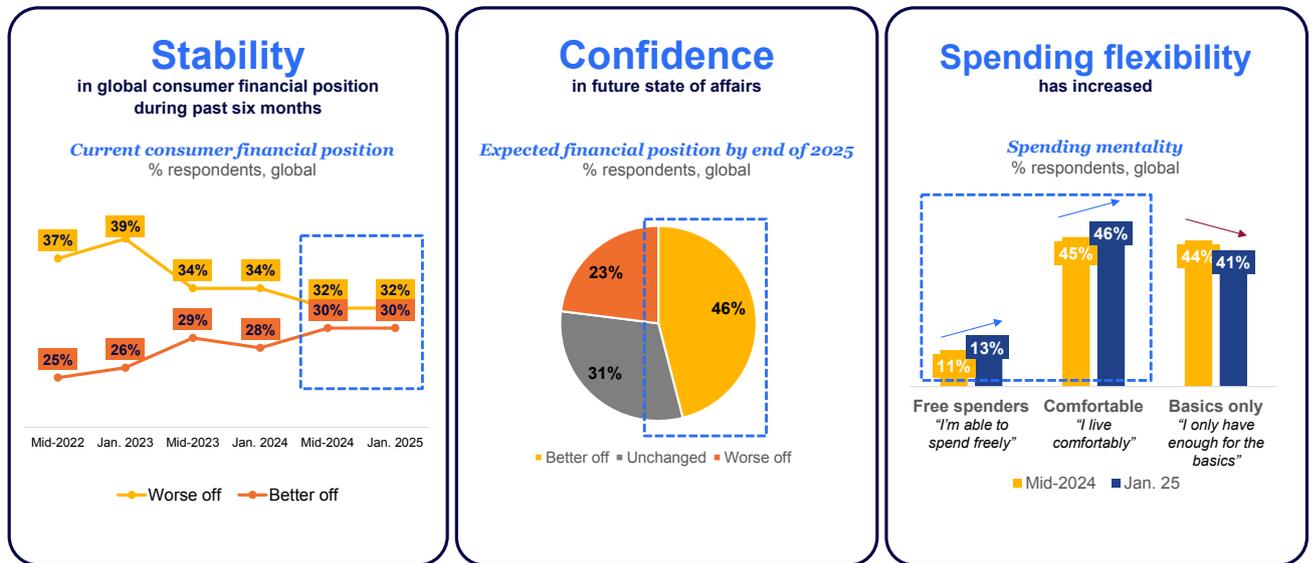
Evidence is starting to mount that in order for every player to win a little, the reins of control must shift in favor of collaboration. **No one will win a race to the bottom, so it becomes important for retailers and manufacturers to work together to grow and not further divide the size of the prize with consumers.** This starts with understanding the drivers of consumer behavior that are causing these brand performance shifts.



**What's behind these**  
*shifts in performance?*

**Let's explore key drivers of consumer behavior change >>>**

# Recent financial stability, confidence, and spending flexibility could be driving changing brand dynamics



Source: NIQ 2025 Private Label & Branded Products report global survey

The major factors behind these changing brand dynamics are a shift in consumer financial stability, consumers' confidence in the future, and feelings of increased spending flexibility. As we can see in the latest read of consumer sentiment globally, **shoppers increasingly feel like they have weathered the worst of inflation and are continually progressing from a guarded to intentional spending mindset.**

The last six months have seen stability in consumers' perception of their financial position (holding steady at **30%** feeling better off financially than a year ago). After a few years of ups and downs with this measure of sentiment, we see continued stability in optimism for the first time in recent years. This has driven **nearly 46%** of people to feel hope that they'll be in a better financial position by year's end—and an increase in both the percentage of people feeling "able to spend freely" (**up 2 points** from mid-2024) and those able to "live comfortably" (**up 1 point** from mid-2024).

Building on consumers' momentary sense of stability, we see here how that's translated into a strong willingness to splurge in certain spending areas.

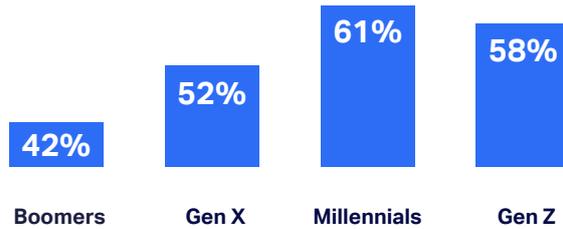
# Most and least influential factors to premiumization

Global consumer sentiment (% respondents)

When it comes to premiumization, some factors are more influential than others.

# 54%

of global consumers say they're likely to **treat themselves by upgrading to a premium brand product**



Source: NIQ 2025 Private Label & Branded Products report global survey

## More influential

<b>Loyalty</b>	<b>57%</b>	would pay more to purchase from a brand/retailer that <b>rewards my loyalty</b>
<b>Efficacy</b>	<b>56%</b>	would pay a premium on the option I believe is <b>the most safe/effective</b>
<b>Incentives</b>	<b>54%</b>	would pay more on a purchase to get <b>something else for free</b> (e.g., qualify for free shipping)

More than half of global consumers (**54%**) say they're likely to treat themselves by upgrading to a premium-brand product, with younger generations—Millennials (**61%**) and Gen Z (**58%**)—exceeding that average, and Gen X (**52%**) and Boomers (**42%**) being less likely to do so.

Not all factors are created equal, however, and we see which aspects of “splurging” are more meaningful to today’s consumers: Premium products that reward loyalty, products that are safe/effective, and those that offer additional incentives are most likely to help consumers justify a premium price.

## Less influential

<b>Immediacy</b>	<b>42%</b>	would pay a premium to receive something <b>sooner/ more immediately</b>
<b>Scarcity</b>	<b>41%</b>	would pay a premium to buy <b>something often “sold out”/hard to get</b>
<b>Novelty</b>	<b>36%</b>	would pay a premium to have something <b>when it first hits the market</b>

**Most consumers—particularly younger generations—are open to splurging on premium options.**

# Seize consumers' openness to trying "whichever" brand fits their needs.



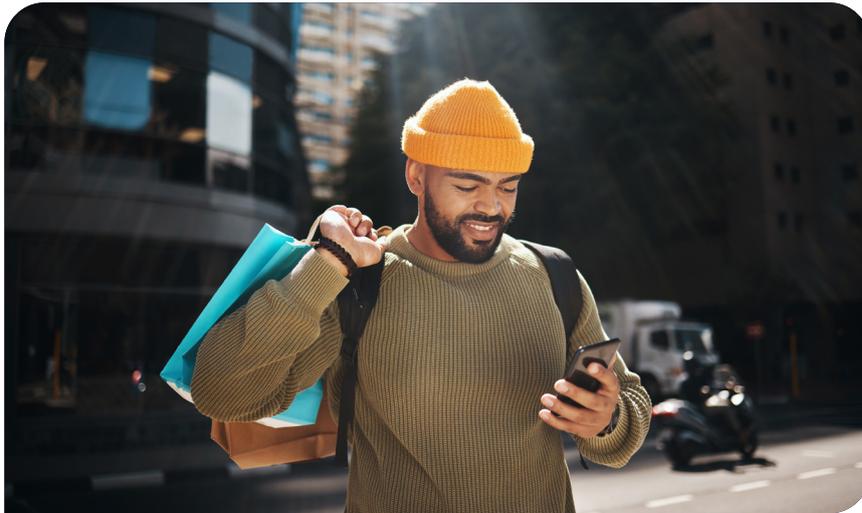
Source: NIQ 2025 Private Label & Branded Products report global survey

These stated shopper motivations start to paint a picture of a **more democratized brand playing field** than we've ever seen before—and highlight the opportunity that exists for all brands to be lifted by the same tide of collaboration.

In fact, more than half (**58%**) of respondents say they're buying more brands across more categories than ever before. Another **58%** of global respondents say that brand or store brand is irrelevant, as they simply buy what they feel they need. Finally, **65%** say that if they look hard enough, they can find a brand that fits their exact needs.

Putting all the pieces together, **people are needs-driven decision makers with broader consideration sets and are captively waiting for the right brands to capture their attention.** Every organization has the chance to seize this openness in consumer intentions.

It's been made clear that private labels have made impressive progress in capturing the eyes and wallets of consumers in recent years. At the same time, manufacturers have hit a stride with consumers beyond inflation highs, fostering deep connections beyond any one retail channel. Because growth could stabilize for any market players, **the keys to the future lie in unlocking total category and generational spending.** The most efficient and fruitful path to doing this is traveled together, with dual resources, symbiotic opportunities, and an eye to harmonious growth.



## From competition *to collaboration*

**Retailers** have tested, iterated, developed, and marketed **next-level private label brands** that are capturing the eyes and wallets of consumers.

At the same time, **manufacturers** have **hit a stride with consumers beyond inflation highs** and have fostered emotional connections that extend their brand influence beyond any singular retail channel.

*>>> Unlock total category and generational spending potential, together.*



It's easier to grow *with* than against your competition. **Collaboration between brand players (on both the retail and manufacturer sides) is key to growing and winning across every aisle, click, and product.**

The future belongs to those who find harmony on the shelf.



## 2

# Finding harmony on the shelf

### *Assessing symbiotic dynamics between private label and branded products*

Let's uncover and understand the opportunities that exist for both brands and private labels to benefit symbiotically and collaboratively in the quest to earn consumer spending.

Here, we take a deep, analytic assessment of four symbiotic dynamics that exist between private label and branded products. This will showcase how different organizations have opportunities to lean on one another to ignite future growth.

### In this chapter:

- Primary drivers of brand choice
- Symbiotic dynamics for private labels
- Symbiotic dynamics for branded products

Now that we have established that there's a unique opportunity for brands of all varieties to exist in harmony, it's essential to understand the overarching drivers of brand choice—or the value propositions that entice consumers to purchase. Our global study revealed what is most and least important to consumers when choosing a brand to buy. Perhaps not surprisingly, affordability reigns supreme, and broadly speaking, "functional reasons" hold the highest average importance among consumers—more so than either emotional or brand resonance factors.

## Today, consumer decisioning is driven most heavily by functional reasons

Globally, what is most important to consumers when choosing a brand to buy?

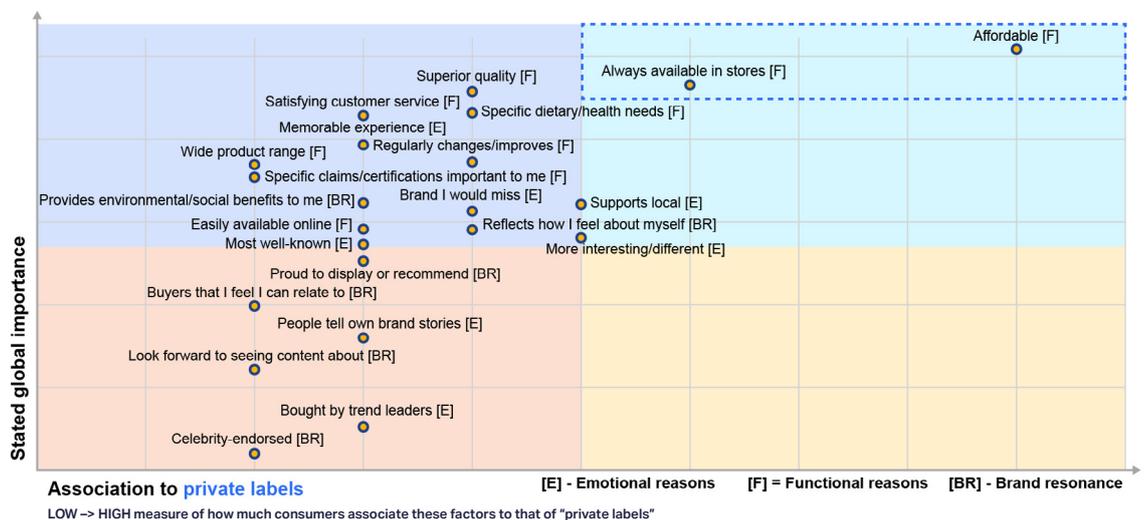


Source: NIQ 2025 Private Label & Branded Products report global survey

But this high-level view of consumer decisioning looks different when analyzed from the vantage point of specific expectations that consumers have for branded products and private labels, respectively.

### For private labels, above all else, consumers around the world expect value and availability

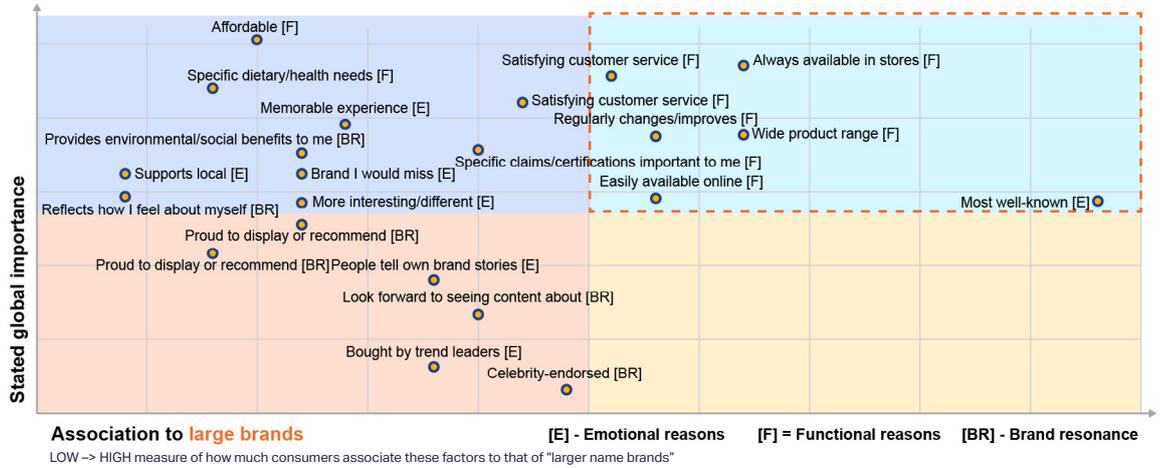
Future growth will favor those who leverage these strengths alongside what name brands are bringing to the table.



Source: NIQ 2025 Private Label & Branded Products report global survey

**But for name brands, consumers expect and prioritize factors beyond affordability alone**

Name brands should avoid direct competition with private labels and double down on unique motivators like notoriety, wide assortment, and omni availability.



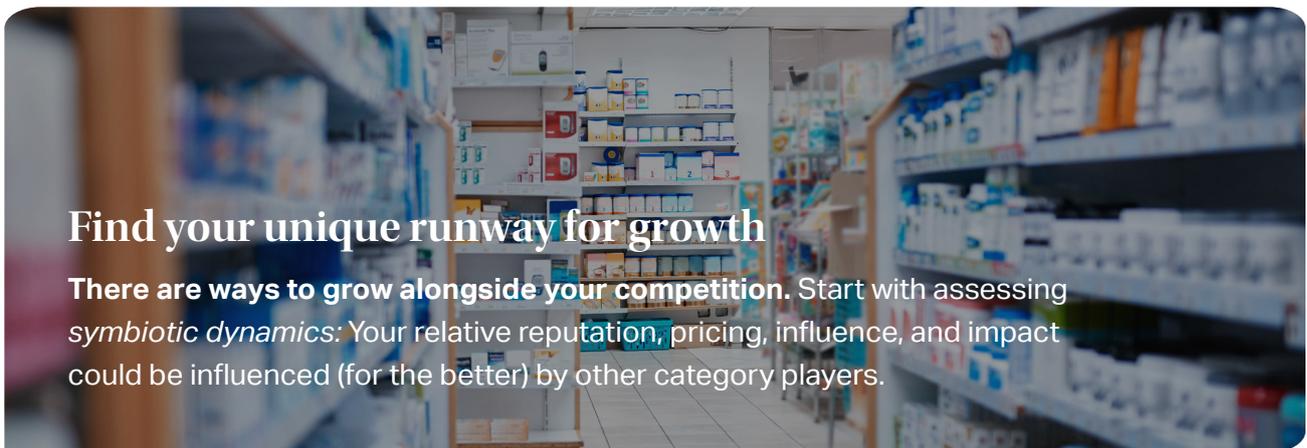
Source: NIQ 2025 Private Label & Branded Products report global survey

Specific to private labels, consumers most prominently expect products to be both “affordable” and “always available in stores” above all else. These are the highest attributes in terms of importance and level of association to that of buying private labels.

Name brands, on the other hand, have a few more levers to pull when it comes to the attributes consumers most heavily associate with purchasing branded products. In fact, affordability falls much further to the background here, where consumers expect other motivators like notoriety, wide assortment, and omni availability. Because of this, name brands should double down on these aspects of their value proposition to avoid competing on affordability alone.

With this understanding of the basic drivers of brand choice behind us, it becomes important to think critically about how products are intriguing consumers. **What if the traits that consumers are looking for in your competitors’ products could be used in your favor, to allow you to grow alongside them?**

Let’s discuss opportunities to use both one’s own strengths—as well as those of competitors—to your advantage. Finding your unique runway for growth lies in unlocking how your relative reputation, pricing, influence, and impact could be enhanced by your fellow category players.



# Symbiotic dynamics for private label and branded products



**Finding harmony**

You can struggle to survive alone—or strive to grow the overall size of prize.

Private labels *and* brands can lean on unique **symbiotic dynamics** to collaborate, rather than directly compete.

Here, we can see NIQ's latest global assessment of some of the prominent symbiotic dynamics that both private labels and branded products can lean on for mutual success. Finding harmony lies in unlocking factors such as the brand halo effect and price anchoring for private labels and, for branded products, seizing the potential for increased traffic and market expansion.

**You can struggle to survive alone—or strive to grow the overall size of prize—using these symbiotic dynamics to your advantage.**

## Private label growth guidance

SYMBIOTIC DYNAMIC 1

### *Brand halo effect*

Name-brand reputation can boost private label credibility by comparison.

**How it can help:**

Retailers can harness the credibility of well-known brands to boost the appeal of their own private labels. The perception that a store brand can match the quality or perception of a premium name brand builds consumer trust and drives sales.



**Action for retailers:**  
Find your halo to harness growth

Let's start by assessing the first of four identified symbiotic dynamics that organizations can lean on for mutual success. This one pertains to private labels and guidance they can use to drive future growth.

There's so much focus on competition in [retail](#), but proximity to similar products can provide a positive influence as well.

**The brand halo effect** occurs when well-known brands can actually boost the appeal of comparative products, such as private labels. The perception that a store brand can match the quality or perception of a premium name brand builds consumer trust and can help drive sales.

There are store brands from across the world already using this concept to their advantage. From retailer skincare “dupes” to award-winning store-branded alcohol and more, private labels can benefit from harnessing a known brand halo to drive interest in their product line. And for those who have already started down this path, it's paying off for many retailers to invest in efforts that lead consumers to draw their own comparative conclusions and associations between quality private label offerings and popular name brands.

## Brands hold a commanding presence with factors like pride, superiority, and notoriety, but private labels have continued to invest in bridging these gaps

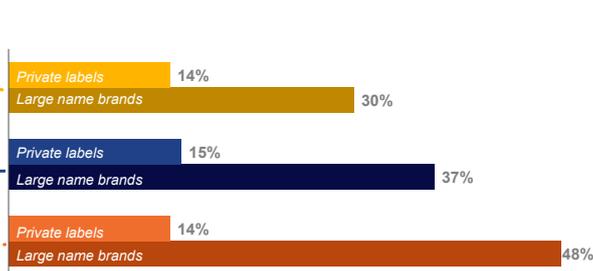
### Importance of brand attribute

% global respondents, “Very + Somewhat important”



### Association to private labels or name brands

% global respondents, consumers' association of attributes to certain brand types



Source: NIQ 2025 Private Label & Branded Products report global survey

#### Action for retailers:

Find your halo to harness growth

The reality remains that name brands have a much stronger mind share with consumers when it comes to pride of brand ownership, expectations of superior quality, and notoriety compared with private labels.

This doesn't need to be a bad thing for private labels, however—especially those that can identify and rally around the right brands to elevate their comparative appeal in these respects.

**By aligning to the right brand halo, private labels have an opportunity to benefit and ride the residual wave of these name-brand strengths by offering a product that rivals the sought-after qualities of popular name brands.**

## Private label growth guidance

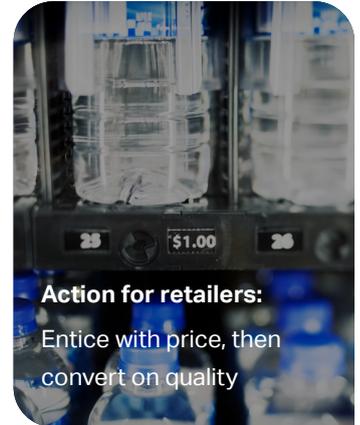
SYMBIOTIC DYNAMIC 2

### *Price anchoring*

Name-brand pricing sets a benchmark for private label value perception.

#### How it can help:

Name-brand pricing often sets the bar for consumer decisioning. And when these known—and often premium—brands are priced higher, retail-owned private labels are often seen as value-driven alternatives. Pricing contrasts can amplify the appeal of private labels and entice consumer choice.



Another dynamic that private labels should lean on for growth is their unique ability to **exist as a price anchor to name-brand products**.

Retail-owned private labels can be amplified by pricing contrasts. A price gap can often inspire a consumer to make a value-driven choice to try something new or comparable. If the product can meet enough of the consumers' expectations for quality, that new product trial could be converted into a regular purchase routine.

To help put some perspective on the sizable pricing power that many private labels continue to hold, we can turn to the latest global retail measures powered by NIQ.



**Globally, across CPG categories ...**

**Branded products are sold at**

**26%**

**higher average price than private label products.**

Source: NIQ, Global Strategic Planner, Total CPG across global scope of 54 markets, Directional read of % difference in Avg. Unit Price of Branded Products aggregate vs. Private Label aggregate, Latest 52 weeks ended Dec. 29, 2024, Reflected in US dollars

As a high-level benchmark across CPG categories around the world, we can see here that **branded products are often sold at a 26% premium compared with private label products** (i.e., an average unit price differential of 26% between branded and private label products).

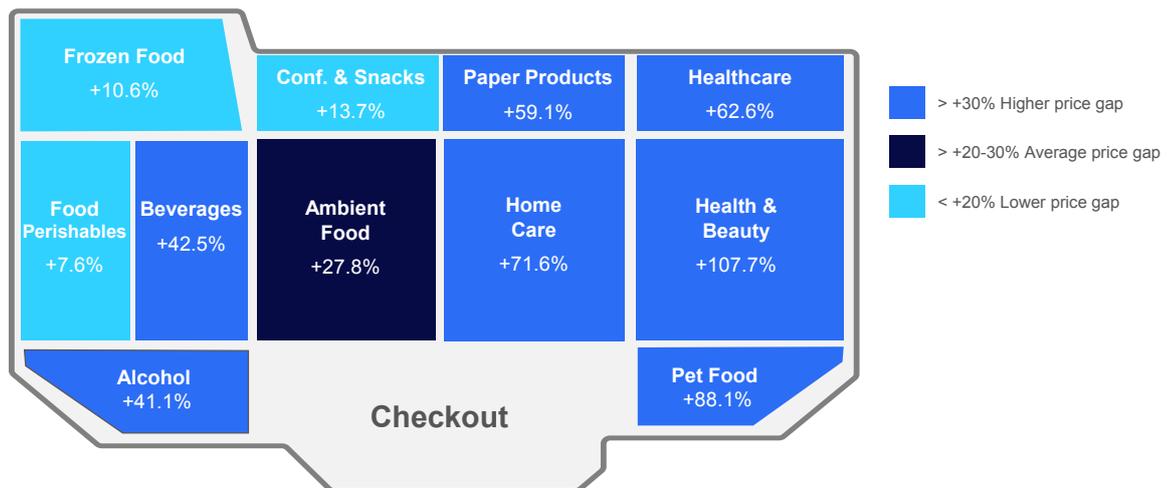
But this price gap can vary drastically depending upon the product at hand; **not all departments are created equal**. This nuance drives greater opportunities for some products than others when it comes to taking advantage of "price anchoring."

# Mind the gap: Some brand swaps save consumers much more than others

The price differential between private label and branded products varies across categories.

## Branded product price differential by department: Global

Directional read of topline average unit price of branded vs. private label CPG products

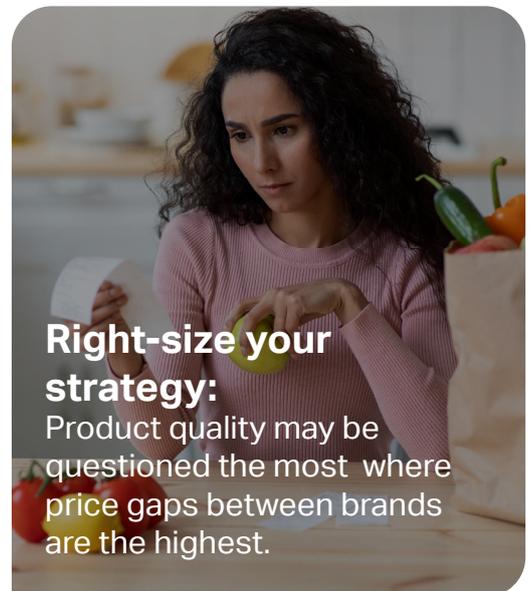


Source: NIQ, Global Strategic Planner, Total CPG and departments across global scope of 54 markets, Directional read of % difference in Avg. Unit Price of Branded Products aggregate vs. Private Label aggregate, Latest 52 weeks ended Dec. 29, 2024, Reflected in US dollars

In fact, as can be seen in this total store map of average prices, price gaps are the highest in categories like Health & Beauty (+107.7%) and Pet Food (+88.1%), where private labels are sold for significantly less compared with name brands. As a result, product quality may be questioned by consumers the most in these instances.

From winning taste tests (which assured of product quality) to identifying prominent figures to endorse or even award store-branded options for their quality, there are many ways in which retailers are not only existing at a lower price but owning that position without sacrificing on prestige, rapport, or reputation with consumers.

**Private label products that can strategically leverage pricing contrasts and justify any product compromises that may accompany a lower price stand the best chance of converting new consumers in the year ahead.**



## Branded products growth guidance

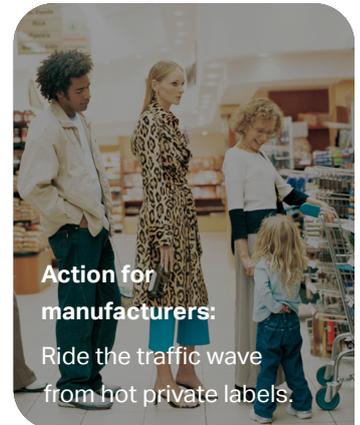
SYMBIOTIC DYNAMIC 1

### *Increased traffic*

Popular private labels drive overall retailer traffic that can benefit name brands.

#### How it can help:

The popularity of a retailer's in-demand private label products increases shopper traffic, often leading to additional premium or branded item purchases. Securing strategic placements around private label buzz can boost the visibility and sales of name brands.



**Action for manufacturers:**

Ride the traffic wave from hot private labels.

On the other side of the brand equation, name brands can derive symbiotic growth from popular private labels.

In this case, we dissect the potential and power that private labels have for driving increased shopping traffic with consumers. **If people are flocking to stores that offer popular private labels, money saved on some things could make room in their basket to include more name brands for other products.**

Trust is a key component of store choice for shoppers, and that reputation extends to the products it carries. Nearly two-thirds (**60%**) of global consumers say they trust store brands, as they are endorsed by the retailer—a sentiment that holds true across all generations. This reinforces the idea that a retailer's reputation can bring opportunity to potentially all the products it carries.

Driving this point home, we can see here just how influential top retailers can be to brands of all varieties.

### UK retailers that drove the most growth for private labels also grew branded products



Source: NIQ Consumer Panel, UK CPG/FMCG, Value sales change vs. year ago, Latest year ended Dec. 28, 2024

In fact, NIQ-measured sales across top retailers in the UK showed benefit to both private label and branded products. Three UK retailers drove **over 70%** of private label growth in 2024—but those same three retailers also contributed to **over 86%** of CPG branded growth. This is where it becomes important to understand where consumers are seeking different brands—and how to optimize your collaboration with key retailers.

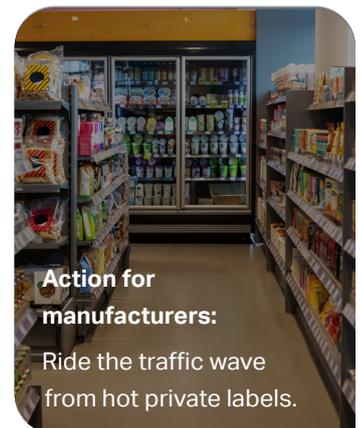
Building upon this, consumers say they seek out different brands via different retail channels. This reinforces the importance of acknowledging one’s channel strengths today—and prioritizing collaboration in different ways to diversify for future growth.

## Playing the field: Branded products benefit from being largely “retailer-agnostic”

Collaborate in channels where private labels are hotly sought after **and** find growth independently via other channels.

### Rank of consumer channel preferences by brand type

% global respondents



Source: NIQ 2025 Private Label & Branded Products report global survey

In the case of branded products, we see just how diversified their success can be. Unlike private labels, which are squarely associated with the store through which they're owned, branded products benefit from being largely "retailer-agnostic." So, beyond just supermarkets or grocery stores, consumers feel branded products can be sought in a variety of ways.

For instance, mass merchandise stores tend to be the top-of-mind shopping destination for name-brand-seeking consumers these days.

Manufacturers seeking to find symbiotic growth aligned to private labels should think differently about how they invest in "private label-focused channels" like supermarkets and discount retail. There may be opportunities to innovate how to ride the traffic wave from hot private label offerings in these channels while still owning and growing share of sales via other channels as well.

## Branded products growth guidance

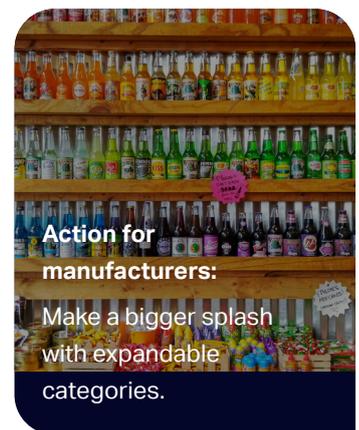
SYMBIOTIC DYNAMIC 2

### *Market expansion*

Private labels can empower entire categories, propelling name-brand opportunities forward.

#### How it can help:

Popular private labels can evolve overall category perceptions, boosting acceptance of high-quality products or even increasing adoption and usage among consumers. This market expansion can benefit both the retailer and name brands operating in the same category.



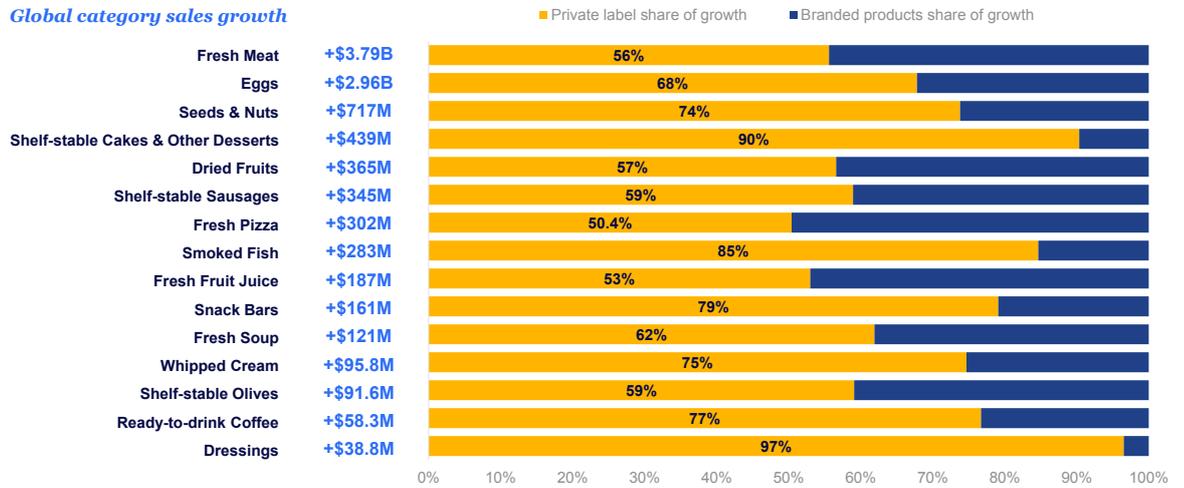
Another opportunity for name brands to share success with private labels lies in the concept of market expansion within categories. The adage "A rising tide lifts all boats" applies here: **Private labels that initially may have been purchased for budgetary reasons can evolve overall category perceptions, boosting acceptance of name brands in the space as well.**

[NIQ retail measurement](#) allows us to take a closer look at category sales growth across a global scope of markets. Here, we can see specific product instances in which private labels have driven a majority share of recent sales growth. In these instances, private labels are not only driving strong product performance; they also have actually lifted the entire category they operate in by a significant amount year over year.

## Top categories that have been globally “expanded” by private labels

Private labels here have driven over half of year-over-year sales growth

### Global category sales growth



Source: NIQ, Global Strategic Planner, Category performance across a global scope of 54 markets, Abs. Value Growth and share respective to Private Label aggregate and Branded Products aggregate, Latest 52 weeks ended Dec. 29, 2024, vs. year ago, Reflected in US dollars

**Brands that hope to expand their market presence in the year ahead should pay close attention to where private labels are already incrementally growing parts of the store.**

There may be hidden symbiotic growth opportunities that could be seized by doubling down on the right mix of higher-growth-potential bets.

The background is split into two colors: a bright blue on the right and a warm orange on the left. On the orange side, there is an open orange jar of cream with a dollop of white cream on top, and a tube of orange cream. On the blue side, there is a white rounded rectangle containing the number '3' and the chapter title. Below the title is a blue rounded rectangle containing the chapter's main text and a list of key challenges.

### 3

## From competition to collaboration

### ***Assessing competitive dynamics between private label and branded products***

*What are the potential challenges and risks that companies need to heed?*

*There are inherent strengths that both brands and private labels hold in the marketplace. This chapter assesses these dynamics from both a retailer and manufacturer point of view.*

### **In this chapter:**

- Key challenges posed by private labels
- Key challenges posed by branded products

While opportunities for harmony on the shelf may be more prevalent now than at any other time, there will always be some unavoidable competitive dynamics for private label and branded products to keep in mind when trying to find growth. Let's review some of them.

## Three key challenges private labels pose for manufacturers

### *Price undercutting*

- *The challenge:* Private labels offering comparable quality at lower prices
- *The risk:* Losing cost-sensitive consumers driven by price alone



### *Shelf space competition*

- *The challenge:* Retailers that may prioritize placements of their own private label products
- *The risk:* Losing priority shelf space



### *Perceptions of parity*

- *The challenge:* Consumers' belief in the equivalent quality of private labels vs. others
- *The risk:* Losing pricing power and potential erosion of brand equity



Here, we've identified some ways in which name-brand manufacturers may be challenged by private labels.

These inherent strengths of retail-owned brands will continue to challenge the way name-brand products become accessible—and appeal—to consumers. These challenges, which we'll review next, include price undercutting, shelf space competition, and perceptions of parity.

# Price undercutting: Private label price advantage continues to hold weight with consumers

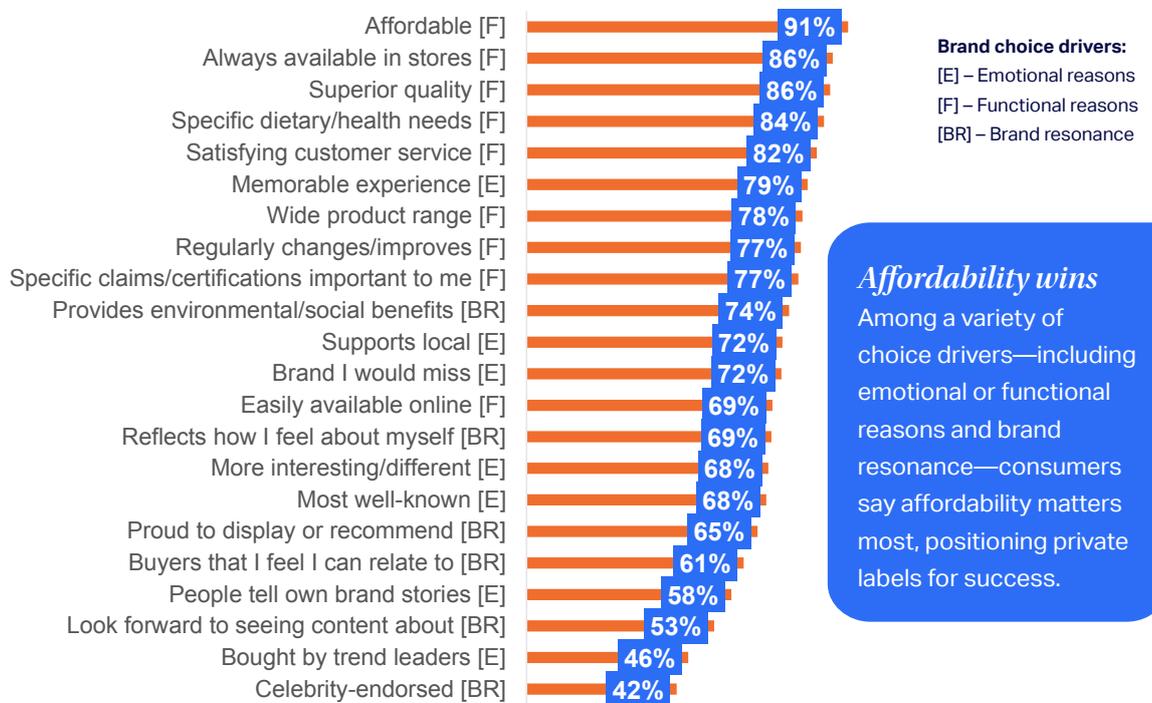
## Price undercutting

- **The challenge:** Private labels offering comparable quality at lower prices
- **The risk:** Losing cost-sensitive consumers driven by price alone



## Drivers of brand choice: Global average

% respondents, stated importance



### Affordability wins

Among a variety of choice drivers—including emotional or functional reasons and brand resonance—consumers say affordability matters most, positioning private labels for success.

Source: NIQ 2025 Private Label & Branded Products report global survey

There are always going to be shoppers who simply shop for the most affordable product. In these instances, the private label price advantage will continue to hold weight with consumers.

**As private labels continue to close the product quality gap, brand names risk losing cost-sensitive consumers on the basis of price alone.** The data confirms the harsh reality that affordability ranks as the most important driver of brand choice today, with a stated importance score of **91%** across global respondents. However, it's worth noting that **branded products can seek to outperform on a variety of other top-ranking choice drivers** (such as availability, alignment to specific health needs, and memorable experiences) **to help overcome the affordability gap.**

# Shelf space competition: Partner today, or risk a retailer-owned tomorrow

## Shelf space competition

- **The challenge:** Retailers that may prioritize placements of their own private label products
- **The risk:** Losing priority shelf space



**45%**

of global consumers say that some of their favorite **name brands no longer seem to be available when searched for**

### Retailers hold the keys to shelf space

Brands will need to work harder to collaborate and protect their priority shelf placements and distribution with retailers (both in-store and online).

Source: NIQ 2025 Private Label & Branded Products report global survey

Another challenge for name brands comes in the form of shelf space competition—both online and in-store. This is confirmed through the voice of consumers, where **45%** of global consumers said that some of their favorite **name brands no longer seem to be available when they look for them.**

From supply chain challenges to retailers who may simply prioritize placements of their own private labels in store, **name brands will need to work harder to collaborate with retailers to protect their shelf placements and find mutually beneficial distribution strategies.**

In our last of three key challenges branded products face today, we turn to the hot topic of quality concerns.

# Perceptions of parity: Majority of consumers are feeling good about the quality of private labels

## Perceptions of parity

- *The challenge:* Consumers' belief in the equivalent quality of private labels vs. others
- *The risk:* Losing pricing power and potential erosion of brand equity



**52%** of global consumers say they would switch to a cheaper medicinal alternative (biosimilar/equal quality)

**51%** of global consumers say that private labels are higher or equal quality than name brands

**39%** of global consumers say they would pay the same or more for a private label product than a name brand

**Quality concerns are being minimized**  
Private labels around the world have done well to assure most consumers of the quality they bring to consumers. In fact, more than half of global respondents believe they are as good as name brands.

Source: NIQ 2025 Private Label & Branded Products report global survey

While some categories are less sensitive than others, the simple fact is that overall, private labels have addressed many concerns about efficacy—and consumers are feeling good about the quality of most private label products today.

In fact, more than half (**51%**) of respondents say that private labels are *higher or equal* in quality to name brands. The watch-out here? Name brands can no longer rest on “winning with quality alone.” In fact, the playing field is leveling here. **Future growth will favor those with a multipronged value proposition for consumers.**

## Three key challenges *branded products* pose for retailers

### *Brand loyalty*

- *The challenge:* Strong loyalty to brand (quality, reliability, prestige, etc.) may be hard to overcome
- *The risk:* Limited conversion of brand-loyal buyers



### *Category dominance*

- *The challenge:* Extensive marketing and broader cross-channel distribution reinforces top-of-mind position for brands as category leaders
- *The risk:* Limited room to establish an independent—and leading—private label identity



### *Nostalgia and trust*

- *The challenge:* Brands that benefit from years (or even decades) of building trust, recognition, and emotional connections with consumers
- *The risk:* Limited cultural influence and legacy for storytelling, slowing trust development and long-term growth



On the flip side, **private labels have a number of hurdles to overcome with respect to name brands**. In these instances, branded products have continued to demonstrate their worth to consumers and typically have a longer legacy of nostalgic or recognizable messaging and brand equity to lean on.

The three key challenges we outline here include brand loyalty, category dominance, and nostalgia and trust.

While the momentum of private label growth and expansion from recent years can't be ignored, there remains a strong contingent of brand-loyal buyers who will be difficult for private labels to convert.

# Brand loyalty: Despite openness to private labels, younger consumers still have name-brand loyalty

## Brand loyalty

- *The challenge:* Strong loyalty to brand (quality, reliability, prestige, etc.) may be hard to overcome
- *The risk:* Limited conversion of brand-loyal buyers

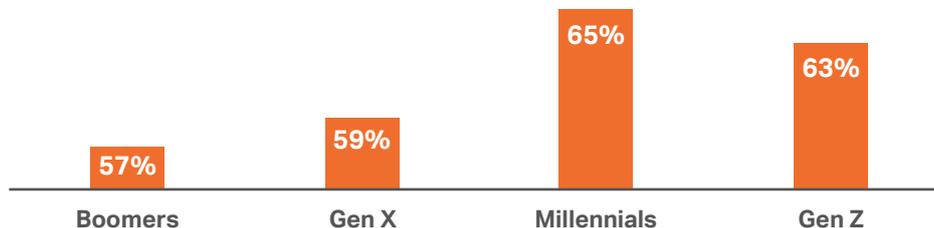


61%

of global consumers say they **always buy the same name brands** they know and trust

### Younger consumers have a routine with name brands they're loyal to

Despite their reputation for being open to private labels, younger generations can be particular and steadfast in their choice of name brands they choose to purchase.



Source: NIQ 2025 Private Label & Branded Products report global survey

Nearly two-thirds (**61%**) of global respondents said they always buy the same name brands they know and trust. Perhaps even more surprising: Younger generations show more dedication to the name brands that they already purchase, despite their reputation for being open to purchasing private labels.

This reinforces that **manufacturers hold a formidable share of mind**, even with younger consumers, and that **there are instances in the consumer purchase routine where name brands remain the preferred options of choice**.

# Category dominance: In many regions (Asia in particular), name-brand costs are “worth it” to consumers

## Category dominance

- **The challenge:** Extensive marketing and broader cross-channel distribution reinforces top-of-mind position for brands as category leaders
- **The risk:** Limited room to establish an independent—and leading—private label identity



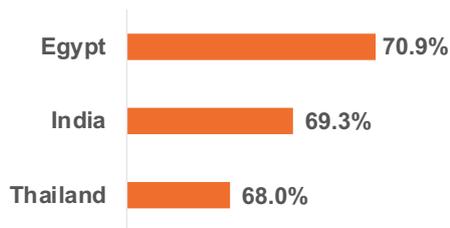
47%

of global consumers say that **name brands are worth the extra price**

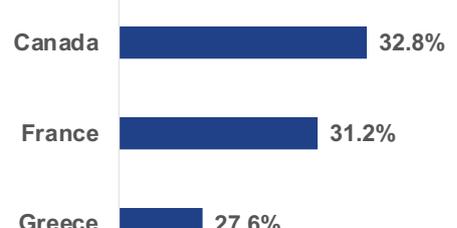
### Asian markets most willing to pay for brands

For many consumers, name brands maintain their worth and category leadership. Especially for consumers in Asia, branded products are often considered “worth” the extra price.

#### Top markets: % respondents “Name brands are worth the extra price”



#### Bottom markets: % respondents “Name brands are worth the extra price”



Source: NIQ 2025 Private Label & Branded Products report global survey

Category dominance is another inherent strength in the branded products arsenal and will continue to challenge private label expansion efforts.

Years of marketing and broader cross-channel distribution have positioned name-brand products as category leaders—especially in Asian markets, where consumers are most likely to feel that name brands are worth the extra price. **The challenge for private labels will be to find ways to differentiate from the leading positions many branded products hold in the eyes of consumers—and to develop a unique and enticing identity of their own.**

# Nostalgia and trust: Name brands have deep emotional connections among consumers

## Nostalgia and trust

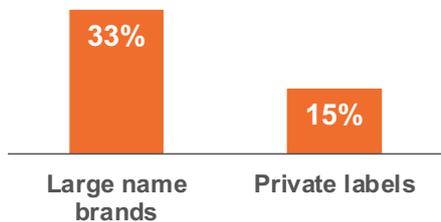
- *The challenge:* Brands that benefit from years (or even decades) of building trust, recognition, and emotional connections with consumers
- *The risk:* Limited cultural influence and legacy for storytelling, slowing trust development and long-term growth



### Association to brand type:

Emotional drivers of brand choice	Large name brands	Private labels
Memorable experiences with brand	31%	14%
Most well-known brand in its category	48%	14%
One that would be missed if not used anymore	30%	15%
People tell their own stories about liking this brand	33%	14%
More interesting or different than other brands	30%	16%

### Emotional drivers: Global average % respondents, association to brand type



## 2X emotional connection

Name brands still own the space of “emotional connection” to consumers. In fact, people are nearly twice as likely to associate emotional factors to large name brands compared with private labels.

Source: NIQ 2025 Private Label & Branded Products report global survey

The final key challenge we will review relates to the concepts of nostalgia and trust.

When asked about emotional drivers of brand choice, it’s interesting to see how branded products hold a commandingly higher share of mind with consumers. In fact, across all factors related to “emotional connection,” consumers were **nearly 2X** as likely to associate these factors to large name-brand products, compared with private labels. This underscores the relative infancy of private label developments with brand equity to date.

**The trust, recognition, and emotional connections that have been built by name brands will remain a tough hill for private labels to climb.**



# 4

## The road to mutual success

### *Specific opportunities for retailers and manufacturers to drive collaboration and growth*

It's time to review strategic guidelines and opportunities we've identified for the future.

Companies need to maximize their reach across all the various channels through which consumers are seeking to buy products.

This is where the rising world of retail media networks (RMNs) shines as a prime playground for collaborative, co-branded engagements with consumers. That and other strategic pillars are summarized in our "So what? Now what?" key takeaways.

### In this chapter:

- The rising realm of retail media
- Strategic guidelines for retailers
- Strategic guidelines for manufacturers

Now that we've reviewed the global state of private label and brand dynamics, the ways different parties can work together symbiotically, and the key challenges posed by private label and branded products' strengths, we close with a view into what the road to mutual success could look like.

Let's outline some specific opportunities for both retailers and manufacturers to consider for future growth.

We've covered a lot of ground on the unique dynamics in play in CPG right now, but the overarching message is that **today's omnichannel consumers are eager to find the products they seek wherever they shop**. Consumers are captive audiences right now and are waiting to find the right mix of brands across the many channels they frequent.

### **Consumers are ready for the right brands (including private labels) to find them across the many channels they frequent ...**



As can be seen in the data, consumers are shopping more fluidly than ever: **59%** say they maintain different shopping lists for different outlets, and another **54%** are likely to repurchase a new brand they tried because of a retailer's substitute for their first choice.

[The omnichannel universe has expanded into so many tangents of opportunity](#), and consumers are learning about, interacting with, and shopping for products in many physical and digital ways all at once. **Being present across these multiplying platforms is essential to maximizing your consumers' spending potential.** The key for retailers and manufacturers to address that need is to meet them with the right message, in the right outlet, with the right offering, at the right time.

With that in mind, we encounter what might be a perfect (and powerfully rising) platform to enable such [omnichannel collaboration and interaction](#) with consumers: retail media.

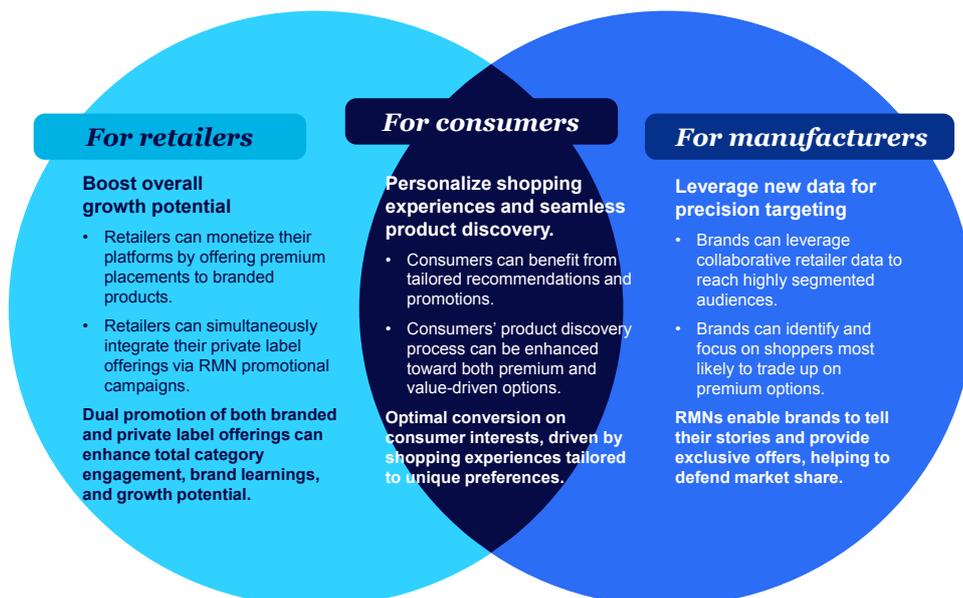


If you haven't already heard of them, [retail media networks](#), or RMNs, are advertising platforms that operate within an e-commerce environment. They provide brands with opportunities to showcase their products to highly targeted audiences—directly on the platforms where consumers make their purchasing decisions. In a time when collaboration between private labels and brands is so essential to growth, those that can harness their presence on RMNs stand to gain the most.

**The path to finding harmony in CPG could very well include these growing platforms, which stand to drive incremental revenue for all parties involved.**

The world is already watching investments in this space grow. In fact, RMNs are estimated to amass over \$1.3T in enterprise value in America by 2026, [according to McKinsey](#). The transformational power and potential seem too tempting to ignore. For instance, RMNs can amplify overall growth potential for retailers, enable new data for precision targeting for manufacturers, and personalize shopping experiences for consumers.

## The transformational power and potential of retail media

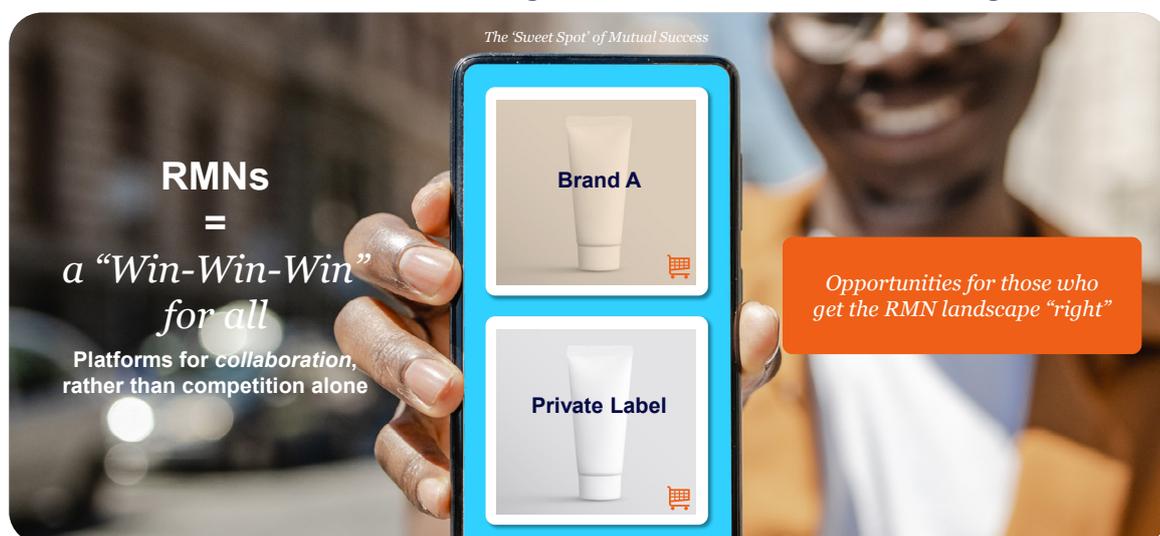


As retail media investments reach record levels, **retailers and brands will need to focus on not only competitive, but also collaborative shopping experiences.** This approach will elevate overall categories and drive incremental revenue for all parties.

CPG brands that leverage RMNs can amplify their advantages in a few ways. For example:

- Retailers can choose the mix of private label and branded ads that work for them, while also benefiting from the ability to generate higher ad revenue. Strategic ad placements and personalization can boost total category sales and consumer loyalty.
- Brands can use RMNs to strengthen their premium position, access better data for shopper personalization, and better coexist with private labels for category growth without direct competition.
- Private labels that partner with name brands on strategic RMN co-promotions can piggyback on brand credibility and gain access to their shopper segments with minimal marketing spend.

## Opportunities for those who get the RMN landscape “right”



### For retailers

#### Maximize ad revenue and category sales

- Higher ad revenue from both name brands and private labels
- Higher total category sales enabled by strategic ad placements
- Heightened consumer loyalty driven by relevant, personalized ad

### For brands

#### Precision targeting and enhanced positioning

- Storytelling and better RMN ad placements to strengthen premium positioning
- Access to new data for targeting consumers granularly
- Foster coexistence with private labels for category growth—without direct competition

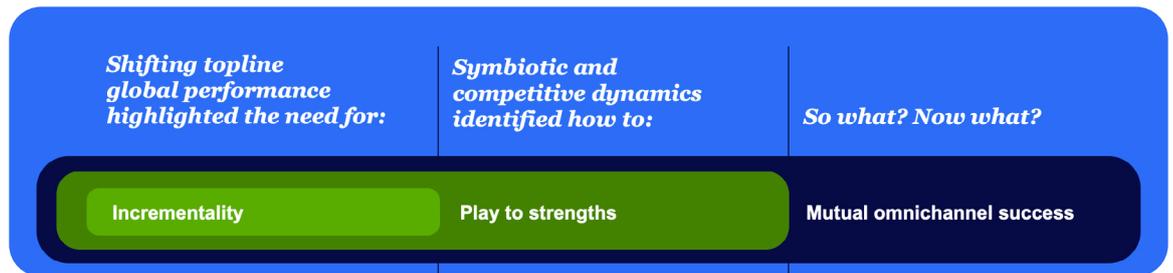
### For private labels

#### Recognition and rapport among consumers

- Heightened discoverability and credibility fostered by (brand-funded) RMN co-promotions
- Enhanced path to targeting value-driven shoppers with minimal marketing spend
- Exposure to the same set of shopper segments being actively engaged by name brands

When brands work in harmony, RMNs provide a true win-win-win scenario for everyone involved.

## It's time to embrace *collaboration over competition*



As we bring our global analysis of private label and branded products to a close, we're reminded of a few key findings and needed action items:

- 1. Incrementality is essential:** As we saw from shifting topline performance, branded products need to maintain recent growth momentum, while private labels will need to avoid signs of growth stagnancy. In both cases, what's worked in the recent past will not last forever. Collaboration in new and incremental ways will enable growth of the overall size of prize with consumers.
- 2. Play to one's strengths:** As we reviewed in the many symbiotic and competitive dynamics that exist between private labels and brands, there are very specific tools in each category's arsenal that can be deployed to drive mutually beneficial differentiation and sales opportunities with consumers.
- 3. Mutual omnichannel success:** Lastly, we were reminded of the [very diverse omni universe](#) that consumers are navigating to find their products of choice. It's clear that collaboration across channels, aided by rising opportunities with RMNs, can amplify storytelling and customer experiences in ways that boost overall engagement and growth with consumers.

In short, it's time to embrace collaboration over competition. We've created some guidelines specific to both retailers and manufacturers to highlight what matters most—and what to do next. Think of it, in short, as the "So what? Now what?"

## Strengthen consumer traffic through co-promotion and limit cannibalization across your retailer portfolio.



## Opportunities for retailers

**Key takeaways to ensure all brands you carry can thrive together**

*So what? Now what?*

When it comes to the opportunities that lie ahead for retailers, **ensure that *all* the brands you carry work symbiotically to grow category opportunities together.** Keep these three primary goals in mind:

- 1. Strengthen overall category traffic above all else.** This means ensuring prominent placement of *both* name-brand and private label options so that consumers can see and feel their needs being met through your retail offerings. This maximizes category traffic and total growth potential.
- 2. Avoid cannibalization.** There’s nothing worse than writing yourself out of an opportunity. The goal should be to convert on as many consumer needs as possible with your portfolio, which may require positioning private label products as “smart alternatives” rather than direct substitutes. If consumers choose to buy two options, let them! Enable name brands *and* private labels to meet a plethora of consumer demands within any given category.
- 3. Develop co-promotion programs.** Find every opportunity you can to incentivize “total category buying.” Perhaps that takes the form of a name-brand purchase that provides a discount or incentive to a private label, or vice versa. Be collaborative in your pursuit to promote categorical growth.

## Maintain premium appeal, innovate with co-branded marketing, and fully leverage retailer partnerships.



## Opportunities for manufacturers

Key takeaways to protect and grow market share.

*So what? Now what?*

Meanwhile, here are the opportunities that manufacturers must seize. First and foremost, **protect and grow your market share as a brand**. Here's how to achieve it:

- 1. Justify your worth to consumers.** There's very little to gain in a "race to the bottom" on price. As we reviewed in this analysis, it's imperative to be clear and confident in your creation of a unique value proposition that stands independently and can be justified in worth/price point from private label options.
- 2. Work with your retailers' interest in mind.** As previously noted, it's imperative to be a true partner in the co-creation of shopper journeys. Infuse your brand into cross-promotions that private labels alone couldn't replicate. This will build upon strong brand equity while also boosting overall category sales potential.
- 3. Be innovative with trade incentives.** Think differently about how you offer incentives for co-branded marketing efforts, shelf positioning, and more. Try to create a cohesive narrative with your retail partners—one that will resonate with consumers beyond what any one brand or product could represent (e.g., "prestige at every price point" or "for the moments that matter most").

# Reveal your brand's *Next*— with *The Full View* from NIQ

It's become a wild world for private labels and brands to navigate. Consumer spending, socioeconomic instability, and rising costs of goods are just a few of many factors shifting the bedrock of how products find their way into the hands of consumers. There's never been a better time for organizations to rally together to find ways to grow the overall size of prize with consumers. Instead of struggling alone to survive, work collectively to find harmony on—and beyond—the shelf.

**We're strengthening brand engagement through *market-tested consumer insights*.**

>>> [Learn more](#) about NIQ BASES Innovation Testing

**We're uncovering a world of market performance shifts in store and online.**

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**We're strengthening brand engagement through *market-tested consumer insights*.**

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**We're uncovering a world of market performance shifts in store and online.**

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Here at NIQ, we are already beginning this great journey with the CPG industry, helping to reveal what's next for brands all around the world.

From strengthening brand engagement through market-tested consumer insights and helping brands optimize performance across RMNs to uncovering global market performance shifts and providing brand-specific line of sight into consumer behavior shifts, NIQ has a full view of analytic and consultative resources to take your products to new, collaborative, growth-oriented heights.

**Join us on your journey to finding harmony between your fellow branded or private label products.**

**Let's chat about your 2025 growth plan! [Contact us.](#)**

NIQ's Global Thought Leadership team values your feedback. Complete [this brief survey](#) to let us know what you think of this content. →



# NIQ

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