A Statistical Guide to Today's Store Brands

PLMA's 2022 Private Label Report

In 2021, store brand sales took a roller coaster ride. Up, down, up again, to finish at a record $199bn in all U.S. retail channels.

Presented by the Private Label Manufacturers Association

OVERVIEW

Following unprecedented double digit dollar gains of 2020, and predictions from some experts that sales would inevitably fall in the year ahead, store brands held serve in 2021, as the products improved by 1%, according to IRI.

Store brands' annual dollar volume increased by $1.9bn, setting a new record of $199bn for sales in all U.S. retailing channels. National brands gained 2.7% in dollar sales, or $926.9bn, bringing overall industry revenue to $1.13tn, up 2.4% vs the previous year.

In terms of market penetration, private brand dollar share for 2021 was 17.7%; unit share came in at 19.6%. In units, store brands were off 4.5% and national brands gave up 1.8%, for an overall industry decline of 2.2%. Store brands unit sales were 58.2bn compared to 61bn in 2020, while national brands counted 239.5bn units sold vs 243.9bn during the prior year.

"We are gratified, but not surprised, with the final tally of store brand dollar sales in 2021," said PLMA President Peggy Davies. "We monitored the monthly numbers closely, thanks to IRI, and noted that store brands were holding their own most of the year and even increased to the 5-6% range in the latter months of 2021."

"It's affirmation that retailer brands are an important piece of the U.S. grocery business especially in these challenging times. We believe store brands will be a key consumer ally during this current inflationary period and going forward by providing high-quality, high-value products in every category."

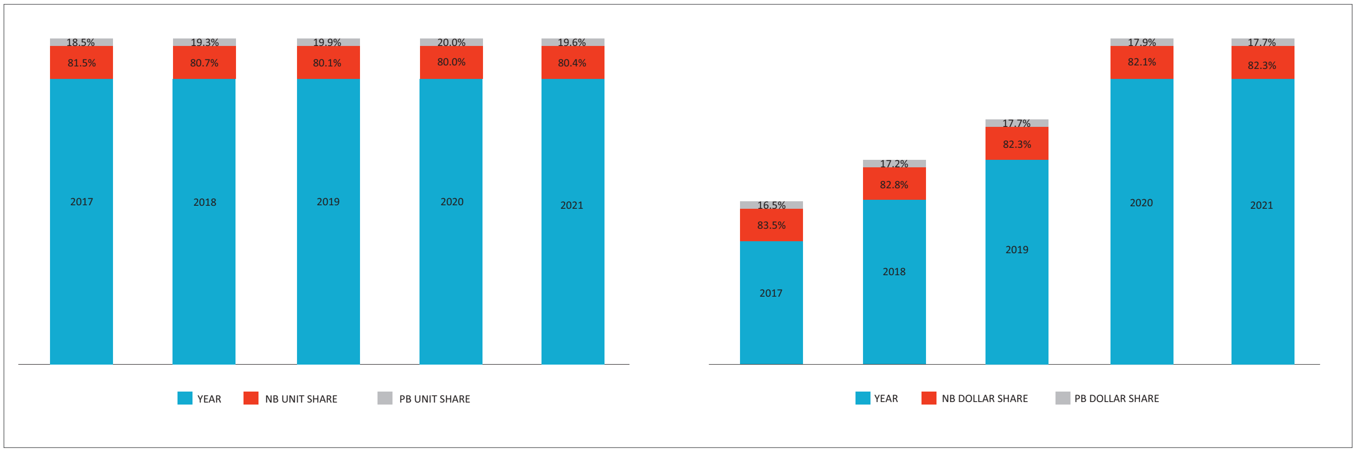
Source: IRI/PLMA

2021 Dollar and Unit Sales

ANNUAL DOLLAR SALES	FY 2021	FY 2020	% CHANGE
TOTAL CHANNEL	$1,125,911,696,237	$1,098,831,069,732	2.4%
TOTAL PRIVATE LABEL	$199,011,851,505	$197,148,280,876	1.0%
TOTAL NATIONAL BRAND	$926,899,844,732	$901,682,788,856	2.7%

ANNUAL UNIT SALES	FY 2021	FY 2020	% CHANGE
TOTAL CHANNEL	297,850,586,948	304,380,538,057	-2.2%
TOTAL PRIVATE LABEL	58,319,213,928	61,054,951,392	-4.5%
TOTAL NATIONAL BRAND	239,531,373,020	243,925,586,665	-1.8%

Annual Unit and Dollar Sales 2017-2021



For store brands, the 2021 performance represents a return to the consistent, single digit growth rate that existed in the most recent pre-pandemic years.

The year 2020 was a clear outlier: Private brands jumped 12.3% in dollar sales amid the shutdown of foodservice, a greater emphasis on cooking at home, and the boom in online grocery ordering. The results from two specific months were particularly striking: In March 2020, store brands skyrocketed 37% in dollars, in May, sales moved up 21.2%. IRI's full year figure for store brands even exceeded national brands' FY growth, which was 10.2%.

Before the pandemic, in 2018 and 2019, store brands annual improvements in dollar sales were 5% and 6.2%, respectively. In 2018, store brand dollar share stood at 17.2% and unit share was 19.3%, so the multi-year, upward trend continues.

Source: IRI/PLMA

Looking at the product departments that IRI tracks, the FY 2021 gains were widespread. Among the eight largest sections, for example, private label grew in six of them.

Store brands' month-to-month performance last year was a roller coaster ride. Sales were up solidly in the early months, continuing the powerful 2020 trend; then a three-month dip, followed by a strong rebound over the last few months, ending 2021 ahead vs the prior year.

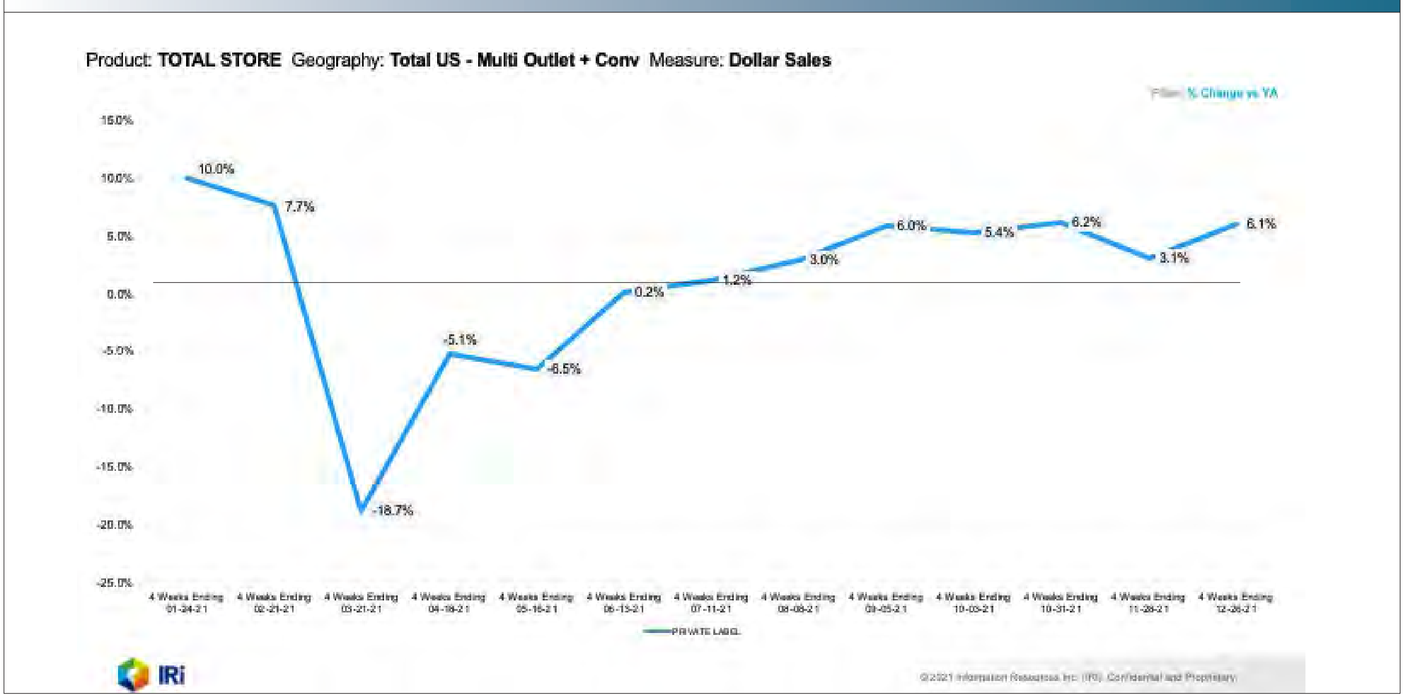
Monthly store brand sales were up, down, up

Looking at IRI figures from individual months, store brands experienced three distinct phases of sales movement in 2021.

During the first two months, a tailwind from the 2020 boom year pushed sales up 10% and 7.7%. Then, as the nation gradually emerged from lockdown and in-person restaurants and foodservice began to come back, private brand sales experienced a three-month long dip, declining 18.7%, 5.1% and 6.5% in March through May.

Over the remaining eight months, however, store brand sales turned sharply positive again, with particularly strong performances in September, November and December, each up at least 6%. National brands' monthly sales results in 2021 mirrored the store brand numbers in all but one month, April, which was positive for brands, negative for store brands.

MONTHLY DOLLAR SALES CHANGE - ALL CHANNELS



Source: IRI/PLMA

Store brands increased in 12 of 17 departments

In the eight largest departments covered by IRI, private label grew in six. In the biggest, refrigerated, store brands increased by 0.7%; followed by general merchandise (up 1.7%), health (0.2%), frozen (0.8%), produce (11.4%), and beverages (2.7%). In general food and meat, private label declined, by 3% and 4%, respectively. Store brand dollar sales for all of the departments were refrigerated at $40.4bn, general food ($33.8bn), general merchandise ($25.2bn), meat ($22.3bn), health ($17bn), frozen ($16.4bn), produce ($12bn), and beverages ($10bn).

Among the remaining nine departments, those with relatively smaller total store brands sales, ranging from $7.4bn to $54.9m, private label gained in six: bakery (plus 12.4%), deli prepared (up 17.1%), beauty (1.8%), deli meat (4.9%), floral (25.3%), and liquor (6.4%).

Private Brand Department Dollar Sales 2021

DEPARTMENT	FY SB DOLLAR VOLUME	FY % CHANGE
REFRIGERATED	$40.4B	0.7%
GENERAL FOOD	$33.8B	-3.0%
GENERAL MERCHANDISE	$25.2B	1.7%
MEAT	$22.3B	-4.0%
HEALTH	$17.0B	0.2%
FROZEN	$16.4B	0.8%
PRODUCE	$12.0B	11.4%
BEVERAGES	$10.0B	2.7%
BAKERY	$7.4B	12.4%
DELI PREPARED	$4.9B	17.1%
BEAUTY	$3.8B	1.8%
HOME CARE	$2.7B	-10.0%
DELI MEAT	$1.7B	4.9%
FLORAL	$778.2M	25.3%
DELI CHEESE	$715.6M	-3.0%
TOBACCO	$76.4M	-10.5%
LIQUOR	$54.9M	6.4%

Source: IRI/PLMA

Digging into product categories

For PLMA, IRI measures sales of all brands in 317 categories and 967 subcategories. Among individual product sections, there were some interesting developments for store brands in 2021.

Eleven large subcategories, those ranging in FY sales of store brands from $1.7bn to $627m, saw double digit sales increases of retailer brands during 2021. They include pastry/danish/coffee cakes, up 26.6%; refrigerated hand-held non-breakfast entrees (plus 23.5%); household kitchen & storage (20.8%); candles (18%); socks (15.7%); refrigerated prepared salad/fruit/coleslaw (15.5%); dog & cat needs (14.6%); shelf stable snacks/cupcakes/brownies (14.4%); cooking & salad oils (13.3%); plastic cutlery (12.7%), and frozen raw shrimp (11.6%).

Other billion-dollar subcategories also saw improvements in store brands sales vs the prior year. Disposable plates & bowls, with $2.2bn in store brand sales, gained 3%; cookies ($1.7bn was up 7.5%); frozen fish/seafood ($1.7bn, 7.7%); refrigerated bacon ($1.6bn, 5.8%); garbage/trash/lawn leaf bags ($1.4bn, 4.6%); natural cheese slices ($1.4bn, 3.7%); mineral & supplements ($1.3bn, 1.2%); refrigerated sliced lunchmeat ($1.2bn, 4.1%), and frozen meat/no poultry ($1bn, 3.6%).

Data for PLMA's 2022 Private Label Report were compiled by IRI for the 52 weeks ending December 26, 2021. Numbers and percentages have been rounded off where necessary and totals may exceed 100% in some instances.

Private Brand Subcategory Dollar Sales Increases 2021

PRIVATE BRAND SUBCATEGORY	HIGHLIGHTS
Pastry/Danish/Coffee Cakes	26.6%
Household Kitchen Storage	20.8%
Candles	18.0%
Dog & Cat Needs	14.6%
Cooking & Salad Oils	13.3%

Source: IRI/PLMA

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