



PRIVATE LABEL MANUFACTURERS ASSOCIATION

Acceptance Remarks – PLMA 2020 Annual Meeting

CLAY DOCKERY

Vice President Corporate Brands,
Massimo Zanetti Beverage USA

Chairman of the Board of Directors, PLMA.

I would like to begin by expressing my thanks to Howard Kirschenbaum, Evan Dobkins and Mark Robinson on the nominating committee. Also, sincere gratitude is due to the Board of Directors, to the membership, and to my company, Massimo Zanetti Beverage USA. In addition, I would like to offer my special thanks to Lisa, to Peggy and, not least, to Brian.

Serving on the Board since 2012 and as a member of the Executive Committee in since 2017, has afforded me the unique privilege of working alongside, exchanging ideas and gaining new perspectives from no small number of the most insightful and talented individuals across the industry.

I am deeply honored by your confidence and support. It is the greatest privilege to stand today as your Chairman, and to be entrusted to serve this organization and the store brands industry. This is especially meaningful coming as it does during these unusual times for the association and the industry as a whole.

I would like to call to your attention the theme of the two annual PLMA trade shows taking place in the fall. You saw them on-screen a short while ago during the President's Report. For our U.S. Trade Show, "PLMA 2020" will be the celebration of "40 Years of Store Brands Success" coming this November in Chicago. For PLMA's World of Private Label International Trade Show to be held this December in Amsterdam, the theme for 2020 is "Life is Good"!

Both are timely and important because they remind us of the very best our industry offers for us, our companies, and our customers. And not only for this moment in time, but for our future as well.

It is true that over the past few months, events we never imagined we would see in our lifetimes have brought unprecedented challenges. I believe it is equally true that many of us here in the U.S. are eager to show our customers that we'll be coming back from these challenges stronger than ever. And as we find ways to make our industry better than ever in a new normal – whatever that will turn out to be – I have no doubt whatsoever that we can prove to our customers and ourselves that Life indeed is Good in private label.

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For one thing, events have demonstrated strengths that many of us may have taken for granted or didn't know we had.

Taken together, we represent the single largest brand in virtually every retailer in the country. One hundred thirty-six billion dollars annually across all outlets combined, according to Nielsen's latest data. Moreover, in category after category, it's commonplace to find the retailer's brands ranking as the number one or two brand. Our industry accounts for nearly one in four products sold and one of every five dollars spent by shoppers in a supermarket, mass merchandiser or drug chain.

In the first quarter of 2020, sales as a result of the pandemic climbed nearly 15%, says Nielsen, for a gain of nearly \$5 billion over the same quarter a year ago. In fact, private label gained about one third more in both dollar and unit sales than national brands.

But no less important: Shelter-in-place, a surge of eating at home, and unplanned demand in CPG, taught us valuable lessons in preparing for the unexpected. We experienced, up-close and personal, the proof that private label partnerships put us in a position to collaborate more effectively on unexpected trends. It accelerated e-comm purchasing and we learned the importance of having products, packs and assortments that are optimized for home delivery, click-and-collect, as well as in-store.

We also learned that partnership is broader than manufacturers and retailers; it extends to packaging and design, service providers, and so on. If the pandemic made us keenly aware of weaknesses in the supply chain and vulnerabilities sourcing for ingredients, it also turned a spotlight across numerous categories on the agility private label suppliers have to repurpose, to repackage, or to shift production from foodservice to retail. And it served as well to reinforce for all to see that true partnership is always built on trust.

Our collaboration is the path forward and the key to continued growth, when we realize that every actor in the entire private brand value chain is supporting one constituent, the consumer. On the topic of sustainability to cite just one example... before the pandemic, I had the opportunity to attend a forum on packaging that clarified for everyone in attendance why private brand manufacturers are in an advantageous position to make progress on bringing more sustainable products to the marketplace. It's because of their collaboration with retailers, being that one step closer to the consumer, that many private label suppliers are leading on this issue.

Among the other positive - and, hopefully, lasting results of the pandemic are that millions and millions of consumers have been led to rediscover the importance of value, the kitchen, the family, resiliency, cooking and baking at home. We saw shortages on store shelves that were filled by the retailer's brands in many cases. Consumers are likely to remember the quality and value of the products, particularly should the economy take longer to recover, and even afterward.

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In short, if you were looking for a better time to be in the business of private brands, there isn't one. And that's why I'll say it again: "Life Is Good in Private Label."

And on that note... I'd like to say thank you again to Peggy. And to everyone joining us this morning... Stay safe. Stay well. And I hope to see you in person come November in Chicago.

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