

Private Labels: how retailers and wholesalers respond to a changing consumer landscape

What are private label products?

‘Private label products’ (also known as ‘own brand products’) are products which are sold to consumers or business customers by a retailer or wholesaler under their own name.

Retailers and wholesalers may also sell private label products they have sourced or produced in-house under a name different than the distributor’s one.

The type and number of private label products sold by a specific retailer or wholesaler varies according to commercial strategy and consumer demand. Some retail outlets, like certain food discounters or fashion retailers, mainly sell private label products.

How do retailers and wholesalers source private label products?

Private label products can be sourced from third party suppliers, who manufacture products to meet a number of specifications provided by the retailer or wholesaler in relation to ingredients, format, size and packaging.

Depending on the product at stake and consumer demand, retailers and wholesalers may source from SMEs or larger suppliers at regional, national or European level. Retailers and wholesalers active in more than one country can often purchase products from the same suppliers for their operations in different EU Member States (something which larger brand manufacturers do not allow by imposing [territorial supply constraints](#)).

Retailers and wholesalers can also source private labels jointly through national or European retail alliances.¹

In certain cases, retailers and wholesalers may have their own manufacturing facilities for certain products, produce them ‘in-house’ to then sell them under their own name.

Consumers value private label products for their price and quality. In today’s dynamic consumer environment, the success of a product hinges not on brand recognition alone, but on its relevance to the customer. As consumer preferences evolve—especially among younger generations—retailers and wholesalers are uniquely positioned to respond with agility, innovation, and diversity. Retailers and

¹ [EMD](#) and [AMS](#) are two European retail alliances who source private label products on behalf of their members.

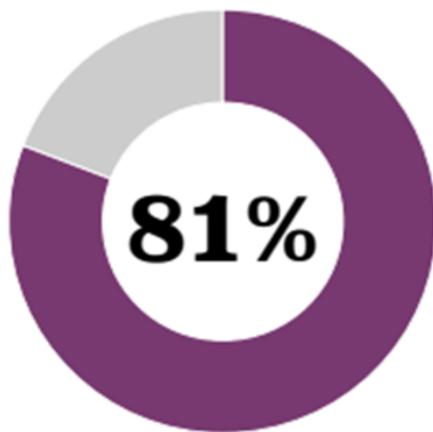
wholesalers have responded to this and develop and market their own product ranges, a critical contributor in a competitive and consumer-focused market.

Over the years, retailers and wholesalers have moved beyond being just a distribution channel for established brands but become **innovators and market shapers** in their own right. Their ability to respond to consumer demand with speed, flexibility, and creativity is critical to maintaining a healthy, competitive retail ecosystem.

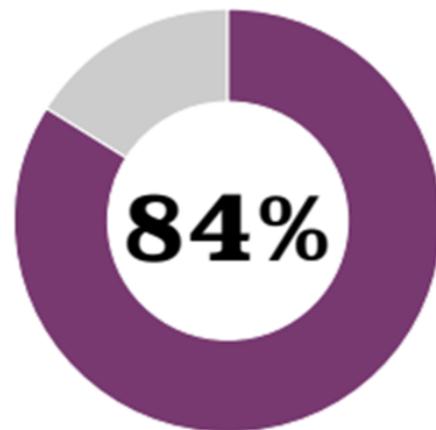
Consumers value private label products because of:

- **Affordable prices** – at a time when the cost-of-living crisis is still a top priority;
- The high **quality** of private label products;
- The **innovation** private label products can bring – including on sustainability.

Consumers have tried private label products and have appreciated them because of their affordable prices and high-quality:



...of consumers think the **quality of private labels is as high or higher** than A-brands



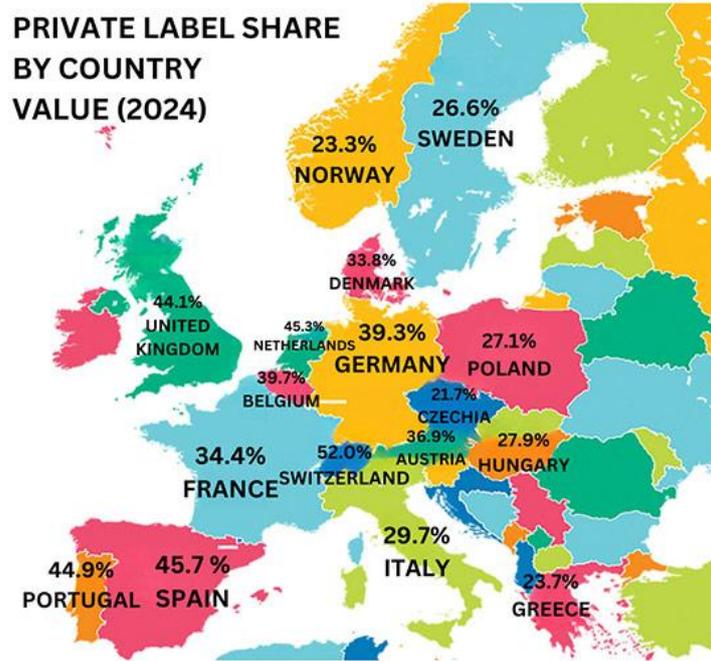
...of consumers will **continue buying private labels** even if their purchasing power grows

Source: State of Grocery 2025

The success of private labels

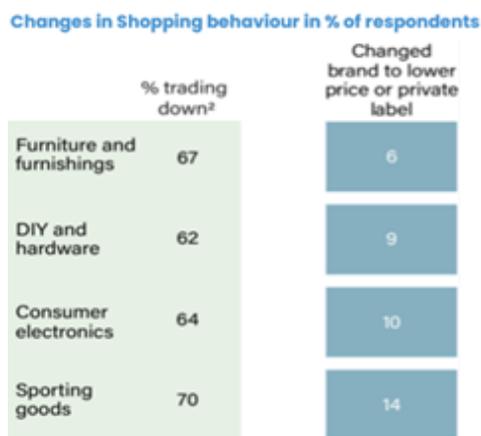
Market shares for private labels have grown steadily for decades as EU retailers and wholesalers invested in their assortment to respond to consumer demand for better prices and quality and wider choice.

Amidst the inflation crisis of 2021-2023, private label products gained further market shares as consumers looked for more affordability in a period of reduced purchasing power.



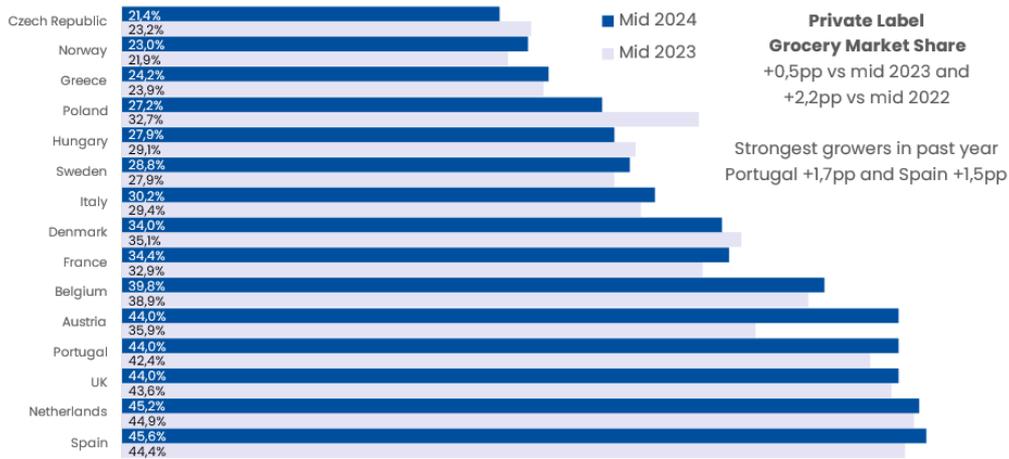
Source: NielsenIQ

This is true for both food and non-food retail and wholesale.



Source: State of Retail 2024

The success of private labels can vary widely in Europe due to local circumstances (e.g. competition, local dynamics in the chain, consumer preference), but consumers have been purchasing more and more private labels across the EU.



Source: PLM 2023 based on NielsenIQ

What drives the success of private label products?

This success is driven by retail and wholesale's:

1. Proximity to their Customers.

A product's success is determined by consumer interest. Retailers and wholesalers, being closest to the consumer, are best equipped to identify and respond to emerging needs—whether in the mass market or niche segments.

2. Agility in Private Label development

Unlike traditional brands that rely on centralised, large-scale production and heavy marketing, retailers and wholesalers can produce locally or in smaller batches, reduce costs and environmental impact, and launch products without large marketing budgets. This model supports SME suppliers and enables faster adaptation to market shifts.

3. Innovation Through Collaboration

Retailers and wholesalers are increasingly collaborating with suppliers and even celebrity chefs to create unique offerings. These partnerships foster innovation in both products and processes, attracting consumers and differentiating stores in a competitive market.

4. Diversity of Offer

Today's consumers are not monolithic. Some seek simplicity and low prices, while others value variety, specialty products, and ethical sourcing. Retailers and wholesalers are best positioned to offer this diversity, preventing a race to the bottom on price alone.

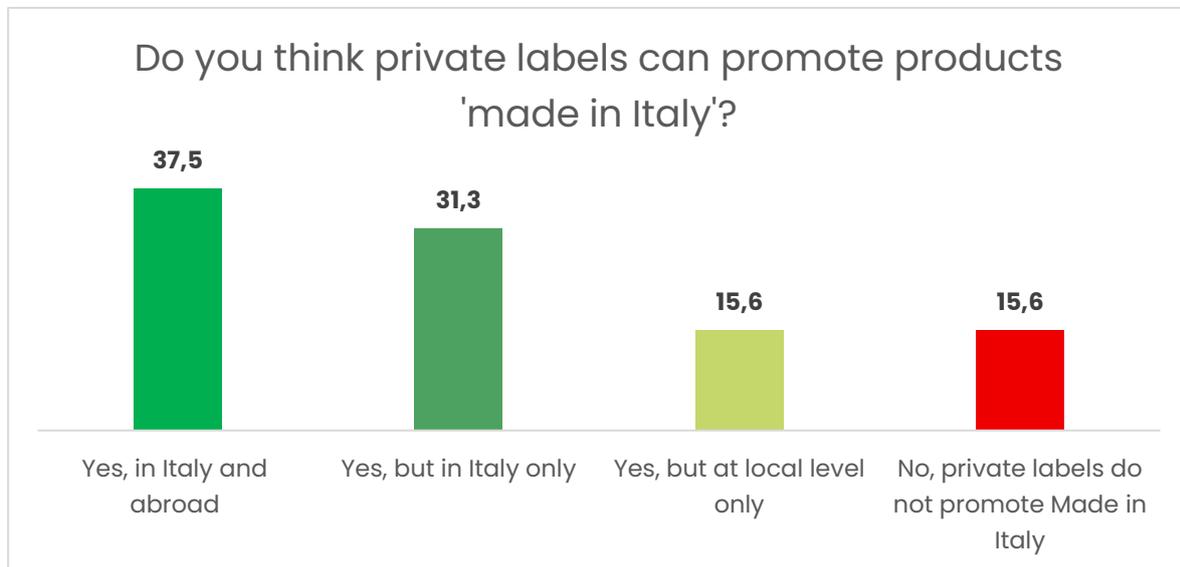
While big brands bring traffic to stores as many sell 'must have' products, they are often less profitable for retailers. Still, retailers do not seek to exclude them. On the contrary, they fight territorial supply constraints to ensure access.

This coexistence benefits consumers and fosters healthy competition, driving sales for both parties. Leading to win-wins retailers and wholesalers negotiate with brands to offer them access to sales data and retail media opportunities, so they too can better serve customers and monitor trends. Intellectual

property laws protect brands from imitation, ensuring fair play while allowing retailers and wholesalers to innovate within legal boundaries.

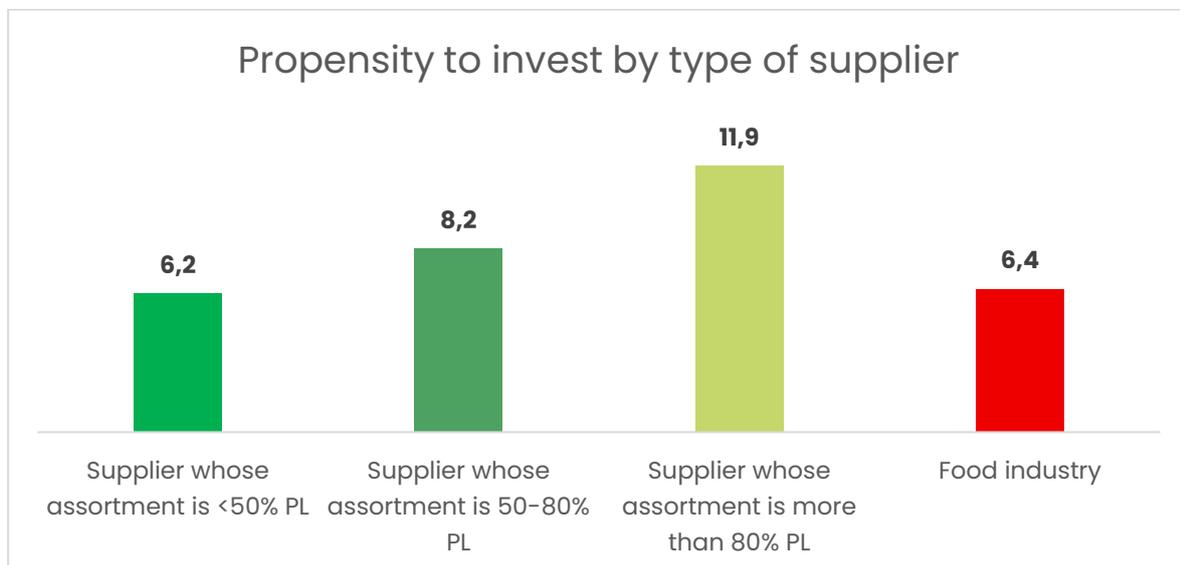
Private labels benefit suppliers as well as consumers

Private labels can support local suppliers:



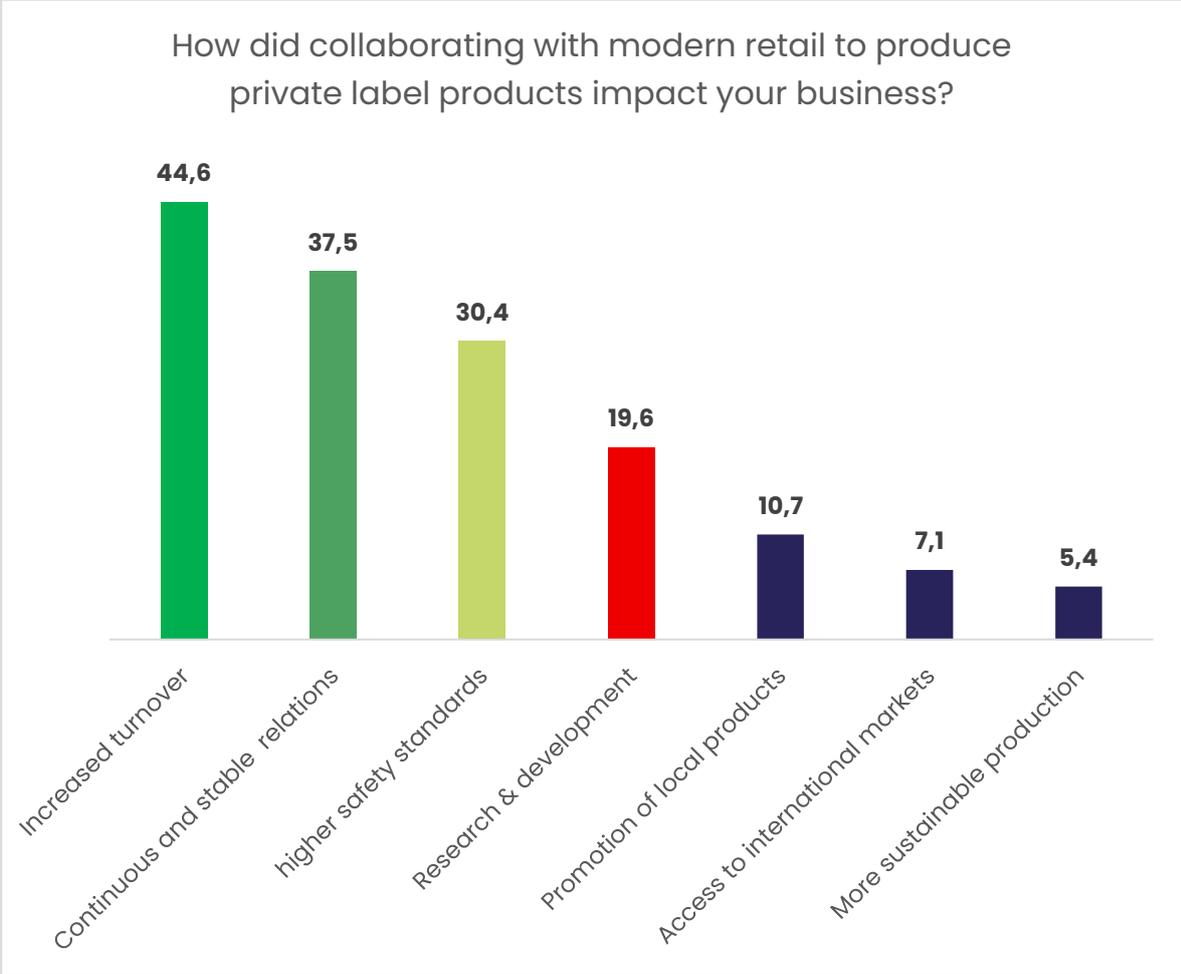
Source: *European House Ambrosetti 2025*, available here: https://www.ambrosetti.eu/site/get-media/?type=doc&id=22337&doc_player=1

Suppliers of private label products invest more:



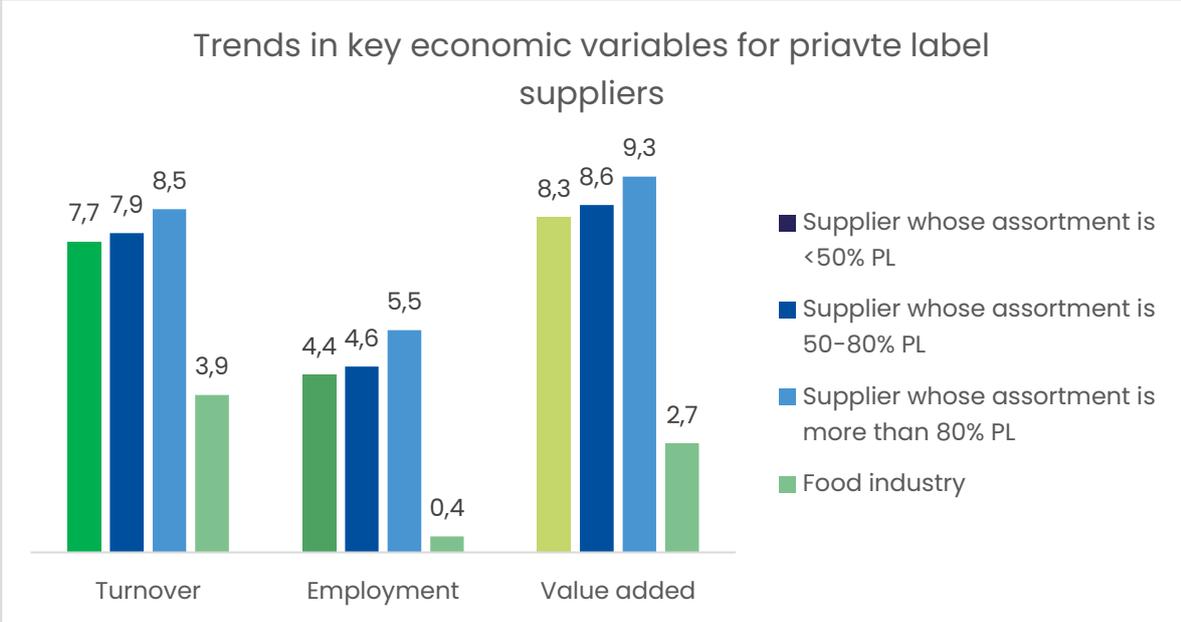
Source: *European House Ambrosetti 2025*

Suppliers producing private labels see higher turnover:



Source: European House Ambrosetti 2025

Private label suppliers perform better in turnover, employment and value added:

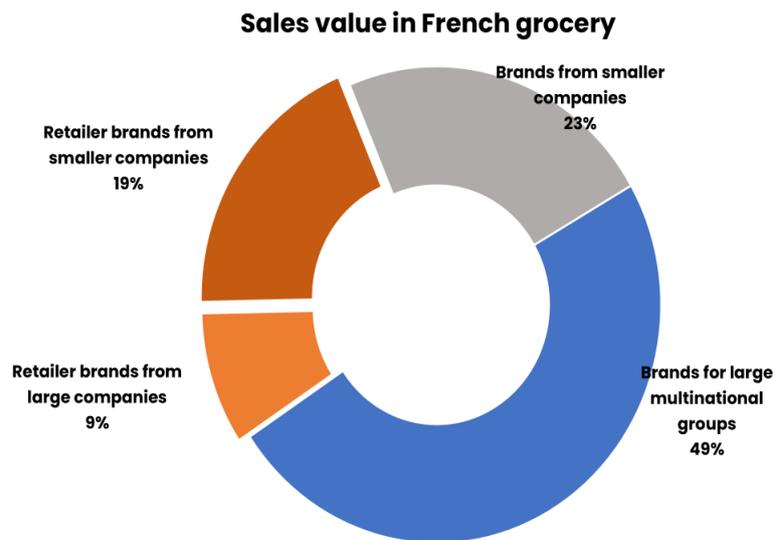


Source: European House Ambrosetti Trends 2025

Private labels offer SME suppliers a route to market

Thanks to the success of private label products, SME suppliers have a route to market in larger retail stores. The market has grown with the emergence of new models (e.g. discounters) whose assortment is mainly constituted by private labels.

Many formats continue to mainly offer products from large multinational suppliers. As an example, in 2023 brands from large multinational groups accounted for half of the sales in French supermarkets and hypermarkets.



Source: NielsenIQ 2023 (HS, SM) France