

Press Release

For Immediate Release

14 September 2010

North American grocery retailers set to generate \$209 bn in private label sales by 2014

According to Planet Retail's first-ever *Private Labelling in North America: Fertile Ground for Growth* report, private label sales at the Top 30 grocers including Walmart, Kroger and Aldi are set to increase 40% to \$209 bn by 2014, accounting for 24.1% of total grocery sales.

Dominating the top position in Planet Retail's rankings is Walmart whose private label grocery business is larger than Kroger and Costco's private label sales combined. While it's no surprise that Walmart tends to dominate most categories, in grocery it has traditionally been the national brands that featured heavily on Walmart's shelves.

Planet Retail's Natalie Berg, Global Research Director said: "The relaunch of Great Value combined with the effects of its SKU rationalisation programme has led to improved visibility of private label, resulting in an increase in category sales. In the US, the Great Value line alone generates \$12.5 billion in sales. We expect this to increase 60% by 2014, making it a \$20 billion brand."

A key player on the ranking is Aldi which, although placed 19th in terms of overall sales, holds the prestigious 3rd place in terms of private label sales. The retailer, which includes the Aldi and Trader Joe's banners, places a much stronger emphasis on private label than its peers, leaving national brands to make up just 15% of sales. As a result of aggressive expansion plans, Planet Retail predicts that by 2014 Aldi will generate \$15 billion in private label sales, approximately the size of H-E-B's entire business today.

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Natalie Berg, Grocery Research Director added: "Looking to the future, the effects of SKU rationalisation and the emergence of new discount formats will continue to breed private label growth in North America. Increased competition from private labels will require genuine innovation from brand manufacturers."

New discount formats including Joe V's by HEB and Sobeys' FreshCo will drive private label sales, while hybrid drugstore/supermarkets such as the Rite Aid/Save-A-Lot partnership will also look to private label as a means of differentiation in both food and HBC categories.

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Additional information on next page

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ADDITIONAL INFORMATION

*Please note, this table only includes the top 10 rankings, for the full ranking and a copy of the report *Fertile Ground for Growth: Private Labelling in North America*, please contact renaye.edwards@planetretail.net

Ranking	Company	USD Billions						CAGR Private Label Grocery Sales 09-14
		2009 Private Label Grocery Sales	2009 Grocery Banner Sales	2009 Total Banner Sales	2014 Private Label Grocery Sales	2014 Grocery Banner Sales	2014 Total Banner Sales	
1	Walmart	32.4	202.6	337.7	49.6	261.2	435.4	8.9%
2	Kroger	19.6	72.7	80.7	24.4	87.3	97.0	4.5%
3	Aldi	10.2	12.0	12.9	15.3	18.0	19.3	8.4%
4	Costco	9.3	44.2	67.9	15.2	61.0	93.8	10.4%
5	Safeway (USA)	9.1	39.5	43.0	11.3	41.9	45.6	4.5%
6	Loblaw	6.7	18.6	28.7	8.5	23.6	36.3	4.9%
7	Target	6.7	26.0	66.7	9.5	38.1	76.2	7.2%
8	SuperValu	6.4	33.9	37.3	8.3	36.1	39.6	5.2%
9	Publix	5.2	23.5	25.6	6.6	27.6	30.1	5.1%
10	Ahold	4.2	22.1	24.0	5.6	26.8	29.1	6.0%

Notes:

*Grocery private label sales include all food, HBC and household goods

*Banner sales include tax plus sales from franchised operations

*Drugstore private label grocery sales only include front-end merchandise

Source – www.planetretail.net

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Aldi is the third largest seller of private label groceries in North America



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Walmart's revamped Great Value line is poised to become a \$20 billion brand

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About Planet Retail:

Planet Retail is the leading provider of intelligence on the global retail and foodservice industries, monitoring more than 9,000 retail operations as well as market developments in 211 countries. With over 15 years of industry insight, Planet Retail is a brand trusted by more than 3,000 organisations worldwide, delivering up-to-the-minute news, analysis, market research and digital media via www.planetretail.net. Planet Retail has offices in London, Frankfurt, Chicago, Tokyo, Qingdao and Tokyo.