



# Incredible Inedibles

Private brands still dominate value-driven categories but have more growth potential in underdeveloped segments such as pet products and personal care, say retail analysts ■ By Carolyn Schierhorn

**A**s recent data from Chicago-based IRI make clear, private brands continue to dominate many non-food categories, for several years ranking No. 1 in retail dollar sales in segments such as garbage bags, food storage bags, disposable tableware and utensils, paper napkins, hand sanitizers, moist towelettes and baby wipes. Store brands also rank in the top five in many health, beauty and household product categories.

“Private brands are just a lot better than they used to be,” says Peter Killian, a principal with Chicago-based The Cambridge Group, explaining store brands’ success in the non-food realm. “The quality is better. The design and packaging are better. And retailers are better at marketing and promoting their private brands.”

Indeed, some of the categories led by store brands bring in hundreds of millions of dollars a year for retailers — and a few such as paper towels, toilet tissue and disposable plates and bowls, \$1.5 billion-plus each. But the news isn’t all good for store brands, many of which have been experiencing diminished dollar and unit sales in a post-recessionary period of economic recovery — a time when some consumers are willing to pay more for branded environmentally sustainable or premium-quality options.

Consistent across IRI data for the 52 weeks ending April 16, store brand non-food products have a lower average price per unit than leading national brands do, and the difference is striking in some cases. For example, private brand disposable garbage and trash bags have an average unit price of \$5.33 compared

## About the charts

On page 29, 30, 32 and 34, sales data from Information Resources Inc. (IRI) is featured in four categories: pet food and supplies, laundry products, personal cleaning products and baby care. The data depicts private brand performance among national brands in non-food segments. For more data tables across a variety of non-food categories, visit [www.storebrands.com](http://www.storebrands.com).



to \$9.09 for the leading national brand manufacturer, The Glad Products Co. Similarly, there is a big average unit price difference between category-leading private brand disposable cups, at \$2.52, and those produced by the leading national brand manufacturer, Georgia Pacific Consumer Products, at \$5.22.

In the domain of over-the-counter (OTC) drugs, private brands are less than half the price of national brands in some cases. Private brand laxatives, for example, have an average unit price of \$5.41, while the leading national brand has an average unit price of \$13.27. The story is the same for the cold/allergy/sinus segment: Private brands' average unit price is \$7.86, while the average unit price of the top national brand is \$15.80. The

much lower price points for store brands drive unit sales but can also affect consumers' impression of their quality.

Even though non-food store brands are much better now than in the past, according to Killian, "generally they are about value, and good-better-best [tiering] has not been as relevant," he says. "Some key categories are almost by definition commoditized."

Take vitamin and mineral supplements, robust segments for private brands. "If you look at Vitamin D, for example, there is only so much you can do to differentiate it from the national brands," Killian observes. "You can clean up the label or change the cap. Innovation is still possible, but it's still really a commodity product by definition."

The recent report titled "The Power of Private Brands," by the Food Marketing Institute, IRI and Daymon, reveals that consumers across all generations perceive the quality of private brand non-foods to be less than that of private brand food. Millennials, GenXers, baby boomers and the silver (senior citizen) generation all perceive dairy, bakery or fresh produce and even canned/package goods to be at the top of the private brand quality hierarchy while relegating store brand personal care and OTC products to the bottom of that scale.

## Cat's Meow

Though ranking **4th** in dollar sales, private brand cat litter **grew faster** than the brands of the three leading manufacturers, **increasing 7%** to **\$218.1 million**.

PET FOOD AND SUPPLIES									
	DOLLAR SALES	% CHANGE	DOLLAR SHARE	% CHANGE	UNIT SALES	% CHANGE	PRICE/UNIT	% CHANGE	
<b>DOG BISCUITS/TREATS/BEVERAGES</b>	<b>\$2,369,481,216</b>	<b>4.21</b>	<b>100.00</b>	<b>-</b>	<b>525,704,160</b>	<b>0.40</b>	<b>\$4.51</b>	<b>\$0.16</b>	
Big Heart Pet Brands	\$871,469,824	(1.82)	36.78	(2.26)	223,171,744	(1.60)	\$3.90	\$(0.01)	
Nestle Purina Petcare Company	\$444,556,512	3.69	18.76	(0.09)	105,382,136	1.78	\$4.22	\$0.08	
<b>PRIVATE BRANDS</b>	<b>\$259,369,504</b>	<b>9.47</b>	<b>10.95</b>	<b>0.53</b>	<b>66,393,112</b>	<b>(2.73)</b>	<b>\$3.91</b>	<b>\$0.44</b>	
Mars Inc	\$212,662,544	(8.14)	8.98	(1.21)	37,854,892	(11.11)	\$5.62	\$0.18	
Tyson Pet Products Inc	\$109,785,984	86.52	4.63	2.04	11,094,235	64.22	\$9.90	\$1.18	
<b>DRY CAT FOOD</b>	<b>\$2,309,660,672</b>	<b>(1.09)</b>	<b>100.00</b>	<b>-</b>	<b>299,560,512</b>	<b>(2.10)</b>	<b>\$7.71</b>	<b>\$0.08</b>	
Nestle Purina Petcare Company	\$1,310,913,664	0.34	56.76	0.81	164,846,944	0.21	\$7.95	\$0.01	
Big Heart Pet Brands	\$525,099,648	(3.67)	22.73	(0.61)	72,229,552	(2.52)	\$7.27	\$(0.09)	
<b>PRIVATE BRANDS</b>	<b>\$198,351,840</b>	<b>(6.09)</b>	<b>8.59</b>	<b>(0.46)</b>	<b>31,237,448</b>	<b>(9.96)</b>	<b>\$6.35</b>	<b>\$0.26</b>	
Mars Inc	\$191,202,864	(5.04)	8.28	(0.34)	17,668,540	(14.14)	\$10.82	\$1.04	
Ainsworth Pet Nutrition D	\$45,172,104	60.12	1.96	0.75	5,027,892	64.97	\$8.98	\$(0.27)	
<b>DRY DOG FOOD</b>	<b>\$5,069,669,888</b>	<b>(0.14)</b>	<b>100.00</b>	<b>-</b>	<b>390,311,072</b>	<b>(0.31)</b>	<b>\$12.99</b>	<b>\$0.02</b>	
Nestle Purina Petcare Company	\$2,161,068,800	(4.47)	42.63	(1.93)	165,606,144	(3.82)	\$13.05	\$(0.09)	
Mars Inc	\$1,224,916,992	2.72	24.16	0.67	84,800,768	6.29	\$14.44	\$(0.50)	
<b>PRIVATE BRANDS</b>	<b>\$768,347,072</b>	<b>(5.31)</b>	<b>15.16</b>	<b>(0.83)</b>	<b>54,552,856</b>	<b>(11.89)</b>	<b>\$14.08</b>	<b>\$0.98</b>	
Ainsworth Pet Nutrition	\$385,425,920	39.98	7.60	2.18	25,176,828	40.32	\$15.31	\$(0.04)	
Big Heart Pet Brands	\$383,251,648	(2.96)	7.56	(0.22)	44,939,188	(1.29)	\$8.53	\$(0.15)	
<b>FRESH/REFRIGERATED/FROZEN DOG FOOD</b>	<b>\$138,203,520</b>	<b>18.04</b>	<b>80.13</b>	<b>0.54</b>	<b>19,336,990</b>	<b>12.64</b>	<b>\$7.15</b>	<b>\$0.33</b>	
Nestle Purina Petcare Company	\$20,123,522	13.04	11.67	(0.43)	4,941,288	13.66	\$4.07	\$(0.02)	
J & J Snack Foods Corporation	\$6,899,414	19.07	4.00	0.06	2,243,823	19.76	\$3.07	\$(0.02)	
BIL-JAC Foods Inc	\$3,387,725	(9.57)	1.96	(0.58)	489,128	(13.39)	\$6.93	\$0.29	
<b>PRIVATE BRANDS</b>	<b>\$3,176,659</b>	<b>75.52</b>	<b>1.84</b>	<b>0.61</b>	<b>1,057,304</b>	<b>75.19</b>	<b>\$3.00</b>	<b>\$0.01</b>	
<b>SEMIMOIST CAT FOOD</b>	<b>\$36,748,028</b>	<b>2.35</b>	<b>100.00</b>	<b>-</b>	<b>24,910,138</b>	<b>(2.86)</b>	<b>\$1.48</b>	<b>\$0.08</b>	
Nestle Purina Petcare Company	\$36,707,564	2.51	99.89	0.16	24,828,332	(2.81)	\$1.48	\$0.08	
<b>PRIVATE BRANDS</b>	<b>\$33,772</b>	<b>(49.25)</b>	<b>0.09</b>	<b>(0.09)</b>	<b>80,274</b>	<b>(10.71)</b>	<b>\$0.42</b>	<b>\$(0.32)</b>	
Natural Polymer International Company	\$6,691	(77.02)	0.02	(0.06)	1,534	(79.03)	\$4.36	\$0.38	
<b>SEMIMOIST DOG FOOD</b>	<b>\$124,149,488</b>	<b>1.13</b>	<b>100.00</b>	<b>-</b>	<b>24,280,736</b>	<b>2.33</b>	<b>\$5.11</b>	<b>\$(0.06)</b>	
Nestle Purina Petcare Company	\$87,654,752	(2.77)	70.60	(2.83)	14,331,544	(3.82)	\$6.12	\$0.07	
<b>PRIVATE BRANDS</b>	<b>\$36,231,708</b>	<b>11.15</b>	<b>29.18</b>	<b>2.63</b>	<b>9,892,835</b>	<b>12.10</b>	<b>\$3.66</b>	<b>\$(0.03)</b>	
Big Heart Pet Brands	\$246,796		0.20	0.20	53,225		\$4.64	\$0.34	
Supreme Pet Food Company	\$16,235	10.01	0.01	0.00	3,133	11.79	\$5.18	\$(0.08)	

**SOURCE:** IRI. Total U.S. supermarkets, drugstores, mass market retailers, military commissaries and select club and dollar retail chains for the 52 weeks ending April 16, 2017. For the complete "Pet Food and Supplies" table and other "Non-foods State of the Industry" tables, visit [www.storebrands.com](http://www.storebrands.com).



# Non-Foods State of the Industry

This means that retailers have the chance to change shoppers' minds by generating excitement and developing premium solutions in the health and beauty care (HBC) space.

In fact, there are real opportunities for retailers to differentiate themselves in certain underdeveloped non-food categories that have high growth potential for store brands, Killian notes. These categories include pet care, personal care and laundry products, he says.

## Rolling Out Faster Growth

**1st place** in unit sales and **4th place** in dollar sales, private brand **toilet tissue** is **increasing** at a faster rate than the top manufacturers' brands.

Two other categories with tremendous potential are health and wellness and, less obviously, eye glasses and optometry services, adds Kieran Forsey co-founder of Nottingham, U.K.-based Solutions for Retail Brands (S4RB).

Across various non-food segments, but especially in household cleaning products, retailers should also consider developing sustainable, free-from store brands, Killian suggests. Some retailers have been reluctant to do this, he says, because it could raise consumers' expectations and lead to insistence that all of a chain's cleaning products be reformulated.

## PET CARE POISED FOR EVEN GREATER GROWTH

Pet care is already a bright spot for store brands. In the dog/cat needs category, a \$594 million segment for private brands, retail dollar sales increased more than 10 percent from the previous year and unit sales rose more than 9 percent. Private brands lead the category, with a 25 percent value share.

When it comes to dog food, the picture is more complicated,

LAUNDRY PRODUCTS	DOLLAR SALES	% CHANGE	DOLLAR SHARE	% CHANGE	UNIT SALES	% CHANGE	PRICE/UNIT	% CHANGE
<b>FABRIC SOFTENER LIQUID CONCENTRATE</b>	<b>\$1,242,917,632</b>	<b>3.15</b>	<b>100.00</b>	<b>-</b>	<b>245,070,096</b>	<b>2.49</b>	<b>\$5.07</b>	<b>\$0.03</b>
Proctor & Gamble	\$699,564,608	3.17	56.28	0.01	122,503,432	3.52	\$5.71	\$(0.02)
Colgate Palmolive Company	\$233,859,552	1.66	18.82	(0.28)	53,937,476	0.70	\$4.34	\$0.04
The Sun Products Corporation	\$201,095,200	4.27	16.18	0.17	41,965,932	5.22	\$4.79	\$(0.04)
<b>PRIVATE BRANDS</b>	<b>\$42,295,784</b>	<b>1.20</b>	<b>3.40</b>	<b>(0.07)</b>	<b>7,733,580</b>	<b>(3.61)</b>	<b>\$5.47</b>	<b>\$0.26</b>
Alen Americas	\$27,392,958	5.41	2.20	0.05	7,362,578	(0.18)	\$3.72	\$0.20
<b>FABRIC SOFTENER SHEETS</b>	<b>\$700,338,752</b>	<b>0.58</b>	<b>100.00</b>	<b>-</b>	<b>188,018,336</b>	<b>(0.63)</b>	<b>\$3.72</b>	<b>\$0.04</b>
Proctor & Gamble	\$446,842,432	0.71	63.80	0.08	96,763,392	(0.46)	\$4.62	\$0.05
<b>PRIVATE BRANDS</b>	<b>\$115,413,952</b>	<b>(4.16)</b>	<b>16.48</b>	<b>(0.81)</b>	<b>38,205,304</b>	<b>(8.61)</b>	<b>\$3.02</b>	<b>\$0.14</b>
The Sun Products Corporation	\$92,292,192	(2.11)	13.18	(0.36)	31,247,958	(5.90)	\$2.95	\$0.11
Colgate Palmolive Company	\$13,376,022	20.84	1.91	0.32	5,888,682	21.29	\$2.27	\$(0.01)
Church & Dwight Company Inc	\$12,618,281	(6.49)	1.80	(0.14)	5,064,699	(6.17)	\$2.49	\$(0.01)
<b>COLOR-SAFE BLEACH</b>	<b>\$158,932,432</b>	<b>0.14</b>	<b>100.00</b>	<b>-</b>	<b>51,314,240</b>	<b>0.72</b>	<b>\$3.10</b>	<b>\$(0.02)</b>
Clorox Company	\$126,516,472	(4.63)	79.60	(3.98)	40,015,760	(5.11)	\$3.16	\$0.02
<b>PRIVATE BRANDS</b>	<b>\$30,843,568</b>	<b>26.86</b>	<b>19.41</b>	<b>4.09</b>	<b>10,774,272</b>	<b>31.42</b>	<b>\$2.86</b>	<b>\$(0.10)</b>
Seventh Generation	\$787,900	8.21	0.50	0.04	177,513	6.31	\$4.44	\$0.08
Phoenix Brands LLC	\$366,544	(3.97)	0.23	(0.01)	194,312	(2.62)	\$1.89	\$(0.03)
Northern Labs	\$124,885	(41.73)	0.08	(0.06)	39,987	(38.96)	\$3.12	\$(0.15)
<b>FINE WASHABLE LAUNDRY DETERGENT</b>	<b>\$79,636,160</b>	<b>(0.99)</b>	<b>100.00</b>	<b>-</b>	<b>9,200,710</b>	<b>(4.49)</b>	<b>\$8.66</b>	<b>\$0.31</b>
Reckitt Benckiser Inc	\$78,233,000	(1.18)	98.24	(0.18)	8,551,562	(4.39)	\$9.15	\$0.30
<b>PRIVATE BRANDS</b>	<b>\$1,115,590</b>	<b>15.50</b>	<b>1.40</b>	<b>0.20</b>	<b>541,099</b>	<b>(6.44)</b>	<b>\$2.06</b>	<b>\$0.39</b>
Tyler Candle Company	\$88,298	(6.92)	0.11	(0.01)	3,300	(18.52)	\$26.76	\$3.33
Ecover Inc	\$76,840	14.35	0.10	0.01	14,057	14.39	\$5.47	\$(0.00)
Personal Care Products LLC	\$55,437	2.15	0.07	0.00	55,652	2.95	\$1.00	\$(0.01)
<b>LAUNDRY STARCH</b>	<b>\$37,935,312</b>	<b>(6.38)</b>	<b>100.00</b>	<b>-</b>	<b>24,516,038</b>	<b>(8.50)</b>	<b>\$1.55</b>	<b>\$0.04</b>
Fautless Starch Company	\$23,984,860	(6.12)	63.23	0.17	17,778,754	(7.71)	\$1.35	\$0.02
Phoenix Brands LLC	\$9,579,594	(14.53)	25.25	(2.41)	5,104,473	(16.88)	\$1.88	\$0.05
The Dial Corporation	\$3,301,660	16.04	8.70	1.68	1,075,042	15.49	\$3.07	\$0.01
ACH Food Companies	\$228,411	(1.83)	0.60	0.03	152,991	(3.56)	\$1.49	\$0.03
<b>PRIVATE BRANDS</b>	<b>\$205,037</b>	<b>3.14</b>	<b>0.54</b>	<b>0.05</b>	<b>89,037</b>	<b>10.39</b>	<b>\$2.30</b>	<b>\$(0.16)</b>
<b>POWDER LAUNDRY DETERGENT</b>	<b>\$688,211,776</b>	<b>(10.26)</b>	<b>100.00</b>	<b>-</b>	<b>79,434,496</b>	<b>(11.58)</b>	<b>\$8.66</b>	<b>\$0.13</b>
Proctor & Gamble	\$483,552,544	(8.96)	70.26	1.00	42,941,764	(10.18)	\$11.26	\$0.15
Fabrica De Jabon La Corona	\$71,343,760	0.24	10.37	1.09	17,856,958	(0.57)	\$4.00	\$0.03
Church & Dwight Company Inc	\$53,004,056	(12.40)	7.70	(0.19)	5,635,397	(16.33)	\$9.41	\$0.42
The Sun Products Corporation	\$33,346,814	(27.84)	4.85	(1.18)	4,595,367	(29.08)	\$7.26	\$0.12
<b>PRIVATE BRANDS</b>	<b>\$16,970,970</b>	<b>(12.73)</b>	<b>2.47</b>	<b>(0.07)</b>	<b>1,153,957</b>	<b>(20.13)</b>	<b>\$14.71</b>	<b>\$1.25</b>

SOURCE: IRI. Total U.S. supermarkets, drugstores, mass market retailers, military commissaries and select club and dollar retail chains for the 52 weeks ending April 16, 2017. For the complete "Laundry Products" table and other "Non-foods State of the Industry" tables, visit [www.storebrands.com](http://www.storebrands.com).



# Non-Foods State of the Industry

however. Ranked No. 3, private brand dry dog food declined nearly 12 percent in unit sales and 5.3 percent in dollar sales from year-earlier figures. But private brands saw huge gains in the refrigerated/frozen dog food segment, which grew more than 75 percent in both dollar and unit sales. The takeaway: Retailers need to focus more on developing premium pet products.

“Pet care is a market that continues to grow year on year,” says Forsey, noting that “2016 was another record and 2017 looks on track to beat it again.” Shoppers in the United States, according to a Nielsen survey, “are likely to continue spending top dollars on premium pet food and compromise their own personal consumption,” he adds.

Millennials, many of whom have delayed having children, are driving the growth in pet products, according to Killian. “They’re having kids later and buying houses later, and what they’re doing instead is having pets,” he says. “It’s not an exaggeration to say that they are pet parents. They have higher health standards and are scrutinizing ingredients more. And they are pushing big brands out of their comfort (i.e., profit) zone, allowing retailers to step in with ultra-premium, healthier private brands.”

## Beauty Marks

**Store brands lead** the cosmetic sharpener and makeup applicator segments, with **sales of \$14.7 million** and **\$80.6 million**, respectively. But growth is stronger in the \$111.1 million makeup remover implement segment, in which private brands (**ranked No. 2**) **increased 9.1%** in dollar sales.

### HBC'S YET UNTAPPED POTENTIAL

It's not that retailers haven't discovered the potential of OTC for store brands. Private brands lead the sleeping aid tablet

PERSONAL CLEANING PRODUCTS	DOLLAR SALES	% CHANGE	DOLLAR SHARE	% CHANGE	UNIT SALES	% CHANGE	PRICE/UNIT	% CHANGE
<b>BATH FRAGRANCES/BUBBLE BATH</b>	<b>\$209,393,824</b>	<b>21.87</b>	<b>100.00</b>	<b>-</b>	<b>53,298,428</b>	<b>15.76</b>	<b>\$3.93</b>	<b>\$0.20</b>
Advanced Beauty Inc	\$67,086,960	25.93	32.04	1.03	13,095,533	26.63	\$5.12	\$(0.03)
The Village Company LLC	\$32,352,224	3.20	15.45	(2.80)	10,198,075	7.61	\$3.17	\$(0.14)
<b>PRIVATE BRANDS</b>	<b>\$28,150,362</b>	<b>(2.29)</b>	<b>13.44</b>	<b>(3.32)</b>	<b>9,733,533</b>	<b>(1.02)</b>	<b>\$2.89</b>	<b>\$(0.04)</b>
MZB Accessories LLC	\$11,414,325	(30.26)	5.45	(4.08)	4,107,293	(33.94)	\$2.78	\$0.15
ME Bath	\$10,482,351	288.35	5.01	3.44	1,449,916	275.85	\$7.23	\$0.23
<b>BATH/BODY SCRUBBERS/MASSAGERS</b>	<b>\$247,124,880</b>	<b>8.67</b>	<b>100.00</b>	<b>-</b>	<b>123,691,208</b>	<b>6.94</b>	<b>\$2.00</b>	<b>\$0.03</b>
<b>PRIVATE BRANDS</b>	<b>\$90,620,888</b>	<b>13.14</b>	<b>36.67</b>	<b>1.45</b>	<b>46,555,836</b>	<b>15.37</b>	<b>\$1.95</b>	<b>\$(0.04)</b>
Paris Presents Inc	\$90,530,920	9.02	36.63	0.12	39,376,492	7.97	\$2.30	\$0.02
Bradford Soap Mexico Inc	\$22,613,604	(7.70)	9.15	(1.62)	21,646,058	(7.76)	\$1.04	\$0.00
Unilever	\$8,445,333	4.28	3.42	(0.14)	1,967,598	5.03	\$4.29	\$(0.03)
Drake-Williams Consumer Products	\$3,957,038	0.56	1.60	(0.13)	2,027,461	0.92	\$1.95	\$(0.01)
<b>DEODORANT BAR SOAP</b>	<b>\$394,084,096</b>	<b>(3.97)</b>	<b>100.00</b>	<b>-</b>	<b>127,812,272</b>	<b>(3.32)</b>	<b>\$3.08</b>	<b>\$(0.02)</b>
Colgate Palmolive Company	\$156,532,128	(1.66)	39.72	0.93	46,268,520	1.94	\$3.38	\$(0.12)
The Dial Corporation	\$147,920,352	0.09	37.54	1.52	49,688,940	0.88	\$2.98	\$(0.02)
High Ridge Brands Company	\$65,701,008	(13.23)	16.67	(1.78)	22,968,422	(14.49)	\$2.86	\$0.04
Procter & Gamble	\$16,010,034	(5.76)	4.06	(0.08)	4,028,881	(10.63)	\$3.97	\$0.21
<b>PRIVATE BRANDS</b>	<b>\$3,842,877</b>	<b>(29.42)</b>	<b>0.98</b>	<b>(0.35)</b>	<b>2,836,446</b>	<b>(24.44)</b>	<b>\$1.35</b>	<b>\$(0.10)</b>
<b>HAND SANITIZERS</b>	<b>\$208,577,120</b>	<b>(6.93)</b>	<b>100.00</b>	<b>-</b>	<b>108,362,488</b>	<b>(11.83)</b>	<b>\$1.92</b>	<b>\$0.10</b>
<b>PRIVATE BRANDS</b>	<b>\$66,997,328</b>	<b>(4.91)</b>	<b>32.12</b>	<b>0.68</b>	<b>33,215,910</b>	<b>(10.18)</b>	<b>\$2.02</b>	<b>\$0.11</b>
VI-JON Labs Inc	\$51,844,352	(8.03)	24.86	(0.30)	26,579,880	(11.78)	\$1.95	\$0.08
GoJo Industries Inc	\$49,208,480	(7.58)	23.59	(0.17)	23,712,410	(9.61)	\$2.08	\$0.05
Edgewell Personal Care	\$19,313,092	(23.02)	9.26	(1.94)	10,466,976	(40.46)	\$1.85	\$0.42
Nice-Pak Products Inc	\$4,623,622	(7.70)	2.22	(0.02)	2,649,045	(4.11)	\$1.75	\$(0.07)
<b>LIQUID HAND SOAP</b>	<b>\$758,036,160</b>	<b>0.53</b>	<b>100.00</b>	<b>-</b>	<b>344,050,816</b>	<b>0.23</b>	<b>\$2.20</b>	<b>\$0.01</b>
Colgate Palmolive Company	\$225,151,280	(1.65)	29.70	(0.66)	112,872,688	(3.48)	\$1.99	\$0.04
The Dial Corporation	\$183,601,984	5.46	24.22	1.13	104,607,552	5.18	\$1.76	\$0.00
<b>PRIVATE BRANDS</b>	<b>\$177,276,560</b>	<b>(5.81)</b>	<b>23.39</b>	<b>(1.57)</b>	<b>78,350,560</b>	<b>0.77</b>	<b>\$2.26</b>	<b>\$(0.16)</b>
Method Products Inc	\$60,613,484	14.18	8.00	0.96	17,474,016	15.05	\$3.47	\$(0.03)
The Caldrea Company	\$33,814,032	29.43	4.46	1.00	7,954,325	25.55	\$4.25	\$0.13
<b>MOIST TOWELETTES</b>	<b>\$670,190,720</b>	<b>22.86</b>	<b>100.00</b>	<b>-</b>	<b>198,309,552</b>	<b>11.10</b>	<b>\$3.38</b>	<b>\$0.32</b>
<b>PRIVATE BRANDS</b>	<b>\$293,052,896</b>	<b>20.65</b>	<b>43.73</b>	<b>(0.80)</b>	<b>96,991,760</b>	<b>15.86</b>	<b>\$3.02</b>	<b>\$0.12</b>
Kimberly Clark Corporation	\$214,733,552	25.29	32.04	0.62	48,343,716	4.67	\$4.44	\$0.73
Procter & Gamble	\$63,924,576	49.31	9.54	1.69	10,726,472	3.47	\$5.96	\$1.83
Edgewell Personal Care	\$50,298,860	13.79	7.51	(0.60)	24,963,812	14.46	\$2.01	\$(0.01)
Little Busy Bodies Inc	\$15,960,688	8.89	2.38	(0.31)	3,437,031	8.15	\$4.64	\$0.03

SOURCE: IRI. Total U.S. supermarkets, drugstores, mass market retailers, military commissaries and select club and dollar retail chains for the 52 weeks ending April 16, 2017. For the complete "Personal Cleaning Products" table and other "Non-foods State of the Industry" tables, visit [www.storebrands.com](http://www.storebrands.com).



segment, the internal analgesic tablet segment, the antacid liquid/powder segment, three smoking-cessation product segments, and several segments in the home health device category, including blood-pressure kits, glucose monitoring devices, and urine testing kits — to name just a few.

But the global wellness market (food as well as non-food) is “expected to eclipse \$1 trillion this year,” says Nicole Peranick, Daymon’s director of global thought leadership.

Emphasizing that the term “private brand” means services as well as products, Peranick notes that grocery retailers can do much more to leverage the natural synergies between a store’s pharmacy department and the various departments selling healthful food. For example, retail dietitians could help customers plan dietary solutions based on data from private brand fitness trackers, medical devices and even DNA kits.

“Health and wellness is exploding,” Forsey agrees. “It’s a category that is both high-profile and high-ticket.”

Personal care — a category grouping that includes a wide variety of items such as deodorant, body lotion, soap and shampoo — is ripe for innovation by retailers with private brands, Killian notes. The IRI data confirm the growth opportunities. In the liquid body wash segment, a nearly \$2.4 billion category, for example, private brands rank sixth place in dollar sales, but that represents a 4 percent increase over the previous year. Branded body washes targeting men are performing even better, suggesting a possible investment area for store brands.

Deerfield, Ill.-based Walgreens Boots Alliance is one retailer that has been especially creative with its store brands in the personal care realm. Its Soap & Glory brand brings fun and whimsy to the pink-packaged, cleverly named skin-



## Prevent Wipe Out

Private brand **baby wipes** rank **No. 1 in sales** at **\$484.1 million**, but this represents a more than **3% decline** over the previous year. In contrast, **free-from and organic wipe manufacturers** are posting dollar sales **gains of 40%-plus**.

care and bath products that feature retro black-and-white photography of attractive young women from an earlier era. The chain’s premium No7 beauty brand is aimed at older, more sophisticated women who have discriminating taste, while the newer nature-inspired Botanics brand, proclaiming “the power of plants,” targets consumers who value natural and organic products.

## Downward Slide

In **5th place** among manufacturers of deodorant bar soap, private brands **plunged 29.4%** in dollar sales and **24.4% in unit sales**, a much **steeper decline** than that experienced by manufacturers of the leading national brands.

### OPPORTUNITY IN LAUNDRY

Laundry products, traditionally a commodity or value area for store brands, represent a largely untapped opportunity for differentiation, Killian notes. The IRI data show a number of laundry care segments experiencing growth in private brands. Ranked No. 5, store brand liquid laundry detergent, for instance, increased in retail dollar sales by 6.2 percent over the previous year, while the three leading national brands declined in dollar sales.

Private brands also accounted for the only dollar sales increase among the top five brands in the liquid static control/fabric protection category. But the most impressive gains for store brands in laundry occurred in the color-safe bleach category. Ranked No. 2 in this segment, private brand color-safe bleach increased nearly 27 percent in dollar sales and 31.4 percent in unit sales, while top-ranking Clorox color-safe bleach suffered a 4.6 percent decline in dollar sales and a 5 percent decline in unit sales.

### RECLAIMING BABY CARE

Baby care, however, is a category grouping in which store





# Non-Foods State of the Industry

brands have been steadily losing ground, though they still have a relatively high ranking in all segments.

Private brand baby wipes, for instance, still rank at the top with \$484 million in sales, but this figure represents a 3.2 percent decline in dollar sales and 4.8 percent decline in unit sales from the previous year. In contrast, Seventh Generation baby wipes, a free-from brand, grew 45 percent in dollar sales and 38 percent in unit sales.

Private brands also declined from first to third place in disposable diapers, with dollar sales sinking 11.3 percent. Ranked No. 4, The Honest Co.'s natural and organic disposable diapers grew 4.6 percent in dollar sales, while fifth-ranking Seventh Generation disposable diapers, which are free of chlorine and several other chemicals, increased 12.7 percent in dollar sales.

To appeal to millennials who are starting families, it's clear that private brands need to innovate in the baby care category with free-from and organic choices.

## NEED FOR DIFFERENTIATION

Strong private brands can be an important differentiator for retailers at a time when consumers have a huge variety of ways and places where they can buy non-food merchandise.

"It's clear that retailers with more developed private brands are outperforming competitors significantly," Killian says.

To be successful today, private brands need to offer consumers what they can't get anywhere else, Forsey adds. "They need to be meaningful to shoppers and create intrigue and demand," he says. "Retailers that simply go for me-too private label with limited branding will find it increasingly difficult to remain relevant to the current demographic of shoppers."

Despite flat private brand growth over the past two years, "consumer attitudes toward private brands are still strong, even improving," Killian observes. "It's now up to retailers to make the next move and exceed shopper expectations." **SB**

BABY CARE PRODUCTS		DOLLAR SALES	% CHANGE	DOLLAR SHARE	% CHANGE	UNIT SALES	% CHANGE	PRICE/UNIT	% CHANGE
<b>BABY LOTIONS</b>		<b>\$120,277,232</b>	<b>(2.98)</b>	<b>100.00</b>	<b>-</b>	<b>21,834,468</b>	<b>(8.36)</b>	<b>\$5.51</b>	<b>\$0.31</b>
Johnson & Johnson		\$89,323,856	(5.08)	74.26	(1.64)	15,337,182	(10.12)	\$5.82	\$0.31
<b>PRIVATE BRANDS</b>		<b>\$6,515,208</b>	<b>(9.96)</b>	<b>5.42</b>	<b>(0.42)</b>	<b>2,787,826</b>	<b>(10.11)</b>	<b>\$2.34</b>	<b>\$0.00</b>
Natterra International Inc		\$6,082,960	(0.58)	5.06	0.12	1,696,749	(0.66)	\$3.59	\$0.00
Sundial Brands		\$3,652,449	0.59	3.04	0.11	422,424	0.47	\$8.65	\$0.01
Burt's Bees Inc		\$2,625,406	(6.26)	2.18	(0.08)	315,001	(7.27)	\$8.33	\$0.09
<b>BABY POWDER</b>		<b>\$95,130,496</b>	<b>(11.36)</b>	<b>100.00</b>	<b>-</b>	<b>30,462,168</b>	<b>(14.23)</b>	<b>\$3.12</b>	<b>\$0.10</b>
Johnson & Johnson		\$67,214,784	(10.46)	70.66	0.71	18,565,490	(13.90)	\$3.62	\$0.14
<b>PRIVATE BRANDS</b>		<b>\$21,614,574</b>	<b>(14.44)</b>	<b>22.72</b>	<b>(0.82)</b>	<b>10,437,008</b>	<b>(16.40)</b>	<b>\$2.07</b>	<b>\$0.05</b>
Chattem Inc		\$2,833,741	4.12	2.98	0.44	663,700	2.34	\$4.27	\$0.07
Insight Pharmaceuticals		\$1,888,551	(22.95)	1.99	(0.30)	349,285	(21.18)	\$5.41	\$(0.12)
The Honest Company		\$709,076	3.11	0.75	0.10	60,900	2.11	\$11.64	\$0.11
<b>BABY SHAMPOO</b>		<b>\$51,449,544</b>	<b>(1.84)</b>	<b>100.00</b>	<b>-</b>	<b>14,215,725</b>	<b>(5.95)</b>	<b>\$3.62</b>	<b>\$0.15</b>
Johnson & Johnson		\$40,758,652	(1.09)	79.22	0.60	9,778,049	(6.31)	\$4.17	\$0.22
<b>PRIVATE BRANDS</b>		<b>\$7,774,220</b>	<b>(3.98)</b>	<b>15.11</b>	<b>(0.34)</b>	<b>3,701,972</b>	<b>(5.02)</b>	<b>\$2.10</b>	<b>\$0.02</b>
Grisi Hnos SA de SV		\$1,985,745	(6.80)	3.86	(0.21)	545,163	(5.15)	\$3.64	\$(0.06)
Expanscience Laboratories		\$349,633	(36.14)	0.68	(0.36)	30,511	(35.93)	\$11.46	\$(0.04)
Beiersdorf Inc		\$194,229		0.38	0.38	18,054		\$10.76	
<b>BABY WIPES</b>		<b>\$1,213,089,664</b>	<b>(3.63)</b>	<b>100.00</b>	<b>-</b>	<b>308,389,888</b>	<b>(0.69)</b>	<b>\$3.93</b>	<b>\$(0.12)</b>
<b>PRIVATE BRANDS</b>		<b>\$484,083,040</b>	<b>(3.23)</b>	<b>39.90</b>	<b>0.16</b>	<b>116,555,384</b>	<b>(4.83)</b>	<b>\$4.15</b>	<b>\$0.07</b>
Kimberly Clark Corporation		\$401,849,824	(4.50)	33.13	(0.30)	114,505,928	6.44	\$3.51	\$(0.40)
Procter & Gamble		\$260,534,464	(6.83)	21.48	(0.74)	53,159,808	(0.71)	\$4.90	\$(0.32)
Seventh Generation		\$12,082,559	45.04	1.00	0.33	2,750,987	37.72	\$4.39	\$0.22
The Honest Company		\$9,961,742	39.35	0.82	0.25	1,511,028	(0.08)	\$6.59	\$1.87
<b>DISPOSABLE DIAPER</b>		<b>\$3,868,604,416</b>	<b>(6.68)</b>	<b>100.00</b>	<b>-</b>	<b>239,611,408</b>	<b>(5.32)</b>	<b>\$16.15</b>	<b>\$(0.24)</b>
Procter & Gamble		\$1,973,272,704	(5.19)	51.01	0.81	110,898,304	(2.74)	\$17.79	\$(0.46)
Kimberly Clark Corporation		\$1,120,833,536	(6.54)	28.97	0.05	63,328,888	(7.34)	\$17.70	\$0.15
<b>PRIVATE BRANDS</b>		<b>\$705,535,424</b>	<b>(11.33)</b>	<b>18.24</b>	<b>(0.96)</b>	<b>61,558,732</b>	<b>(7.33)</b>	<b>\$11.46</b>	<b>\$(0.52)</b>
The Honest Company		\$39,200,900	4.64	1.01	0.11	1,794,983	(4.77)	\$21.84	\$1.96
Seventh Generation		\$15,651,542	12.67	0.40	0.07	1,089,412	4.05	\$14.37	\$1.10
<b>DISPOSABLE TRAINING PANTS</b>		<b>\$1,029,547,392</b>	<b>5.01</b>	<b>100.00</b>	<b>-</b>	<b>78,824,616</b>	<b>4.98</b>	<b>\$13.06</b>	<b>\$0.00</b>
Kimberly Clark Corporation		\$635,270,528	0.75	61.70	(2.61)	45,799,792	1.38	\$13.87	\$(0.09)
<b>PRIVATE BRANDS</b>		<b>\$203,486,000</b>	<b>7.12</b>	<b>19.76</b>	<b>0.39</b>	<b>21,130,312</b>	<b>4.72</b>	<b>\$9.63</b>	<b>\$0.22</b>
Procter & Gamble		\$189,313,104	19.87	18.39	2.28	11,700,368	23.68	\$16.18	\$(0.52)
Seventh Generation		\$407,329	(9.12)	0.04	(0.01)	36,868	(1.36)	\$11.05	\$(0.94)
Rockline Industries Inc		\$323,185	(34.02)	0.03	(0.02)	58,781	(41.81)	\$5.50	\$0.65

**SOURCE:** IRI. Total U.S. supermarkets, drugstores, mass market retailers, military commissaries and select club and dollar retail chains for the 52 weeks ending April 16, 2017. For the complete "Baby Care Products" table and other "Non-foods State of the Industry" tables, visit [www.storebrands.com](http://www.storebrands.com).