

COVER STORY



# NON-FOOD FOR THOUGHT

Our annual report, based on IRI data, can help retailers determine what **non-food categories** — from deodorant to dog food — pose opportunities for private brands

BY LAWRENCE AYLWARD





## Susan Viamari owns two dogs, and she doesn't apologize for treating them like family members.

"A lot of people treat their pets like they are members of their households," says Viamari, the vice president of thought leadership for market researcher IRI.

Which brings us to private brands, specifically for dogs and cats. Because people are treating their dogs and cats more like people than like dogs and cats, they want better things for them — as in premium products — from supplies to food.

Hence, the supplies and food markets for dogs and cats may present retailers with a burgeoning opportunity to grow their private brands with products that are better than the national brand equivalents. That said, large national brands and smaller regional brands are improving their offerings as well.

"Retailers of store brands have an opportunity to get a piece of a really strong market that has a lot of premium potential with higher margins," Viamari says.

According to recent data from IRI, pet supplies for dog and cats is a \$2.5-billion category, with overall sales increasing nearly 2 percent in the latest 52-week period ending May 20. Store brand sales increased more than 12 percent in that time period, and now own more than 28 percent of the \$2.5 billion-segment.

Private brand sales also rose in the dry cat food category, increasing almost 6 percent during the period. While store brands rank first among products in the dry dog food segment, sales were down 3 percent. Sales of store brand wet cat food climbed 2.5 percent, and sales of store brand wet dog food sales rose 2 percent.

There are plenty of other opportunities for store brands to grow in other non-food categories as well. While private brands are performing well in many sectors, they aren't performing so well in others. But the glass-is-half-full analogy says that store brands have an opportunity to increase market share in the categories where they haven't made their mark.

Consider deodorant soap, where private brands are having a tough time competing with national brands like Irish Spring. Viamari credits national brand innovation in the personal care sector in general for keeping store brands from making headway.

"[National brand innovation] is really keeping the personal care sector exciting," Viamari says. "For instance, there are lines targeted specifically toward men's care, natural care and ethnic needs."

But Viamari says private brands still have a chance to compete.

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"Private brands really need to look at where there are pockets of growth in the sector," she adds, noting that personalization of such products is "really what's moving the needle in the marketplace."

In the personal care category, which also includes cosmetics, shampoo, deodorant and other products, Viamari stresses the importance of niche products and niche marketing of those products for store brands to succeed.

There has been a recent movement by retailers and manufacturers of store brands to increase their premium product offerings in food and beverage consumer packaged goods. Viamari says premiumization can also impact the non-foods sector.

"It's really about looking at the continuum of products that are offered in [particular] categories," she says.

"And what there needs to be within each category is an assortment that matches the needs of the consumer. So, yes, there's an opportunity at the premium end. But there are also consumers who just want to save money, and they will forego the premium experience and will buy the value brand. So there is opportunity for store brands in the value end, the premium end and even in between."





In some non-food categories, store brands didn't get off to a good start when they debuted many years ago and continue to lag behind. While such products were inexpensive, consumers found their quality to be lacking. But Viamari advises retailers not to give up on such categories. Products in those categories have and can continue to be improved from a quality and value perspective.

"It's not too late, especially with the rise of millennial shoppers," she adds. "Millennials are less focused on brands and more focused on a product's attributes. They also weren't in the market back when [private brands] had those plain black and white labels."

In non-food segments where private brands are doing well such as wet wipes, toilet tissue and paper towels, Viamari advises retailers to keep innovating and improving products as much as possible so they continue to offer value, not just a low price.

It's through innovation, from the product itself to its packaging and to its story, that store brands in non-foods can differentiate and succeed, Viamari stresses.

"It's about the efforts that private brands are putting into being more than just me-too products and actually being brands in their own right," she says.

# CATEGORY CAPSULES

**Private brands were tops in sales in liquid body wash and second in liquid hand soap.**

Editor's note: *Store Brands* recently analyzed private brands sales data from a list of non-food product categories provided by market researcher IRI. The data also contained the top five manufacturers and top five brands in each category. Below are several category capsules taken from the data that show how store brands performed during a 52-week period ending May 20 when compared to the previous time period. IRI compiled the data from grocery, drug, mass market, military and select club and dollar store retailers. For more information, contact IRI at [iriworldwide.com](http://iriworldwide.com).



## SOAP

This near \$5-billion category includes deodorant bar soap, non-deodorant bar soap, hand sanitizers, hand cleaner, liquid body wash and liquid hand soap. Private brands performed well against brands in some category segments, leading in hand sanitizers, with nearly \$93 million in sales, which was a 40 percent increase in sales. Private brands were also tops in sales of liquid body wash and second in liquid hand soap. However, private brands didn't crack the top five in deodorant bar soap and non-deodorant bar soap.







In the **shampoo** category, private brands did not finish in the top five for regular shampoo, a segment with **\$2.3 billion** in sales.

### MOIST TOWELETTES

In this nearly \$2-billion category, private brands dominated in sales of baby wipes, with \$544.1 million, an increase of nearly 10 percent. Private brands own more than 42 percent of the category.

### SANITARY NAPKINS/TAMPONS

A \$2.8 -billion category, private brands ranked second in sanitary napkins/liners with \$318.7 million in sales, a 1.3 percent increase. Private brands captured 11 percent of sales in the tampon market with \$116.1 million in sales, also ranking second in the category among products.

### HAIR STYLING GEL/MOUSSE

The \$1-billion category grew slightly during the time period, but no private brand products appear in the top five sellers.

### HEALTH REMEDIES

Private brands performed well in several segments of this \$1.1-billion category, finishing first in ear-care products with \$25.4 million sales and second in ear drops with \$23 million in sales. Both segments also saw a slight increase in sales. Private brands also saw a 20 percent sales increase in Epsom salts with sales of \$76.4 million, ranking first in the segment. But while store brand sales of chest rubs finished second, sales were down 9 percent. Overall, that segment rose more than 11 percent in sales.

### HAIR COLORING

The name brands rule in this \$1.61-billion category. In men's hair coloring, which comprises only \$202 million

in overall sales, private brands account for only \$4 million and lost more than 18 percent of sales. Women's hair coloring dominates the category with \$1.4 billion in sales. No private brands are in the top five women's hair coloring selling products.

### SHAMPOO

In this \$3.1-billion category, private brands did not finish in the top five for regular shampoo, a segment with \$2.3 billion in sales. While private brands finished third among products in the dandruff shampoo segment with sales of \$50.7 million, sales slipped about 8 percent from the previous period.

### ADULT INCONTINENCE PRODUCTS

Private brands continue to perform well in the category, finishing first among all branded products with sales of \$583 million, an increase of 6 percent.

### INTERNAL ANALGESICS

In this nearly \$4-billion category, private brands performed well in several segments, including internal analgesic tablets, a segment that owns \$3.4 billion of the category. Private brand sales were \$1.2 billion, but increased less than 0.5 percent. Nevertheless, store brand products rank first as the top seller in the category.

### COLD/ALLERGY/SINUS TABLETS

Private brand sales are holding steady in this \$4.7-billion category. Store brand sales were flat, with about \$1.46 billion in sales but hold the top spot among all products.







### HAIR CONDITIONER

Private brands are nowhere to be found in the top five products of this nearly \$2.2 billion category.

### COSMETICS/FACIAL

The nearly \$2.2-billion category, featuring blush, bronzer, concealer, foundation, powder and other products, is dominated mostly by name brand products.

### COSMETICS/EYE

Name brands dominate the \$2 billion category, which includes eyebrow makeup, eye liner, eye shadow and mascara. Store brands rank fifth among products in eye shadow but sales declined 13 percent.

### BABY NEEDS

While private brands rank high in several segments of this \$878-million category, sales decreased during the 52 weeks in some segments. All store brand sales declined in baby lotions, baby oils, baby powder, baby shampoo and baby soaps.

Sales of private brands grew nearly 9 percent in the tooth bleaching/whitening segment of the toothpaste and tooth bleaching category, ranking store brands second among products in the segment.

### MOUTHWASH

Private brands continue to battle brand name powers such as Listerine in this \$1.46-billion category. Store brands ranked second behind Listerine in product sales with \$199.2 million in sales, which were flat when compared to the previous period.

### TOOTHPASTE AND TOOTH BLEACHING

Sales of private brands grew nearly 9 percent in the tooth bleaching/whitening segment of this \$3.16-billion category, ranking store brands second among products in the segment. But in the regular toothpaste segment, which comprises \$2.86 billion of the category, store brands do not have a product ranking in the top five for sales.

### TOOTHBRUSH/DENTAL ACCESSORIES

Store brand sales increased 6.7 percent during the period in the category, making retailers' own brands No. 1 in the dental accessories/tools segment, which makes up \$913.7 million of the \$2.65-billion category. Private brands also increased in sales in dental floss (2.4 percent) and manual toothbrushes (2.2 percent), the latter ranking store brands first among all products in the segment, which comprise \$822.7 in sales of the category. Private brand power toothbrushes also increased about 9 percent in sales in a segment that had \$487 million in sales, ranking them second.

### BLADES

Sales of store brands slipped in this nearly \$2-billion category, including a drop in cartridges; disposables, where private brands rank first in product sales by a wide margin; and razors, where store brands also lead in product sales.







The liquid laundry detergent segment controls \$5.36 billion of the \$7.27-billion laundry detergent category, with private brands accounting for \$128.6 million in sales, which did not rank in the top five product sellers.

## VITAMINS

The nearly \$7.3-billion category grew about 4 percent overall, with store brands leading the way. Sales of private brand liquid vitamins/minerals soared more than 18 percent, and ranked third among products in that segment. Private brand mineral supplements grew about 5 percent and now own nearly 33 percent of the segment, ranking first among products with \$1.2 billion in sales. Store brands also ranked first in the \$1.89-billion multi-vitamins segment, and had an increase of nearly 10 percent in sales. In addition, store brands rank first and increased sales 8 percent in the letter vitamins segment.

## WEIGHT CONTROL

More consumers are buying private brand weight control products, a category worth nearly \$3.8 billion. Sales of store brands in the weight control/liquid and powder nutritionals segment, which comprises \$3.4 billion of the category, climbed 10 percent.

## HAND AND BODY LOTION

In this \$2-billion category, private brand sales grew 3 percent to about \$136 million, ranking store brands second among all products.

## DEODORANT

In this nearly \$3-billion category, store brands haven't garnered much sales, with no product among the top five.

## CONTACT LENS CARE PRODUCTS

The \$1.9-billion category is made up mainly of contact lens solution, and store brands continue to have a

foothold, with sales growing 7 percent, ranking private brands first in sales in the segment.

## FOOD AND TRASH BAGS

Private brands rule this nearly \$4.5-billion category. In the garbage/trash/lawn and leaf bags segment, private brands owned about \$1.2 billion of the \$2.68 billion spent. Sales rose 2.6 percent. In the sandwich/freezer/food storage bag segment, private brand sales were relatively flat, but still own 42 percent of the \$1.7 billion spent.

## HOUSEHOLD CLEANERS

The \$3.4-billion category includes all-purpose cleaner/disinfectant, tub/tile cleaner, glass cleaner/ammonia, oven/appliance cleaner/degreaser, specialty cleaner/polish, spray disinfectant and plenty of other products. Yet store brands don't make much of a dent in many of the segments except with all-purpose cleaner/disinfectant, spray disinfectant, glass cleaner/ammonia, drain cleaner and a few others.

## LAUNDRY DETERGENT

The liquid laundry detergent segment controls \$5.36 billion of this \$7.27-billion category, with private brands accounting for \$128.6 million in sales, which did not rank in the top five product sellers. However, store brand sales rose about 4.5 percent in the segment. Store brands held similar rankings in the "other" laundry detergent (packet/bar) segment and the powdered laundry detergent segment, although those segments garnered much lower overall sales.



## COVER STORY

### TOILET TISSUE

Store brand toilet tissue sales increased more than 10 percent in this category, which remained relatively flat overall with total sales of about \$8.5 billion. Private brand sales total about \$1.8 billion and now own about 21 percent of the category.

### PAPER TOWELS

Private brand paper towels own the top spot among products in this \$5.1 billion category. Store brand sales rose 3 percent and now own 30 percent of the category.

### PET SUPPLIES

In the dog/cat needs segment of the \$4.3 billion category, sales increased more than 12 percent, with store brands owning more than 28 percent of the \$2.5 billion segment. Store brands also comprise the No. 1 product in the segment.

### DOG AND CAT FOOD

Private brand sales rose in the cat food category, increasing almost 6 percent. Store brands occupy the top product spot in the \$2.3-billion category. While private brand dry dog food ranks first among products in the \$5.1-billion category, sales were down 3 percent. Sales of store brand wet cat food climbed 2.5 percent, and private brands own 5.6 percent of the category. Store brand wet dog food sales rose 2 percent, and private brands own 8 percent of the category.

### PET TREATS

At \$3.1 billion, the category grew 4.3 percent. Cat treats comprise far less than dog treats in the category, the latter making up almost \$2.5 billion of the category. While store brands have no product in the top five for cat treats, private brand dog treats are the top product in the dog treat segment, and sales rose 10 percent. *SB*