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## News Release

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### PRIVATE LABEL: SUCCESS BUT AT WHAT PRICE TO RETAILERS?

**May 9, 2011, Sydney:** According to the latest insights from Nielsen's Homescan panel, private label's share of total grocery grew marginally from 24.5 percent recorded in the previous December quarter to 24.7 percent in quarter one of this year (19/03/2011). This is a growth of one percentage point compared to the same quarter last year (Chart 1).

This quarter, however, saw the overall average spend per buyer for private label goods drop by almost six dollars (\$5.79), down from \$208.03 in the December quarter to \$202.24 in March. This is as a result of the cheaper pricing strategies currently being employed by the major retailers, and is not a reflection of a reduction in volume: the popularity of private label goods continues to reign strong amongst the cost-conscious Australian consumer.

"Shoppers' store repertoire is not changing significantly, but how they allocate household spend between competing stores and brands is. What we are seeing is a volume shift within categories between branded and private label goods, and branded versus branded goods, which varies depending on the category and the product in question," comments Michael Walton, The Nielsen Company's executive director for consumer and business intelligence.

Currently, however, there is little evidence that price discounting on branded and private label goods is driving significant increases in foot traffic across the major retailers.

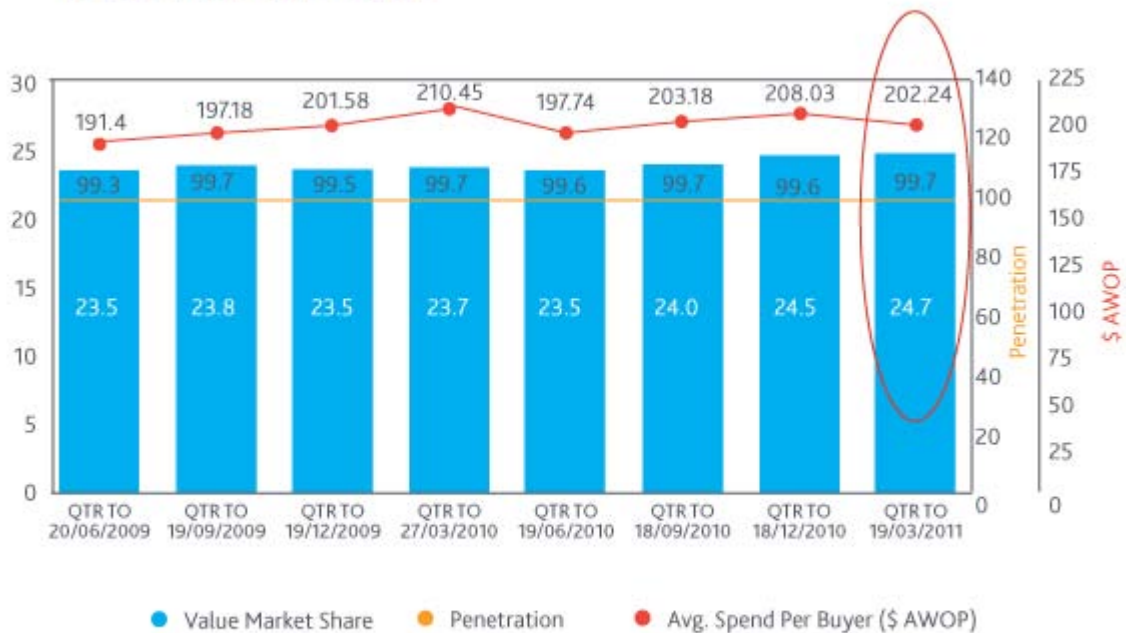
"This is likely due to the fact that one retailer immediately trumps the other as soon as a price reduction is announced. With so many initiatives in play at once it is difficult to isolate a 'silver bullet' that is responsible for the growth in share of the major retailers this quarter.

"The impact of the price campaigns is being felt by the independent retailers and non-supermarket channels. They have lost share of trade in the most recent quarter and these gains are going to the major retailers," Walton concludes.

Across the demographic life stage groups, all groups recorded an increase in spend on private label, with the Young Transitionals' segment (Adult households [no children <=17] Head of household <35) - representing 8.2 percent of the population - recording the biggest gain. This is an increase of two percentage points on the same quarter last year (Chart 2). The Small Scale Families' group (Households with oldest child 6-11 years), and representing 11.1 percent of the population, continued its quarterly stronghold as the demographic life stage group with the largest share of private label, at just under 30 percent (27.5%).

**Chart 1:**

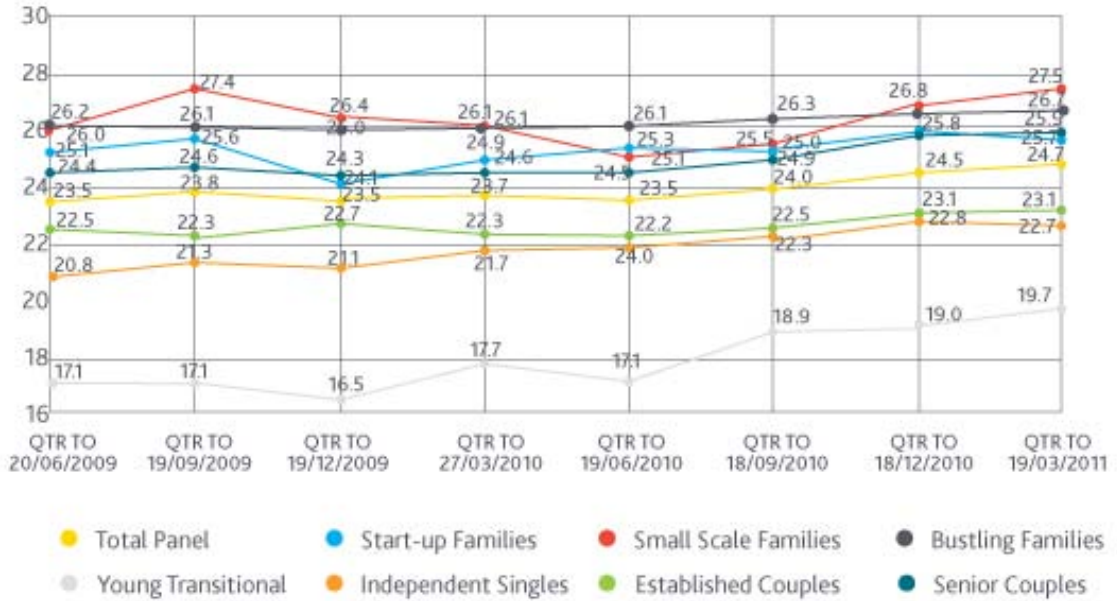
**Trended share, penetration & AWOP**  
 AUS Supermarkets—Total Private Label



Source: The Nielsen Homescan® (Australia)

**Chart 2:**

**PL share trend by demographic lifestage group | AUS Supermarket**



Source: Nielsen Homescan® | Total Private Label—Value Market Share | Share of Total Grocery Spend | For Period Ending 25/12/2010



**About The Nielsen Company**

The Nielsen Company (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The company has a presence in approximately 100 countries, with headquarters in New York, USA. For more information on The Nielsen Company, visit [www.nielsen.com](http://www.nielsen.com).

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