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News Release

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FOR IMMEDIATE RELEASE

NEARLY THREE-QUARTERS OF U.S. CONSUMERS AGREE PRIVATE LABEL BRANDS ARE GOOD ALTERNATIVES TO NAME BRANDS, ACCORDING TO NIELSEN SURVEY

One-Third of Consumers Willing to Pay More for Private Label Brands

Schaumburg, Ill., November 17, 2008: Once considered a lower-price, lower-quality substitute for name brands, private label products, or store brands, are viewed positively by the majority of U.S. consumers, according to a new survey by The Nielsen Company. Nearly three-quarters (72 percent) of consumers believe store brands are good alternatives to name brands and 62 percent of consumers report they consider store brands to be as good as name brands, up three points since 2005. Private label products account for more than \$81 billion in the U.S, up 10.2 percent over the past year.¹

Nielsen's survey indicates that an improved sense of quality is likely a driving factor for consumers' positive attitude toward private label products. Sixty-three percent of consumers believe that the private label brand *quality* is *as good as* name brands and one-third (33 percent) of consumers tell Nielsen they consider some store brands are *higher quality* than name brands.

"While private label products continue to follow the success of consumer packaged goods (CPG) manufacturers' name brand introductions, more CPG retailers are making private label a priority with

¹ The Nielsen Company, Total U.S. grocery, drug, mass merchandiser stores, including Wal-Mart, 52 weeks ending 9/27/08.

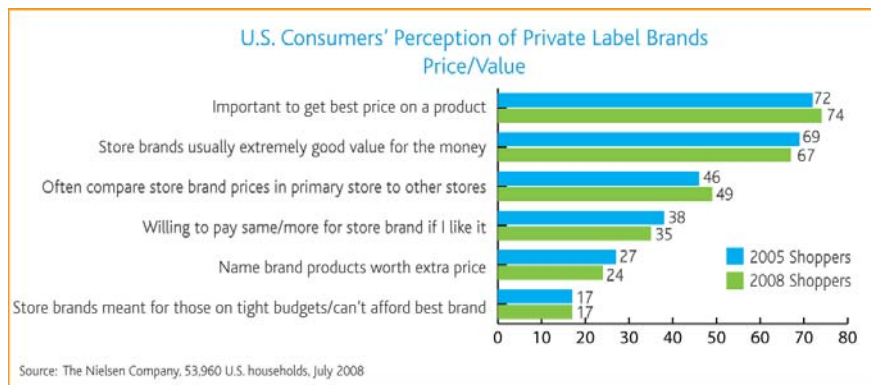
messages on quality as strong as messages on value,” said Todd Hale, senior vice president, Consumer & Shopper Insights, The Nielsen Company.



Granted, some consumers view store brands less than positively. Sixteen percent of respondents maintain that store brands are not suitable when quality matters and 16 percent say store brands have “cheap-looking” packaging.

Price and Value Matter

According to Nielsen’s survey, price and value are paramount. Seventy-four percent of consumers believe it is important to get the best price on a product. Two-thirds (67 percent) of consumers agree that store brands usually provide “extremely good value” for the money while 35 percent of consumers are willing to pay the same or more for store brands if they like it. Just under a quarter (24 percent) of consumers believe that name brand products are worth the extra price.





“In today’s economy, consumers are looking for ways to save money and for many of them, that means taking a new look at private label products,” said Hale. “With more retailers offering satisfaction guarantees on private label purchases and even serving up blind taste testing and trial programs, consumers’ exposure to private label products has never been greater,” said Hale.

Rising Commodity Prices Continue to Drive Private Label Sales

Earlier analysis by Nielsen shows that an increase in private label dollar sales is driven primarily by rising commodity and food prices, particularly in staple categories that are dominated by private label brands and not in unit sales. However, a recent uptick in private label unit sales suggests that budget-conscious consumers may be starting to shift away from some established brands in search of better deals. Private label represents 16 percent of dollar sales and 21 percent of unit sales², indicating that branded products still capture the lion’s share of product category sales.

“Private label development varies greatly by department and we see strongest growth in products where private label has historically been strong,” said Hale. “Translating private label growth outside of commodity categories requires innovation - - an area where CPG manufacturers, rather than retailers, traditionally excel.”

About the Survey

Results are based on Nielsen Homescan™ online survey responses from nearly 54,000 U.S. consumers, geographically and demographically representative of the total U.S. population. The survey was conducted in June and July 2008.

About The Nielsen Company

The Nielsen Company is a global information and media company with leading marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.

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² The Nielsen Company, Total U.S. grocery, drug, mass merchandiser stores, including Wal-Mart, 52 weeks ending 9/27/08