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RETAILING

Marca 2012: nothing is more certain than change

"Nothing is more certain than change" is a slogan that fits in perfectly with the present state of the local and international market, where everything is mutable and nothing seems to have a unique interpretation.

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What is certain is that on the occasion of the Marca trade show of Bologna (show wholly dedicated to the Private Label industry) many Italian tissue converters were present with an exhibit booth.
But what is really happening in the world of Private Labels? The Conference held in conjunction with the show (18-19 January) highlighted how private label products represent a significant "alternative" resource for Italian production companies and how they widen the selection pool for final consumers. The increase in these products' market share, even in times of deep crisis, with an 18% growth in the last four years and a value of almost 9 billion of euros, testifies as to how these shelf references are shifting consumption trends which may well have slowed down but which are certainly unstoppable.

THE SET OF INGREDIENTS TURN THE "CONSUMPTION RECIPE" INTO A MIX OF EXPLOSIVE FACTORS such as inflation, the increase in VAT tax, growth of the PL offer through product lines having a greater added value, and allow the final consumer to opt for alternative, safe-quality products.
Looking at numbers, we can safely state that over 50% of consumers routinely purchases PL products, while 30% turns to the purchase of the aforementioned more than in the past (8% more with respect to 2006). If up until a few years ago PL products had a reputation for being low-quality. Today almost 80% of consumers etain them to be of the same if not higher quality than the industrial brand.

THESE ARE THE DATA THAT EMERGE FROM THE RESEARCH CONDUCTED BY GFK/ROPER, WHICH REPORT THAT OVER 50% OF CONSUMERS SEEMS TO CONFIRM THIS INVERSION IN TRENDS CONCERNING PL PRODUCTS. A result that rewards retailers' efforts and work in these last few years in adopting a policy of change in their references in the quest for continuous product innovation, creating and in some cases strengthening the premium segment, working both on the product itself and on the packaging, hence, its image. If we also look at Coop's "Consumption and Distribution" report conducted on national territory, we find that the increment in the assortment and increased demand by consumers go hand-in-hand, and the purchase of PL products is a strongly growing phenomenon, since recorded savings are in the order of 20% over the category price.

THIS PHENOMENON - SAVINGS - IS VERY COMMON IN ITALY WHERE THE CRISIS HAS BEEN FELT AND 49% OF CONSUMERS HAS INCREASED CONSUMPTION OF PL PRODUCTS. However, this increase suffers from non-homogeneous growth on national territory, where differences are registered between North, South and Central Italy. Although in southern regions of the country we find a lower percentage with respect to the national average, it is in this area that PLs are registering highly sustained growth rates in many categories of goods. Today, private labels surely represent not only a price alternative but also and above all a means to promote premium segment products. What leads Italians to purchase PL products (in 83% of cases) is price comparison with industrial-brand products, highlighting both the quality of the final product and its value, confirming that PLs have attained optimal quality levels. This philosophy is demonstrated by 40% of Italians who acknowledge an optimal quality-price ratio in these products.
These considerations are made above all for some categories of food products as well as home care products (toilet rolls and kitchen towel rolls, table napkins, etc.) where private labels top brands in supermarket trolleys.

THE MAGIC WORD FOR PL PRODUCTS IS CERTAINLY CHANGE, because they have succeeded in changing their image into a synonym of quality, proposing shelf references that become the signature of the insignia on stylish products or that answer specific needs. An example is given by gluten-free products in the food category, or biological products designed to protect the environment as far as house cleaning or personal care products are concerned. And for what concerns the latter product categories, many national tissue producers took part in the show: Cartiera Confalone, Eurovast, Delicarta, Wepa, Papergroup, FuturaLine, Lucart and ICT Tronchetti, proposing their novelties in the field of tissue products.

IN ITALY, IN 2010 THE NUMBER OF PL PRODUCTS FOR HOUSE CLEANING REGISTERED A VALUE (AND VOLUME) SHARE OF 23.6%. Important figures that envisage future growth for PL products, considering that Italy has not yet attained higher levels like in the UK, Germany, Spain and France due to a very fragmented distribution network. •

Data sorce: Largo Consumo.