

The Growth of Private Label in the European Food Market

by

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Abstract

Private label products have overcome their low cost, low quality image in recent decades and have evolved into innovative brands that compete with national and global products. This thesis examines the causes and consequences of this transformation, focusing on consumer perceptions, retailer and manufacturer strategies, supply chain challenges, and market trends. The research includes a comprehensive literature review, interviews with industry experts, and data from field observations conducted at the PLMA trade fair. The findings indicate that European consumers are increasingly trusting private labels. They are particularly preferred in premium, organic, and plant-based categories. Retailers are also increasingly choosing private label products for reasons such as higher profit margins, lower supply chain risks, and enhancing customer loyalty by enhancing store image. Manufacturers have also begun to utilize dual branding to maintain their competitiveness. This study contributes to understanding how private labels are impacting the future of food retail in Europe.

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1. Introduction

Private label food products in Europe have experienced significant growth in recent decades. These products, once marketed as low-priced and low-quality, now compete directly with branded products in terms of quality, variety, and brand image. This development has been influenced by numerous factors, including shifts in consumer purchasing decisions, retailers' and manufacturers' strategies, and supply chain dynamics. Furthermore, private label products have become not only competitive with national and global brands but also lead innovative markets by differentiating themselves and creating product lines such as premium, organic, and plant-based.

1.1. Background of the Study

The background of this study is rooted in the long evolution and development of private labels in Europe. From their emergence as low-quality, low-priced products in the early 1900s to their transformation in the early 2000s and their continued growth to the present day, the quality and reputation of private label products in the eyes of consumers have steadily increased. This development has been supported by factors such as the differentiation of private labels with organic and vegan product lines, retailers' brand image, and the importance given to packaging by manufacturers. Furthermore, supply chains affected by factors such as COVID-19, Brexit, climate change, and the war in Ukraine have also played a significant role in the development of private label products. Customers are now more price sensitive as a result of these economic fluctuations, and retailers are starting to prioritize a steady supply more. For these reasons, private label products are preferred by consumers, retailers, and manufacturers.

1.2. Relevance and Scope of the Study

The relevance of this study is the important role of private label products in shaping the competitiveness of the food sector in Europe. Private labels, which constitute approximately half of the market share in many European countries, continue to grow daily. They are now preferred not only by consumers as affordable alternatives but also by their diverse product lines and certifications. They are also a strategic option for retailers and manufacturers due to their low production costs and high profit margins.

The scope of this thesis focuses on private label food brands in Europe from 2018 onward, a period in which the market share of private label products has increased significantly. The study combines consumer, retailer, and producer perspectives and market dynamics. The study offers an in-depth analysis of the evolving impact of private labels in the European food industry and its implications for future market competitiveness by investigating these three perspectives.

1.3. Research Objectives

The primary objective of this study is to examine the impact and growth of private label food products on the European food industry. This study aims to identify the reasons for the development of the private label market by analyzing past studies, interviews with current industry professionals, and field studies conducted at fairs. It also explores the impact of consumer perceptions, purchasing behaviors, and demographic characteristics on private label brand preference. Moreover, the study examines the perspectives and strategies of both retailers and manufacturers on private label products. This research focuses on different production lines, dual branding, store image, and packaging. It also examines the advantages and disadvantages of private label products by comparing them with national and global brands. Another objective is to explore how the supply chain and significant historical economic events have affected private label products. Finally, it aims to predict the future market share and competitive position of private label products in the European food industry.

1.4. Research Motivation and Positionality

I chose this topic because of a lack of knowledge I noticed while working at a company that operates a networking platform for private label food and beverage products. While studies on the development of private label food products existed in Europe, none were comprehensive enough. I wanted to learn more about this sector, which has experienced significant growth in recent years and is aimed to grow even more in the coming years. Working as a business development associate in this sector, I believe I can see the bigger picture and address the gaps in knowledge within it. My current company and role allowed me to gain first-hand experience and data during the research. This position also allowed me to meet with industry experts within my network, allowing me to directly see and interpret the perspectives of retailers, manufacturers, and consumers. By combining my field experience with past research and surveys, I aimed to create a comprehensive study that has never been done before. This will help fill gaps in the literature and provide strategic insights for the sector.

1.5. Research Problem and Questions

This study examines how private label food products and branded food products are shaping the European food market. The European private label food market is rapidly changing and growing. While studies exist to understand the dynamics of how private label food products operate in the European market, new dynamics are constantly emerging. Research in this quickly changing and evolving sector falls behind the industry's innovations and changes.

The research questions are:

- What are European consumers' impressions of the national brand products and private label food products?

- What are the factors affecting the market share of private label food and beverage products in Europe?
- How do private label products make themselves attractive to consumers?
- What challenges do private label food businesses in Europe face in their supply chains?
- What are the financial advantages and disadvantages of private label products compared to branded products for manufacturers, retailers and consumers?
- How do demographic factors influence private label product choices in Europe?
- How does a store's image affect customers' trust in private label products?
- What impact do discounters have on the European private label market?
- What is the impact of product differentiation through organic and vegan private label lines on consumer loyalty and market share?

2. Literature Review

2.1. Introduction to Private Labels in Europe

2.1.1. Private Label and White Label

White labeling is the practice of selling a product that has already been produced and is ready to be produced by a brand by placing its own logo on it. The product's content is predetermined and cannot be changed. The product is produced by the manufacturer, and the company that places its brand handles the marketing and sales of the product. Private labeling, on the other hand, involves the product being produced in collaboration with the manufacturer to its specifications and then having the brand's logo affixed to it. This means the brand that commissions the product can completely determine its own content, and the product is solely owned by that company. The brand is responsible for the entire process, including design, quality, content, marketing, and sales. In other words, the biggest difference between private label and white label is the control over the production process. Companies choose private label when they want to produce a product with their own content and design. While it may be more expensive than white label, it

creates strong brand equity in the long run and thus gains loyal customers. Furthermore, with private label products, companies can easily monitor and adapt to changing trends. For these reasons, private labeling is rapidly growing in Europe (Peeters, 2024).

2.1.2. Development of Private Label in Europe

In the mid-1900s, private label products were introduced to the market as very low-priced, low-quality products and were considered generic. After the 1980s, the quality of private label products began to improve, gradually becoming competitive with national brands. After the 2000s, this quality increased significantly, and premium private label products began to be produced. These brands, differentiated in their categories with high-quality products, began to attract customers, and their sales steadily increased. This increase was particularly evident in food, FMCG, and cosmetics. This was primarily due to the lower social risk inherent in these categories and the fact that brands differentiated their products with labels such as organic and vegan. While private label sales gained momentum in developed countries, particularly in North America and Europe, they failed to achieve this momentum in Asia, Latin America, and Africa due to factors such as a lack of retail investment, consumer perception, supply chain issues, and a lack of trust (Wu, Yang and Wu, 2021).

2.2. Consumer Perceptions of Private Label Products in Europe

2.2.1. The impact of purchasing power on private label product purchases

Past economic research has shown that private label products are generally preferred by consumers with lower purchasing power. Those with medium and high purchasing power were generally prejudiced against private label products. However, this perception has changed significantly in recent years. Over time, people have realized that they can purchase high-quality products from familiar brands at lower prices. This is crucial because it emphasizes financial convenience for both the business and the end user. According to a 2021 study, consumer purchases are influenced by food safety factors by 25 %, certifications by 17 %, purchase location by 21 %, and price by 33 %, while brand name influences only 4 %. In other words,

consumers now prioritize product reliability and price over product names. Another finding from the same study is that 75 % of these consumers believe private label food products are safe, and 72 % regularly purchase private label products. It shows that consumers who trust the safety of private label food prefer these products (Sgroi and Salamone, 2022).

A 2018 study conducted in Slovakia and the Czech Republic supports the previous research. While price is often consumers' primary concern, food safety, the appearance of the product's retail location, and perceived quality also play important roles in decision making. Consumers' preference for private label products for these reasons suggests that private label products are no longer seen as low-cost alternatives, but rather as competitors with national brands. Furthermore, the presence of certain certifications is now attracting consumers more. Consumers seeking products with certifications such as organic, vegan, and local produce have found these easily in private label products and are therefore drawn to them. This, in turn, has increased brand value and customer loyalty (Valaskova, Klietkova and Krizanova, 2018).

2.2.2. The Impact of Consumer Demographics on Private Label Purchases

The study showed that women are more likely to purchase private label products than men. This is due to women being primary home shoppers and their tendency to share recommendations with others. Consumers satisfied with these products recommend them to their acquaintances, and thanks to these recommendations, more people choose private label products (Sgroi and Salamone, 2022). On the other hand, when looking at the age demographic, older people are more likely to prefer private label products than younger people. According to Richardoson et al., this is because older people have more shopping experience and therefore they consider not only the brand but also the price and ingredients of the product (2019). Studies on private label product purchases by education level found no significant relationship. In a 2018 study, one of the hypotheses was "highly educated consumers prefer national brands over private label products." A survey was conducted in Slovakia for this purpose, and the results were analyzed using a chi-square test, yielding a $p = 0.9050$. Since the p-value was above 0.05, the hypothesis was rejected, meaning there was no link between education level and private label product

preference. Low, medium, or high education levels do not influence consumers' preference for national brands over private label products. This suggests that private label products are no longer the exclusive choice of low-income or less educated consumers; they are becoming widespread (Valaskova, Kliestikova and Krizanova, 2018).

2.2.3. The Impact of Store Image on Private Label Product Purchases

Another factor that influences consumers' product selection is the store's image. Store image shapes consumers' perceptions of the store's quality, reliability, and value. When this image is strong, consumers attribute higher value and quality to the store's own-brand products. Thus, the store's image increases consumers' confidence in purchasing private label products. Store image also influences customer value. As customer value perception strengthens, consumer loyalty to the store increases. As a result, consumers choose private label products not only based on the product's price and quality, but also based on the store's overall image (Konuk, 2018).

Store quality has a positive impact on both PLB quality (the perceived quality dimension of private label brand image) and PLB affective (the affective, emotional dimension of private label brand image). A store's high-quality own products lead consumers to perceive the store's private label products as high quality. Also, the store atmosphere has a positive impact on PLB quality. A clean, new store and the staff's appearance lead consumers to perceive the store's private label products as higher quality. Moreover, store convenience and price/value perception have a positive impact on PLB effectiveness. If the store is well organized, easy to access, and offers reasonable value/price products, consumers are more likely to prefer that store's private label products. Lastly, if consumers perceive the store as upscale, this creates a "halo effect" against that store's private label products, so consumers are biasedly perceived those products as high quality and upscale (Vahie and Paswan, 2006).

2.2.4. Private Label Products by Country and Category

According to research conducted by NielsenIQ for the PLMA International Council in 2024, sales of private label brands continue to grow across Europe, with total sales reaching €352

billion in 2024. This means that the share of private label products in the total grocery sector reached 38.1 %. The leading private label countries in Europe are Switzerland with 52 %, Spain with 45.7 %, Portugal with 44.9 %, the United Kingdom with 44.1 %, Belgium with 39.7 %, and Germany with 39.1 %. Consumers particularly prefer private labels in the ambient food, confectionery & snacks, and perishable food categories. These sectors account for a combined €221 billion market share in 17 leading European countries (Norway, Sweden, the United Kingdom, Belgium, the Netherlands, Germany, Poland, the Czech Republic, Switzerland, Austria, Portugal, Spain, Italy, Greece, France, Hungary, and Denmark), with private labels accounting for 46.8% of the market value. This research demonstrates that consumers' perspectives on private labels in Europe have shifted significantly. They are preferred not only for their affordability but also for their competitive and high-quality products. The fact that private labels account for more than a third of the European grocery market, and even a majority of Switzerland's market share, demonstrates that consumers not only accept these products but actively prefer them (Quinn, 2025).

2.3. Retailers' and Manufacturers' Perceptions of Private Label Products in Europe

2.3.1. Manufacturer-Retailer Dynamics in Private Label Production

Retailers' perspectives on private label products have changed significantly and become a lot more positive in recent decades. The fact that products can be manufactured not according to the manufacturer's standards, but according to the quality, quantity, and content required by the retailer has attracted them. Retailers who can make these decisions have begun to have the most suitable products manufactured in the way they want, creating a loyal consumer base of their own. Some retailers stand out with affordable prices, while others have premium products produced. Retailers seeking premium private label products have their products manufactured by high-quality manufacturers. This benefits both parties, as the manufacturer, knowing that the resulting private label product will compete with the manufacturer's premium product, wants to

produce it itself to minimize profit losses. Retailers, by working with a brand they already know and trust, can have the product they desire produced. On the other hand, retailers seeking price-fighting private label products have their products manufactured by lower-quality manufacturers. This is because the lower-quality manufacturer may significantly undercut the product, making it unprofitable for the retailer. In this case, producing lower quality and more affordable private label products by lower quality manufacturers is profitable for both parties. For these reasons, producing both premium (high-quality) products and price-fighting (low-quality) private label products makes strategic and financial sense for both manufacturers and retailers (Tomas Gomez-Arias and Bello-Acebron, 2008).

2.3.2. Dual Branding

Dual branding involves two or more brands collaborating on a product, service, or marketing campaign. In other words, when national brand manufacturers produce both their own brands and their private labels, this is called dual branding. National brand manufacturers now view private labels not only as a threat but also as a strategic opportunity. Larger brand owners want to produce private labels in addition to their own brands because, although private labels have lower profit margins, they already produce in high volumes, resulting in lower per-unit costs. Smaller brand owners also want to produce private labels in addition to their own brands because they gain an additional source of income. For these reasons, dual branding is a common strategy in the food industry in Europe (Ma et al., 2023b). According to a study conducted in Spain in 2023, more than 70% of companies supplying large retailers simultaneously produce both their national brands and private labels. Approximately two-thirds of these manufacturers produce private labels in their own brand categories. One-third produce private labels in categories slightly different from their own brands but similar to them, such as cookies for national brands and toast sticks for private labels. Furthermore, when a national brand manufacturer produces private label products for a retailer, that retailer typically allocates more shelf space to the manufacturer's own-brand products. This results in greater visibility for both products, strengthening the relationship between the manufacturer and the retailer. Moreover, private

labeling also offers opportunities for weak national brands. National companies without a strong, well-known brand can gain entry into the food market by producing private label products for retailers and achieve regular production volume through these collaborations (Ma et al., 2023a).

2.3.3. Branding and Packaging Innovations

One of the most important factors influencing consumers' purchasing decisions is product packaging. The more eye-catching and high-quality the packaging, the more it attracts consumers. In a 2005 study conducted in the United Kingdom, approximately 73% of consumers reported that packaging was influential in their purchase decision. At the point of purchase, packaging is one of the most critical communication elements. While packaging's primary role may seem to be to protect the product, it actually plays a significant role in product marketing, acting as a silent salesperson. High-quality packaging gives the product a premium feel and enhances the brand's value in the consumer's eyes. Innovative packaging also attracts consumer attention. Another finding from the same study is that approximately 43% of consumers evaluate quality based on the photo on the product packaging, while 21% evaluate the descriptive words on the product. For example, appealing product descriptions or images trigger emotional purchasing. In fact, consumers still trust a photo on the product more than a clear window on the product itself to ensure that "the product looks the way it should." (L.E. Wells, Farley and G.A. Armstrong, 2007).

Whether consumers act impulsively or rationally when choosing a product significantly influences their product choices. 54% of consumers make planned purchases based on brand reliability, while 46% make impulsive purchases by focusing on the visual and emotional elements of the packaging. Private label products offer a significant advantage over national brands since they are produced in the packaging desired by retailers and wholesalers. They can more easily follow trends and adjust the design based on customer feedback, thus increasing sales. Different packaging designs help establish brand identity, which draws customers closer to them, increasing customer loyalty. Luxurious packaging encourages consumers to perceive the

product as premium and prefer it more. It also allows them to differentiate their products to appeal to different audiences. For these reasons, private labels can more easily compete with national brands (L.E. Wells, Farley and G.A. Armstrong, 2007).

2.3.4. Profitability Advantages of Private Labels

National brand manufacturers also want to utilize their existing production lines for private label production because using their capacity to its full capacity provides significant profits. This allows them to reduce their cost per product. If a national brand manufacturer refuses to offer private label production, they create a competing brand and lose additional revenue. Therefore, they often prefer to produce private labels for similar products themselves. This gives them a say in production and allows them to build stronger business relationships with retailers (Berges and Bouamra-Mechemache, 2011).

Another reason retailers and manufacturers prefer private labels is their high profit margins. Since manufacturers can produce larger quantities at lower prices, they earn significantly more profit from private label products than from their own brands. Furthermore, because product production is under their control, they can diversify and adjust product quantities as desired. This flexibility is crucial for both retailers and manufacturers. Furthermore, one of the biggest challenges in the food industry is the supply chain; however, manufacturers eliminate this problem by establishing long-term agreements with retailers, ensuring supply chain stability. In addition, they can create customer loyalty and store image by appealing to every budget and offering differentiation (Sgroi and Salamone, 2022).

2.4. Supply Chain Dynamics in European Food Private Label Products

2.4.1. Supply Chain Problems In the European Market

Europe recently faced an unprecedented series of crises affecting its supply chain. The global COVID-19 pandemic, the effects of political isolationist policies like Brexit, a series of environmental disasters related to climate change, and the ongoing conflicts between Russia and Ukraine are all part of this extraordinary chain of events. While all industries have been affected by these events, fast-moving consumer goods have been far more severely affected, facing countless supply chain problems (Jagtap et al., 2024).

Global food supply chains were significantly impacted by the COVID-19 pandemic, which emerged in late 2019. This was due to production and distribution restrictions, labor disruptions, travel restrictions, and curfews. The pandemic significantly reduced labor availability. Demand patterns shifted significantly due to lifestyle changes. The logistics sector, in particular, was under high pressure, negatively impacting the food supply chain. Even after a few years since the COVID-19 outbreak, it has left numerous lasting implications on the global food supply chain (Jagtap et al., 2024).

The United Kingdom voted to leave the European Union in a referendum in 2016. Brexit, the United Kingdom's departure from the European Union, has created numerous economic and political consequences. The Brexit decision has created uncertainty in trade between the European Union and the United Kingdom. The impact of Brexit on supply chains, trade disruptions, and regulations has made it much more difficult for the European Union to maintain the free movement of goods, especially food, between its member states. This has led to food fraud, and its reliability has been questioned. Subsequently, a trade agreement was signed between the United Kingdom and its European allies. However, the effects of this significant change are still being felt, as uncertainties in the supply chain have led to the restructuring of the

supply chain. Even with a trade agreement, trade between the European Union and the United Kingdom is not considered as risk-free as intra-European trade (Jagtap et al., 2024).

Climate change is one of the biggest challenges facing the world. It affects a range of factors related to the food chain, including agricultural production, income, pricing, food access, food quality, and food security. High temperatures and droughts are two major environmental shocks negatively impacting global food production and yields. Heat waves have been linked to crop destruction, hardened soils, low yields, and a lack of pollination. The risk of drought will increase with decreasing precipitation, leading to production losses in the agri-food sector and related industries. Drought and desertification degrade 12 million hectares of land each year. Eastern European countries and the Mediterranean region, such as Greece, Portugal, Spain, Croatia, Italy, Cyprus, France, Malta, Albania, Bosnia and Herzegovina, Slovenia, and Turkey, have been particularly severely affected by this problem, and it is expected that this will continue (Tchoukougbo, Onyeaka and Nkoutchou, 2024).

Russia's invasion of Ukraine has not only caused a humanitarian disaster but also had a significant negative economic impact. The disruption or strain in supply networks that supply Ukraine's industrial and agricultural sectors with food, clothing, and other necessities, as well as tools and equipment, has thrown the country's economy into chaos. Food, one of the most traded commodities, has been significantly impacted by this conflict (Ganeshan and Boone, 2022). These impacts have not been short-term; they are still present. Disruptions to food production, supply chains, availability, and affordability could have long-term impacts. Food prices have increased, threatening the supply and availability of a wide range of food raw materials and finished food products in international markets. Furthermore, countries dependent on Ukrainian imports have experienced major changes in production, supply, manufacturing, processing, logistics, and demand as a result of the Russia-Ukraine conflict (Jagtap et al., 2022).

While supply chain problems persist, the logistics and production costs of food products, which are in a delicate balance, have increased significantly. In 2021, prices for agricultural products temporarily increased by 31% (Duthoit, 2022). As a result of these crises, European consumers are searching for cheaper food alternatives, leading to a decline in profit margins at various stages of the supply chain. This has left an industry already operating on thin margins even more vulnerable to supply chain issues. All these supply chain distributors that resulted in increased prices made European consumers price sensitive. Price sensitivity puts enormous pressure on manufacturers, wholesalers, and retailers (Delberghe et al., 2023).

2.4.2. Rising Costs in Food Products in Europe

Food price inflation was one of the reasons for the significant increase and subsequent decline in inflation in Europe in 2022. Food inflation reached a record high of almost 15% in March 2023. Although food inflation fell to 5.7% in January 2024, it was still well above the long-term pre-pandemic average of 2.1%. The primary driver of the rise in consumer food inflation in 2021 and 2022 was the unusual rise in energy prices (Kuik et al., 2024). The rise in global food commodity prices also played a significant role in the rise in their costs. This partly reflected the indirect effects of rising global energy prices, but also included other factors such as increased global food prices, labor shortages, natural disasters, and supply chain disruptions due to global crises. All of these factors are actually highly correlated with one another.

2.4.3. Retailers' Coping Strategies for Supply Chain Disruptions in Europe

As supply chain uncertainty increases in Europe, retailers are demanding greater control over product supply and are turning to private label products. Because retailers aren't tied to a single supplier with their set quality standards, they can outsource private label products to multiple manufacturers within a more robust supply chain, allowing them to more easily optimize their product lines. In this way, retailers increase the resilience of their supply chain and can keep price pressure. If a single supplier demands a higher price for the goods, they have more

flexibility to switch to a new supplier or increase production from other suppliers. 62 percent of retailers currently work with multiple suppliers for the same product to reduce supply chain and related production risks. (Private Label Manufacturers Association International Council, 2024).

2.4.4. Sustainability Concerns in Supply Chain

Retailers who use private labels risk their own brands' reputations by selling their own branded products. If a retailer has a quality or sustainability issue with a branded product, the retailer's liability is limited. However, when selling a private label product under its own brand, retailers become highly liable. Quality or sustainability issues can significantly impact brand value, so they are forced to pay close attention to these standards. Retailers truly want to push towards sustainability for better public image and better products, and with private labels, they have more control on the supply chain to enforce these standards (International Private Label Consult, 2020).

In order to enforce high sustainability standards, manufacturers and retailers often need to make longer contracts. This means less flexibility for retailers for their product line and fewer manufacturers producing the same private label products. For short-term single delivery private label products, it is hard to enforce sustainability standards since they require high upfront investment costs. Sustainability is not expensive; in contrast, it is often cheaper to produce sustainable products since they require fewer resources, such as energy or water. The trade-off for sustainability for retailers is either having high sustainability or having higher flexibility with the number of manufacturers it can work with and product variety. Retailers try to find a balance between these two by having higher sustainability standards for common products with more predictable demand and lower sustainability with more unique products (International Private Label Consult, 2020).

2.4.5. Digital Transformation in Private Label Food Supply Chain

Consumers are increasingly turning to online shopping rather than traditional brick-and-mortar stores. It has been observed that consumers purchase relatively more private label food products online than offline. There are several theories as to why this is the case, the most accepted of which is that prices can be easily compared online, providing an advantage to cheaper, similar-quality private label products. With the more transparent shopping experience, private label products get competitive (Verstraeten et al., 2023). With the digital transformation in the private label food supply chain that created online grocery retailers, the supply chain became more robust. Online stores make it easier to predict demand and utilize digital marketing strategies when needed. Digital marketing strategies, especially on social media, are highly effective for young adults for food and beverage products with targeted campaigns (Whitton et al., 2024).

2.5. Market Dynamics and Competition

2.5.1. Private Labels versus National Brands

Private label products were initially considered low quality and low priced, which is why they were not preferred by consumers who prioritized quality. However, over time, the quality of private label products has improved, making them increasingly popular. They have also repositioned themselves in the market through innovative investments and shifted consumer perspectives. They have achieved brand differentiation by introducing healthier, less sugary, or organic products. In recent decades, they have partnered with major retailers and expanded into new markets. These new markets have increased both profitability and visibility. Furthermore, retailers and wholesalers have the opportunity to negotiate better prices with multiple manufacturers to produce their own brands, allowing them to switch manufacturers when necessary. This also gives private label companies greater control over production. On the other hand, some consumers are still prejudiced and skeptical about private label products since they initially entered the market as low-quality and low-priced. To overcome this perception,

companies have to allocate more budget and time to marketing. Furthermore, since they produce higher-quality, premium products than in the past, they need to sell at a higher price, diminishing their price advantage over national brands (Sbonelo Gift Ndlovu, 2024).

National brands already have a loyal customer base, as their products are familiar to consumers and have been trusted for many years. These loyal consumers have maintained their presence in the market for a long time. Because of their long-standing presence, they have more experience and a better understanding of which products sell better and how much they sell for, depending on the seasons. This experience and knowledge make their sales more stable and risk-free. On the other hand, after the rise of private label, they needed to lower prices to compete, resulting in lower profit margins. National brands that were unwilling to lower prices experienced a significant decline in sales. Furthermore, as consumers' perception of quality toward private label increased, national brands began to lose their distinctiveness from the consumer perspective. Consequently, they felt the pressure to constantly innovate to maintain their market position. This led to significant research and development costs (Sbonelo Gift Ndlovu, 2024).

2.5.2. Product Differentiation and Innovation in Private Labels

Retailers are launching new and distinctive private label products to differentiate themselves and gain preference over national brands. The private label share of new food launches rose from 13% in 2005 to 25% in 2008. This sector, which has nearly doubled in three years, places great importance on differentiation and innovation. This is primarily due to the fact that large retailers have significantly larger budgets than national brands. For example, the private label revenues of Carrefour and Tesco exceed the total revenue of Coca-Cola. This gives them the opportunity to allocate more budget to innovation. They can also attract more consumer attention by distributing samples of these brands in their own stores. Since they control distribution and shelf position, they gain the advantage of instant distribution and availability. They also produce premium products, which can compete with national brands in terms of quality and sell at lower prices. On the other hand, they are able to respond much faster to the market than national brands, allowing them to develop products based on consumer feedback and market trends (Abril

and Martos-Partal, 2012). For instance, Sainsbury's, a leading retailer in the United Kingdom, launches 1,400–1,500 new private label products each year. It also removes products that lose popularity from the shelves. Constantly offering new products creates the perception that there is always something new to discover, encouraging customers to visit the store more frequently. Customers who visit the same store more frequently increase store loyalty. This way, Sainsbury's gains loyal customers and generates high profits. While the retailer's profit margin on private label products is approximately 15%, its overall operating profit margin is approximately 8%. Because of the high margins on private labels, retailers allocate prime shelf space to these products within the store. This increases consumer exposure to the product, increasing familiarity (Mandal, 2021). Building on this visibility, retailers often introduce new private label products under the umbrella of the main brand, a strategy known as umbrella branding. It reduces risk when differentiating brands that have already earned consumer trust and strengthens new product acceptance. Retailers generally avoid making radical changes to avoid damaging consumer brand ownership. Incremental innovations introduce different products to the market. Thanks to speed, channel power, umbrella branding, price advantage, and in-store positioning, private labels can innovate much more quickly and differentiate themselves with distinctive and unique products (Abril and Martos-Partal, 2012).

2.5.3. Pricing and Promotion Strategies of Private Labels

Private label products are usually more affordable than national and global brands. These products, manufactured at lower costs, and can be bought by consumers as lower-cost alternatives to name-brand options. Therefore, price-sensitive consumers can prefer private label products more than the national or global branded counterparts. Particularly, recessions and economic downturns lead to increased sales of private labels. Customers tend to be more cautious with their spending during and after recessions. Once these consumers turn to private labels and see that these products are not only affordable but also high quality, they generally maintain their preferences. For consumers seeking higher-end and premium products, private label offers “affordable luxury”. This means consumers can purchase premium products without paying as much as national and global brands. These products are direct competitors to national

and global brands. Furthermore, private label products have higher profit margins. Therefore, retailers prefer these products over national brands. They can offer more promotions, such as special displays, discounts, and special offers, when selling these products. For example, Loblaws launched a TV program called Recipe to Riches to promote its private label products. This program successfully marketed these products by highlighting their origins, manufacturers, and reasons for choosing them. Another example is Sainsbury's, a leading retailer in the UK. Two-thirds of Sainsbury's stores consist of private label products. With its "value for money" strategy, it sells its own brands at affordable prices to consumers who already trust it. Moreover, retailers leverage price discounts, coupons, and store-specific loyalty cards, which help them become repeat customers. On the other hand, online retailers promote their own brands through promotions, increasing their visibility compared to national brands. The combination of price advantage and promotions creates an attractive combination for consumers (Mandal, 2021).

2.5.4. Impact of Discounters on Private Label

Discounters operate on a no-frills business model, which means offering minimal products and services at significantly lower prices. They have a smaller product range than supermarkets, and the majority of these products are private labels. For example, 90% of sales at Aldi and 80% at Lidl come from private labels. This share is around 50% for traditional retailers. Discounters prefer private label products since they have direct control over quality, marketing, price, and quantity. While national brands typically have a production process structured as follows: manufacturer, wholesaler, retailer, and consumer; private label retailers are also responsible for production. This is called vertical integration. With vertical integration, retailers are not tied to a single manufacturer and can switch manufacturers as needed. This gives retailers greater bargaining power (O'Connell, Smith, & Thomassen, 2025). The UK Competition and Markets Authority (CMA) summarized this situation as follows: "Specifically, they report that own-label food and drink manufacturers compete with each other to win and retain contracts from retailers. "Although for some of our product categories (milk and poultry), there are relatively few own-label manufacturers, competition to win and retain supply contracts appears to be strong,

switching does occur, and retailers generally appear to obtain competitive prices, assisted by the transparency of the costs of their own-label suppliers.” (GOV.UK, 2023).

Until 2010, large supermarket chains like Tesco and Sainsbury's controlled the land and store locations of discounters like Aldi and Lidl, preventing them from opening stores nearby. In 2010, the "Controlled Land Order" was implemented, and they became unable to control the locations of discount stores. After this law, these discounters began opening many more stores. Aldi and Lidl, which had a total of 507 stores in 2002, reached a total of 1,840 stores in 2021. Furthermore, the market share of discounters in the UK food retail sector in 2002 was around 3%, rising to 14% in 2021. The proliferation of discounters also played a significant role in the spread of private labels. Discounters preferred private label products over national and global products due to reasons such as higher profit margins, lower costs, and the freedom to choose manufacturers. In this context, the study simulated a counterfactual scenario in which discounters did not expand beyond their 2002 position. In this case, the retailer's Herfindahl–Hirschman Index would be 270 points higher. A few large supermarkets would dominate the market. On the other hand, the manufacturer's Herfindahl–Hirschman Index would be 236 points higher. In this case, national and global brands would be stronger. This would increase overall food prices by 5%. However, thanks to private labels, discounters have risen, allowing consumers to purchase both private label and national and global brands at lower prices (O’Connell, Smith, & Thomassen, 2025).

2.5.5. Rise of Organic Private Label Products

Many retailers have launched organic private label product lines for organic products, such as Tesco Organic, Carrefour Bio, Delhaize Bio, Edeka/Rewe Bio, Walmart Great Value Organic, and Albert Heijn Bio. There are approximately 243 private label product types per store, and this generates significant revenue. A study conducted in Europe between 2014 and 2017 used store-level browser data before and after a grocery retailer launched an organic private label product line across 13 food product categories (milk, oil, pasta, spreads, baking ingredients, cereal, sugar, soup, tea, crispbreads, juice, sauces, and dairy drinks). The data covers 93 stores of

the main retailer and a total of 624 stores of seven other retailers. It includes weekly information on sales, prices paid, and feature/display support for all SKUs in these stores. This three-year study found that organic private labels are approximately 20% cheaper than organic national brands, conventional private labels are 68% cheaper than organic private labels, and conventional national brands are 79% cheaper than organic national brands. This shows that private labels are more affordable than national brands for both conventional and premium products. This allows consumers to choose private labels when purchasing both premium and conventional products. The study also found that the increase in organic private labels does not cannibalize conventional private label sales. It demonstrates that both types of private labels can grow together. Furthermore, the study found that after organic private label products enter stores, the selection of organic national brands in retailers decreases by approximately 28%. Reducing the selection of organic national brands in products with high organic penetration, such as milk, tea, and cereal, reduces competition and increases organic private label sales. However, for products with low organic penetration, such as sauces and soups, reducing the organic national brand assortment does not increase organic private label growth since it leads to category losses; in fact, it is more likely to reduce it. For such products, increasing the organic private label assortment without reducing the organic national brand assortment is more rational due to the growth strategy of expanding the pie and generating revenue. Overall, the study highlights that organic private labels are generating strong revenue for retailers and are increasingly being embraced by consumers who consider them both affordable and high-quality alternatives (Maesen, 2024).

2.5.6. Rise of Vegan Private Label Products

The rising vegan and vegetarian diet trend in recent years has encouraged brands to produce more plant-based products. Many retailers have also followed this trend, offering vegan and vegetarian private label lines for their brands. For instance, in Europe, major retailers like Kaufland and Lidl have launched new plant-based products using labels such as "K-take it veggie," "K-free," "Vegan friendly," and "Free from." These products have attracted not only vegans but also those seeking a more plant-based diet, those with food intolerances, and those

who describe themselves as "I eat everything." This has successfully reached a very wide audience. With the introduction of these products, the shelf share of vegan products from national brands has decreased. Moreover, this development of private labels creates a threat to national brands. In a 2020 study, 79.27% of consumers stated that private label vegan products were affordable and high quality. They also emphasized their satisfaction with these products. Moreover, only 31.59% stated that they prefer vegan national brands to private label products (Košíčiarová et al., 2022).

According to data from The Good Food Institute Europe (GFI) in 2024, the sales volume of vegan private labels in Germany increased by 41.4%, while the sales volume of vegan national brands decreased by 8.3%. Also, the plant-based product market in the country grew by 6.8%, reaching €1.68 billion. Similar trends are also seen in France, Italy, and Spain. In these three countries, the plant-based product market and the sales volume of vegan private labels increased, while the sales volume of vegan national brands decreased. This indicates that in recent years, consumers in Germany, France, Spain, and Italy have increasingly chosen vegan products, with a preference for private label options that they value for both quality and price, rather than national brands. Unlike these countries, the plant-based product market in the Netherlands has declined. However, more widely available, affordable private label products were unaffected by this decline and continued to be preferred by consumers. In short, with the rise of the vegan movement in recent years, both national brands and private label brands have begun producing plant-based products. Private label brands, however, have become the preferred choice of European consumers for both quality and affordability, and they hold a large share of this market (Vegconomist, 2025).

2.5.7. Market Trends

The European food retail sector has undergone significant troubles from the global crises that affected all aspects of global trade. Starting with COVID-19, the European food sector has faced difficult times. The impact of these hardships was most severe in 2023. Both volume and trade declined significantly due to inflation price shocks. Consumers needed to become more price

aware, and overall, European consumers found a way to consume fewer groceries in these hard times. As a result, food price increases were more than industry growth. While food prices in Europe rose by 12.8% in 2023, food sales increased by only 8.6%. This created a negative growth for grocery retail stores in Europe (Georg Fauser et al., 2025). 2024 was a relatively more stable year. In 2024, volume growth in the grocery retail sector was 2.4%, while food price inflation was 2.3%. There was very little real growth, but after a shrinking sales this was a relief. This trend of very little net growth, like 0.1 percent annually for the grocery retail industry, is expected to continue over the next five years (McKinsey and EuroCommerce, 2025).

Between 2023 and 2024, the share of private label products in total grocery sales in Europe increased by 0.3 percentage points to 39.1%. Consumer demand for cheaper goods decreased in 2024, moreover, there was also a significant shift away from private label products and towards national brands. 84% of respondents in the 2025 survey said they would still purchase private label products even if their spending power increased. Consequently, the market share of private label products is expected to remain stable rather than grow. Private label sales are expected to rise from 39.1% in 2024 to 40.0% and 42.0% by 2030. The growth rate seen between 2014 and 2019 supports the lower end of this range, 40%, while the growth rate seen between 2014 and 2024 supports the upper end, 42%. (McKinsey and EuroCommerce, 2025).

3. Methodology

The methodological framework of this study is a combination of qualitative and quantitative methods. A hybrid methodological framework was used to fully grasp the development of private label products in the European food market. This section provides an in-depth explanation of the methodological methods used in the study.

3.1. Research Type and Methods

This study utilizes four different research methods combining qualitative and quantitative research types. The quantitative part of this study includes interviews with experts in the private label food sector, a literature review on this topic, and firsthand observations from a Private Label Manufacturers Association trade fair. The qualitative study includes data analysis of market and company reports from secondary data sources. By combining these qualitative and quantitative studies into a single study, the study aims to better understand the growth of private labels in the European food market.

3.2. Conceptual Framework

The conceptual framework for this study emerged from synthesising three factors derived from a literature review conducted to better understand the development of private label products in the European food market. The study examines how each category is influenced, what factors are present within these categories, and how each category influences the others.

The first category to emerge was consumer perceptions of private label food products. This category includes factors such as the perceived quality and perceived value of products. Factors such as customer loyalty to a product or brand can also be included in this category. The second category is retail strategies. This includes all factors related to the marketing of these products,

from the profitability of retailers through these private label products. The third and last category is market dynamics. This category includes factors such as supply chain limitations and the relationship between manufacturers and retailers.

All of these categories can be seen in very different areas, but they are interconnected. A change in any factor within any of these categories can create a domino effect, radically shifting the overall balance. This study comprehensively examines these factors, categories, and the connections between them.

3.3. Research Questions and Methodological Approach

This study investigates how private label food products are positioned against branded products in Europe. The following questions were asked because they represent the key gaps and challenges in understanding how private labels operate today. Each question will be approached with methods appropriate to its focus, combining literature review, interviews with experts, field observations at the PLMA trade fair, and secondary data analysis.

- What are European consumers' impressions of national brand products compared to private label food products?

This question is asked because consumer perception has changed in recent years, and understanding this change is key to the growth of private labels. It will be explored through a literature review of consumer surveys and supported by field notes from PLMA as well as interviews regarding how products are presented and discussed.

- What are the factors affecting the market share of private label food and beverage products in Europe?

This is asked because market share is the most visible outcome of all the dynamics, from consumer demand to retailer strategies. It will be examined through secondary market reports and statistical data analysis to analyze trends.

- How do private label products make themselves attractive to consumers?

This question is necessary to understand the tools and strategies, such as packaging, certifications, and pricing, that drive consumer loyalty. It will be answered through a review of academic literature on packaging and branding, combined with observations from PLMA about promotional and design strategies.

- What challenges do private label food businesses in Europe face in their supply chains?

This is asked because supply chain disruptions have become a major feature of the market and directly affect competitiveness. It will be analyzed through literature on supply chain crises and enhanced with perspectives from expert interviews regarding purchasing processes.

- What are the financial advantages and disadvantages of private label products compared to branded products for manufacturers, retailers, and consumers?

This question is included because profitability is the main motivation for both retailers and manufacturers to pursue private label production. It will be addressed by combining academic and industry reports on margins and profitability with interviews.

- How do demographic factors shape private label product preferences?

This is asked because studies reveal significant differences across consumer groups, which are important for understanding long-term adoption. It will be answered mainly through a literature review of survey-based studies that link demographics with shopping behavior.

- What role does store image play in influencing consumer trust and willingness to buy private label products?

This is asked because the store atmosphere and perceived quality strongly affect private label acceptance. It will be analyzed through literature on consumer psychology, interviewee responses, and store branding, connected with field observations at PLMA about how retailers position their own labels.

- How do discounters impact the growth and positioning of private label products in Europe?

This is asked because discounters' major reliance on private labels has changed the competition across the continent. It will be studied by combining secondary data on discounter market share with a literature review on discounter business models and interviews.

- What is the impact of organic and vegan private label lines on consumer loyalty and market share in Europe?

This question is asked because new product differentiation strategies are creating growth and attracting consumers beyond price. It will be examined through market data on organic and vegan sales and qualitative insights from expert interviews about consumer trends.

3.4. Data Collection

This study collected both quantitative and qualitative data. The data collected for this study included primary and secondary data. The primary data was collected from interviews with experts and field notes from a PLMA trade fair. Secondary data was collected from literature reviews, industry reports, and survey findings. The approach used in this study aimed to support the findings obtained from the primary source with information obtained from secondary sources.

Quantitative data was obtained through interviews with industry experts and field notes at a trade fair as a primary data source. Interviews followed a semi-structured format guided by open-ended questions covering positioning, consumer perception, challenges, advantages, profitability, trends, and future outlooks. The interview data were collected as video and audio recordings. In order to objectively transcribe, an artificial intelligence-based video transcription software, Cockatoo, was used. This ensured that there was no post-editing and biased interpretation while transcribing the videos.

Another source of quantitative and primary data was field notes and notes from informal discussions obtained at the Private Label Manufacturers Association trade fair. PLMA is Europe's largest private label food fair, attracting over 3,000 exhibitors from over 73 countries each year. Manufacturers, retailers, and wholesalers come together to showcase or discover innovations in private label products. PLMA provided a unique opportunity for up-to-date data collection about private label food products (PLMA International Council, 2024). The notes consist of details about the products presented, promotional strategies that are used for private labeling products, packaging, market dynamics, and supplier-retailer interactions.

In this study, quantitative secondary data is also utilized. This research includes a comprehensive literature review that includes relevant academic research, industry articles, and market analyses used as a secondary quantitative data source.

The qualitative secondary data source for this study is based on market data compilations, PLMA's 2023 Yearbook by NielsenIQ data, and GfK Development of Private Labels and McKinsey and EuroCommerce's report on The State of Grocery.

3.5. Interview Design and Justification for Interviewee Selection

In this study, semi-structured interviews were preferred to obtain more in-depth information about the private label market without restricting the participants too much to a particular question. Interview participants were selected due to their experience and knowledge of private markets in the food sector in Europe.

Anonymous Industry Expert in Food and Beverage Private Label

The interviewee, an experienced professional in private label development and food and beverage sourcing, was selected for their broad expertise in connecting manufacturers and retailers across Europe and their deep understanding of private label market dynamics in the food and beverage sector.

George Kikalishvili, Business Development Manager at Torg

George Kikalishvili is a business developer specializing in private label products, particularly in the food and beverage sector. He was selected for the interview due to his operational experience and extensive network in the private label food and beverage sector. He is also very knowledgeable about the interactions between retailers and manufacturers in the private label food and beverage sector.

Kim Alvarstein, Head of Procurement at Å Energi

Kim Alvarstein, Å Energi's Procurement Manager, was selected for the interview due to his procurement experiences in these private label products. Kim has extensive experience managing cross-cultural procurement projects and is highly knowledgeable about private label product preferences and market dynamics. He even provides consulting services on the European private label food and beverage product market.

The interview questions determined for this study are:

- How have private labels managed to position themselves as serious competitors to global and national brands in recent years?
- How do European consumers perceive private label products compared to global or national brands?
- What are the biggest advantages private labels have over branded products?
- What are the biggest challenges or disadvantages that private labels face compared to branded products? (supply chain, quality perception?)
- From a profitability and cost perspective, how attractive are private labels for retailers and wholesalers compared to branded products?
- What market or retail trends do you believe have contributed most to the rise of private label products in Europe?
- To what extent have economic factors (such as inflation or changes in consumer spending habits) driven the growth of private labels?
- We know that most major global manufacturers prefer to produce private label products. What is the reason for this?

- Do you think producing private label products helps large manufacturers strengthen their presence in key European markets? Why or why not?
- Where do you see the private label food and beverage market heading in the next 5–10 years in Europe?
- Which countries or product categories stand out in Europe in terms of strong private label development, and why?

3.6. Data Analysis

Qualitative data collected from industry experts have been interpreted in this study using a thematic analysis. The notes from the interviews that were obtained at the trade fair were analyzed using thematic analysis as well. Key findings from the collected data are compared to findings from literature reviews to relate existing research to today's market dynamics.

Quantitative data from secondary data from industry reports are analyzed descriptively. Due to the lack of a single research institute that makes objective yearly reports, different data sources are combined to paint the full picture. The connection from the analysis results is compared with the findings from the qualitative data. Python, as a programmatic language, has been selected to make the descriptive analysis of the raw market data. The visualization in the form of graphs has also been made with Python. Matplotlib has been selected to create the graphs in Python due to its ease of use and the wide availability of information on graphs. All the code used to manipulate the data and create the graphs can be found in Appendix D to G.

3.7. Reliability and Validity

Many precautions were taken to ensure the reliability and validity of the data obtained in this study. First, interviewees were carefully selected, ensuring that all were experts in their respective fields. Consent was obtained at the beginning of each interview, and they were informed about the thesis topic. Questions were comprehensive and open-ended, and leading

questions were avoided. To enhance data reliability, the interviews were recorded in both audio and video formats. An audio-to-text transcript was used to transcribe the interviews, and the transcript was not edited. Observations and conversations at the PLMA fair were noted immediately, preventing information from being forgotten or altered over time. The information obtained was compared and interpreted among themselves and through a literature review. The validity of the study was strengthened by using secondary information obtained from various academic sources.

3.8. Ethical Issues

The General Data Protection Regulation (GDPR) and academic ethical standards were followed in the conduct of this study. Interviews with industry specialists were conducted with volunteer participants who could participate or withdraw from the study at any time. Participants were informed about the purpose, benefits, and risks of the study and provided their consent. Participants were given the option to keep their professions and names anonymous. One of the interviewees chose to remain anonymous, while the other two did not find it necessary.

In the trade fair, PLMA unstructured interviews were conducted. Participants in these interviews were informed about the purpose of this study, and informed consent from the participant was obtained verbally. Due to market insight and trade secrets, participants chose to keep their comments fully anonymous.

3.9. Research Process

This study started with defining a research topic: private label food products. A preliminary literature review has been conducted to find a research gap in this topic. It has turned out that the nature of the private label food industry in Europe is changing drastically at the current time period. The new studies in this area can not keep up with the innovations and recent developments. This study aims to relate old literature to present market dynamics while

combining up-to-date primary sources and secondary data sources. Then, a comprehensive literature review has been conducted. From the literature review, a better understanding has been developed, and interview questions have been shaped to relate the outdated research to current findings. Data from industry reports are also analyzed in the scope of this research. Collected data, information from literature reviews, and findings from analyzing industry reports are synthesized to create the full picture of private labels on the food market in Europe.

4. Findings

4.1. Insights from Expert Interviews

Interviews conducted with three experts have produced highly valuable insights about the European food private label market. Within the scope of this study, interviews have been conducted with industry experts including an anonymous food and beverage private label expert, George Kikalishvili, and Kim Alvarstein. Interviews followed a semi-structured format guided by open-ended questions covering positioning, consumer perception, challenges, advantages, profitability, trends, and future outlooks for private label food products in Europe. Even though the questions were the same for all the participants, they all provided some key details about the topic. In this section, all the structured interview questions and respective answers from each interviewee have been analyzed.

1. How have private labels managed to position themselves as serious competitors to global and national brands?

All three experts shared the knowledge that private label products are shifting from cheap generic imitations to new innovative products. Anonymous Expert focused on new innovative products with attractive packaging (Anonymous Expert, 2025, p. 64). Kikalishvili focused on good quality at lower-cost product alternatives for name brands. While also including some info about how control of the supply chain created a comparative advantage for private label products, which boosted this shift (Kikalishvili, 2025, p. 69).

2. How do European consumers perceive private label products compared to global or national brands?

All three experts noted that private label products were once seen as cheap alternatives to name brands. All three experts also agreed that this view has diminished lately, and private label food products have become true competitors to branded products.

3. What are the biggest advantages private labels have over branded products?

All three experts agreed on lower costs, higher margins for retailers, and greater control of the supply chain by the retailers. Additionally, Anonymous Expert mentioned faster product launches and reduced marketing costs with private label products (Anonymous Expert, 2025, p. 64). Moreover, Alvarstein added that with the control of the supply chain and direct relation with the producers, retailers can enforce more quality and sustainability standards (Alvarstein, 2025, p. 75).

4. What are the biggest challenges or disadvantages that private labels face compared to branded products?

For this question, all three experts highlighted a different challenge. For Anonymous Expert, the biggest challenge for the retailers was managing the supply chain, and quality control became the responsibility of the retailers (Anonymous Expert, 2025, p. 65). For Kikalishvili, the challenge was creating a strong brand image as a retailer. Kikalishvili highlighted that brands needed to market their brand as a whole instead of a single product, and issues with one product can potentially affect other products since they are in the same brand family (Kikalishvili, 2025, p. 70). Alvarstein focused on how big, fast-moving consumer goods producers make it really hard to get into private label products as a retailer. FMSG has a lot of power and influence over the market. According to him, it is very hard to get into the private label unless the retailer also has a lot of power and influence as well (Alvarstein, 2025, p. 75).

5. From a profitability and cost perspective, how attractive are private labels for retailers and wholesalers compared to branded products?

Anonymous Expert and Kikalishvili strongly argued that it is very attractive for retailers since they cut out the middlemen and distributors. But Alvarstein was a little hesitant. Even though he also believes that it is attractive, he also considers all the risks that come from managing the full product line (Alvarstein, 2025, p. 76).

6. What market or retail trends do you believe have contributed most to the rise of private label products in Europe?

For this question, all three answers from different experts were different, but they were also somehow connected in a sense. Anonymous Expert states there is currently a high growth in premium, sustainable food products (Anonymous Expert, 2025, pp. 65-66). Alvarstein filled out the history on how private label products came to this point, which was by offering cheaper alternatives to branded products. Kikalishvili took a different approach and attributed this growth over the years to cheaper alternatives to branded products and the current trend in premium food products to discount markets that are capturing a lot of market share (Alvarstein, 2025, p. 76).

7. To what extent have economic factors (such as inflation or changes in consumer spending habits) driven the growth of private labels?

All three experts unanimously agreed that economic pressures, particularly inflation, are a major driver of private label food products' growth. According to Anonymous Expert, in the economic downturn, European consumers become more price-conscious and they become more likely to switch to private label products (Anonymous Expert, 2025, p. 66). Kikalishvili argues that while the cost of products increases, consumers opt out for cheaper private label products (Kikalishvili, 2025, p. 70). Even though Alvarstein also believes that cheaper private label products grow the industry during economic downturns, he also believes that now consumers also trust private label products (Alvarstein, 2025, pp. 76-77).

8. We know that most major global manufacturers prefer to produce private label products.

What is the reason for this?

Anonymous Expert argued that manufacturers also do private label products while they have their own product, because they do not want to lose the market share in the private label. Manufacturers know that if they do not produce the private label product, there will be another manufacturer who will. So even if they have their own successful brand for their product, they are also producing private label alternatives (Anonymous Expert, 2025, p. 66). According to Kikalishvili, private label products now have such a high demand that manufacturers do not really have the option to ignore this demand (Kikalishvili, 2025, p. 71). Alvarstein offers another perspective. Due to the economics of scale, producing more goods with similar recipes increases the margins for products for the overall manufacturing business. Also, manufacturers benefit from predictable orders, so they make optimizations in their supply chain. So overall, producing branded and private label products is a better business than doing only one part (Alvarstein, 2025, p. 77).

9. Do you think producing private label products helps large manufacturers strengthen their presence in key European markets? Why or why not?

The answer to this question from experts includes reasoning for both yes and no. Anonymous Expert believes that since manufacturers get to specialize in producing a product, both branded and private label they can do this more efficiently, which results in more growth (Anonymous Expert, 2025, p. 67). Kikalishvili and Alvarstein think that there is a trade-off. While manufacturers get to produce more of their products, they lose brand visibility.

10. Where do you see the private label food and beverage market heading in the next 5–10 years in Europe?

All three experts agreed that private label products will continue to grow across Europe in the next decade. They expected more growth in premium and sustainable private label products. Anonymous Expert expected extended growth on new product lines such as healthcare (Anonymous Expert, 2025, p. 67). Alvarstein was expecting different percentages for different

countries, not a growth as a whole, different rates of growth for each and different countries (Alvarstein, 2025, p. 78).

11. Which countries or product categories stand out in Europe in terms of strong private label development, and why?

According to Anonymous Expert, the strongest country in Europe for private labels is actually Switzerland, which demonstrates how much PL has evolved beyond an affordable perception. They added that after Switzerland, the UK, the Netherlands, Germany, and Portugal all hold around 40% market share, with especially strong growth in the more premium categories, the healthy product, the plant-based, the vegan, and the sustainable lines (Anonymous Expert, 2025, p. 68). Kikalishvili emphasized that Nordics and the most common categories were basic essential products (Kikalishvili, 2025, p. 71). Alvarstein also pointed to Switzerland and the Netherlands in terms of the market share of private label products. He argued that more development will take place in the premium section (Alvarstein, 2025, p. 79).

Overall, all three industry experts shared very valuable information about the private label food product market growth in Europe. They had high expectations for the continued growth, particularly in premium, sustainable, vegan, and healthy food products. Their answers to the questions mostly did not contradict but often complemented each other in detail. Since the questions were open-ended, it was expected that the answers would not be the same. Additionally, this diversity in answers helped create a better, more comprehensive understanding of the research.

4.3. Producer Perception on Private Label Products

To complement expert interviews, this study gathered additional perspectives by speaking directly with producers who are the primary stakeholders of privately held products. The interviews were conducted over a private label products trade fair, and due to the nature of the trade fair, the interviews followed an unstructured conversational discussion about the private

label products. Unstructured interviews were conducted at the World of Private Label International Trade Show by PLMA in Amsterdam.

World of Private Label International Trade Show by PLMA is a yearly event in Amsterdam that aims to promote private label products. PLMA, the Private Label Manufacturers Association, was founded in 1979 as a non-profit trade association. In the PLMA events, suppliers create new connections or strengthen their existing relations. This makes this trade fair the perfect place to collect information about the perception of producers (PLMA International Council, 2024).

Over the PLMA trade show, more than 100 unstructured interviews were conducted. Overall, all the participants believed that the private label product market for food in Europe will continue to grow. Since they were inside the business for years and had seen the golden days of private label growth, their perspective could be biased towards the growing private label market. But from the perspective of the market, there was an undeniable enthusiasm about the continued growth of the private label products.

Producers were often aware that they needed to innovate to not be left out in the growth. They were trying a few different strategies to promote their products. The most common strategy was product differentiation. Private label products were trying to offer new, innovative food products that targeted niche customers, such as gummies that have very high nutritional value. They were also trying to capitalize on the growth in the private label products, particularly in the premium, healthy, vegan, and sustainable product lines. In the interviews, there is also a minority of companies that seem not to be making any innovations and not following these trends. These companies stated that they had no interest in capturing new customers; they were already producing basic food products such as pasta, eggs, and milk, and they thought these trends were too risky for them. They stated that the reason for their participation was to show off other companies of their continued stability and show that they are still in business. But this was a very small minority. All the other companies were trying to grow their business with innovations in private labels.

Packaging innovations were quite a hit at the PLMA trade fair. Private label products do not use traditional product marketing, so they should be attractive to the consumer when the consumer sees them on the shelf. This created a huge number of innovations in the private label packaging industry. In the interviews, it is observed that companies are investing in creative design, bold visuals, and distinctive shapes that make their products stand out among competing options.

Sustainability was definitely another theme that was very common at the PLMA trade fair. While the retailers took ownership of most parts of the supply chain, it became easier for them to enforce sustainability standards on manufacturers. In the PLMA trade fair, it is observed that most of the manufacturers were marketing themselves on the touch points of supply chain observability and sustainability standards.

Overall, in the PLMA trade fair, there was a strong optimism among producers about private label growth in the upcoming years. In terms of trends, the top themes were product differentiation, packaging, and sustainability. It was also very obvious that producers were trying their best to attract consumers by innovating on their products and in their supply chain.

4.3. Growth of Market Share of Private Label Food Products in Europe

The market share data for private label food products in Europe is collected from a few different sources due to a lack of consistent yearly research from the same research institute. The data for the years 2018-2020 is collected from GfK's Development of Private Labels report (2021). For the years 2021 and 2022, the data is collected from the PLMA yearbook based on NielsenIQ data (2023). Lastly, for the years 2023 and 2024, the data is collected from McKinsey and Euro Commerce joint report The State of Grocery Retail (2025).

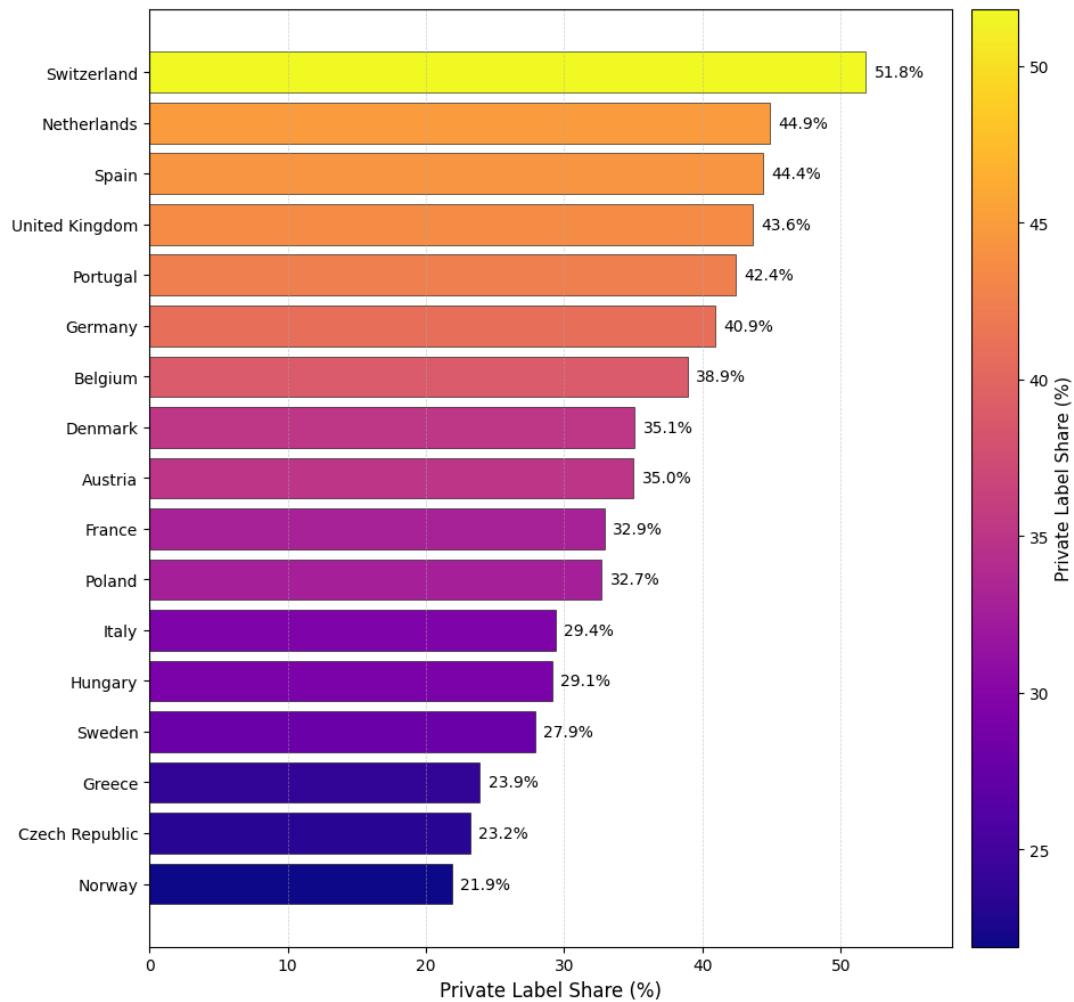
Table 1: Collection of Market Share of Private Label Food Products in Europe

Year	Private Label Market Share	Source
2018	33.4 %	GfK
2019	33.5 %	GfK
2020	34.1 %	GfK
2021	35.8 %	PLMA by NielsenIQ
2022	37.0 %	PLMA by NielsenIQ
2023	38.8 %	McKinsey and EuroCommerce
2024	39.1 %	McKinsey and EuroCommerce

Note. Data compiled from GfK, PLMA by NielsenIQ, McKinsey and EuroCommerce

As seen from Table 1, the market share of the private label products in food grows drastically from 2018 to 2024. The different sources seem to find relatively close market share numbers, which increases the reliability of these sources. There is an overall consensus on how the market share of private label food products grows over these years.

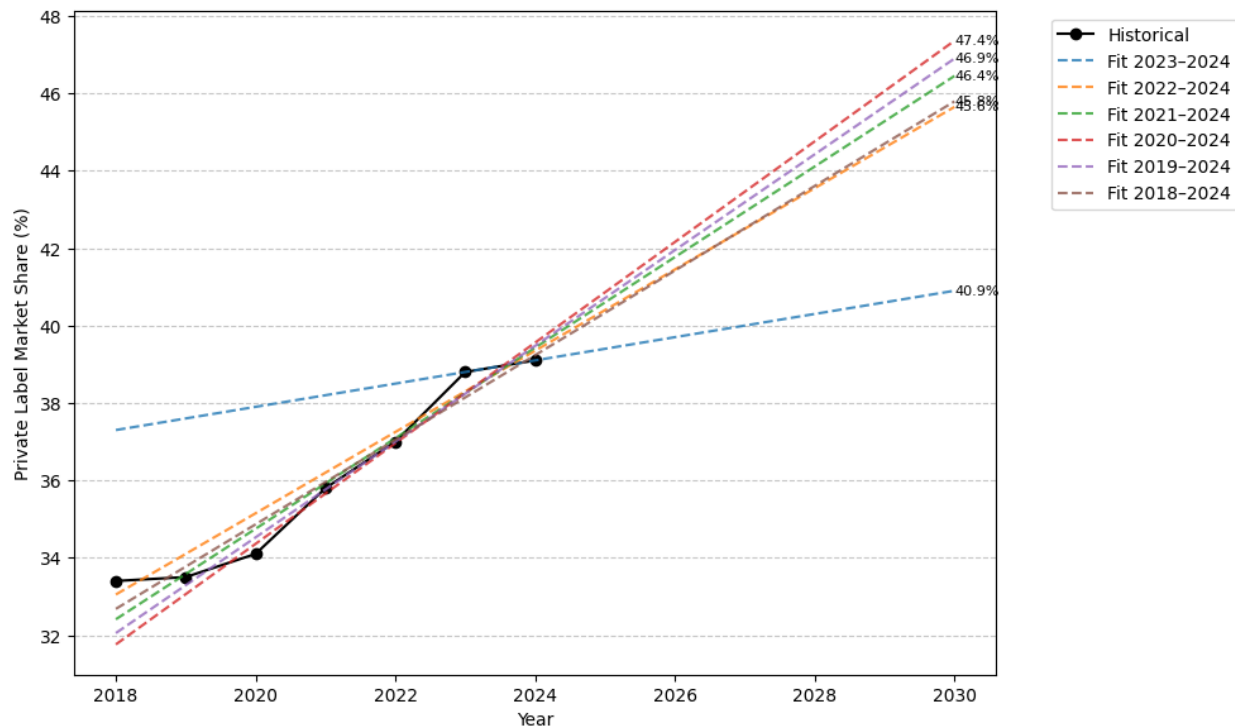
Figure 1: Private Label Share Grocery Products Market Share by Country



Note. Created from PLMA / NielsenIQ data for 2023

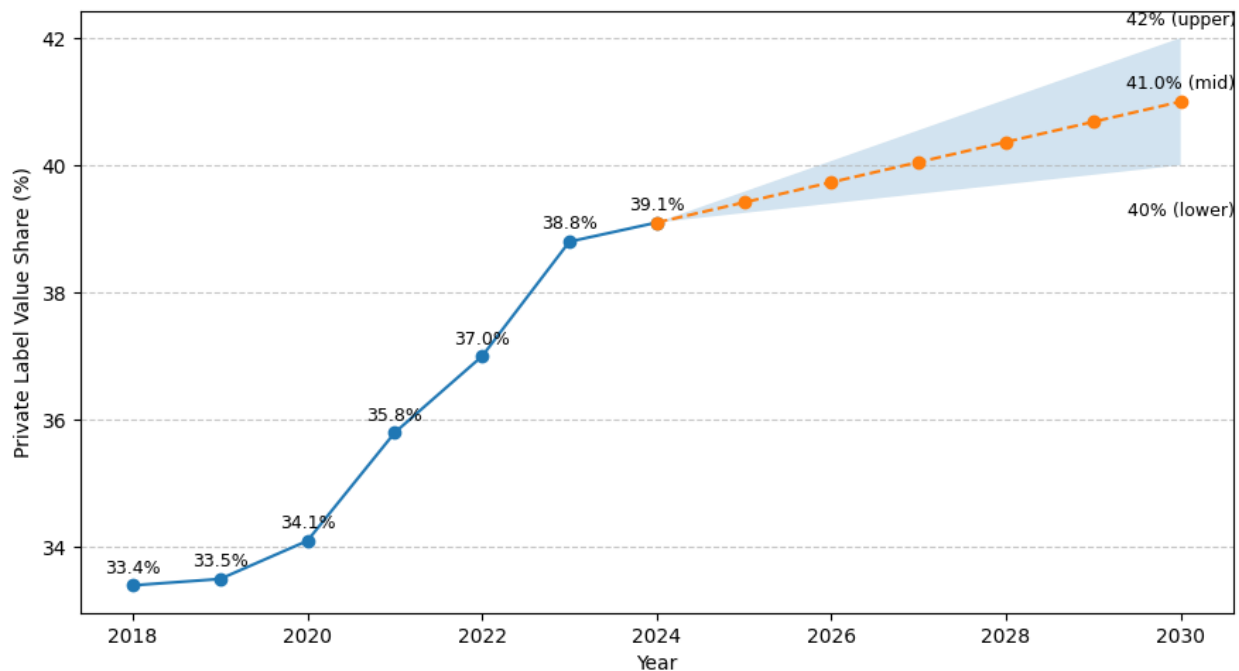
The market share of private label food products in European countries is not homogeneous. While some countries like Switzerland (51.8%) and the Netherlands (44.9%) have very high private label adoption rates, some countries, such as the Czech Republic (23.2%) and Norway (21.9%), have very low private label adoption rates. Low private label adoption rates also create an opportunity to grow the private label products further, according to their rise, such as Spain and Portugal, which have seen a 2.5% growth over 2023.

Figure 2: Trendline Analysis of Market Share of Private Label Food Products in Europe



In the scope of this study, trend line analysis has been conducted from the historical data. Trend line analysis shows significant growth in the market share of private label food products in Europe. Even the lowest trend, which is present in the last two years, results in 41% market share of private label food products in Europe by the year 2030. With the trend line analysis alone, it is very easy to conclude that the market share of private label food products will continue to grow. Just a trendline analysis is not enough to paint the picture since these are always linear, and they do not capture the peaks. It assumes that the growth rate will be the same or similar. On the other hand, McKinsey expects a saturation of the market share of private label food products in the upcoming years.

Figure 3: Expected Trends according to McKinsey Report



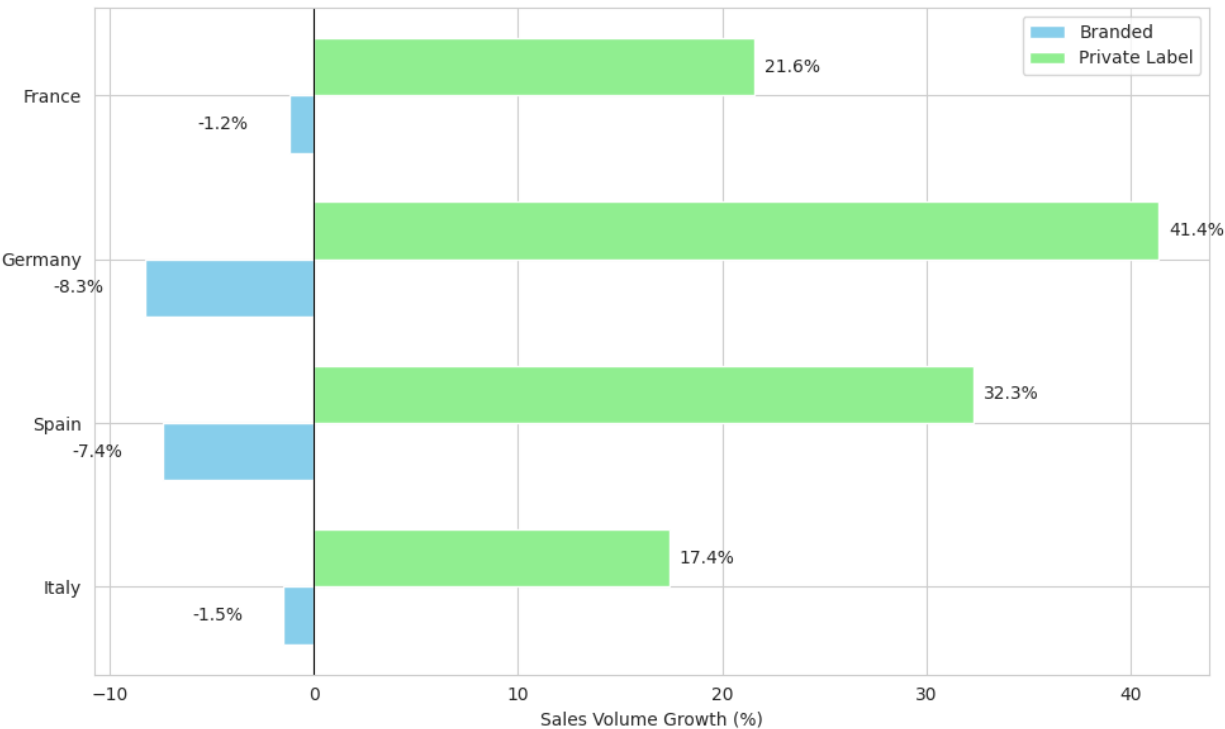
McKinsey acknowledges the huge private label grocery products growth in the years 2019 to 2023. In those four years, the market share of private label products rose from 33.5 % to 38.8%. McKinsey expects that this trend will not continue at these rates, but it will slow down and mature. Instead of huge growth, McKinsey expects more steady and sustainable growth in the upcoming years. According to McKinsey, by the year 2030, the market share of private label products for food is expected to grow to 40% to 42% market share.

4.4. Emerging Trends in Europe for Private Label Food Products

While the prevalence of private label food products is growing it is becoming a cheaper alternative for branded products. In the years following COVID-19, there has been huge growth in private label food products due to mostly price concerns. The supply chain disruptions resulted in higher costs for procedures, which are reflected in consumers. After some kind of stabilization there the new product category that is growing rapidly is premium private label food products. In Europe, there is overall more demand for vegan, healthy, and premium food items.

Private label products captured this momentum very well due to having a shorter supply chain without a lot of middlemen.

Figure 4: Plant-Based Foods Sales Volume Growth Between 2022 and 2024 in Selected European Countries



Note. Data for the graph is obtained from country reports of Good Food Institute (2025).

Plant-based food products are one of the categories that have captured a lot of market share and overall growth in sales volume. For example, the sales volume of plant-based private label food products in Germany had a 41.4% growth over the years 2022 and 2024, while branded plant-based food products had a decline of 8.3%. This trend of high growth in premium private label food products is expected to grow in the following years.

5. Discussion

5.1. Linking Findings to Literature Review

As noted in both the literature review articles and the interview with Anonymous Expert, private label products were initially launched as low-quality products (Anonymous Expert, 2025, p. 64). However, this changed, particularly in the 2000s, and private label premium products emerged. Retailers launched premium private label lines, and these lines began to compete directly with national brands. Consumers, able to afford premium products at more affordable prices, also began to show a strong interest in private label products. Furthermore, studies in the literature review indicate that European consumers' perspective on premium labels has changed and become more positive, with many consumers now preferring private label products to national brands. These studies are supported by Anonymous Expert statement that "more than 60% of Europeans actually trust private labels as much or more than national brands" (Anonymous Expert, 2025, p. 64), Kikalishvili's statement that "the perception is very positive and it's growing more and more," (Kikalishvili, 2025, p. 69) and Alvarstein's statement that "Consumers now believe that private label products have the same high quality and better competitiveness compared to national brands" (Alvarstein, 2025, p. 74). This demonstrates the consensus of industry experts and academic studies on the growing consumer trust. The biggest reason many consumers prefer private label is the ability to get quality at an affordable price. As Mandal noted in his 2021 article, private label products are generally more affordable than national and global brands. This is also supported by interviewees. In the interview with Anonymous Expert, they stated, "The main advantages of private label products are that they are cost-effective and also offer lower prices for consumers." (Anonymous Expert, 2025, p. 64). This statement is supported by Kikalishvili's statement, "Private label products can provide cheaper and higher profitability for retailers," (Kikalishvili, 2025, p. 70), and Alvarstein's statement, "People most of the time buy private label because they are cheaper and you get decent quality." (Alvarstein, 2025, p. 76) While Mandal addressed this from an economic perspective, interviewees focused on profit margins and consumer price sensitivity. Similar conclusions drawn from different perspectives demonstrate a strong alignment between practical business perspectives regarding cost

advantages. PLMA field notes and notes from informal discussions also provided up-to-date information supporting these findings. Participants at Europe's largest trade fair cited low costs and high profits as the primary drivers of their private label production. Furthermore, both research and interviewees note that private label products differentiate themselves by producing vegan products and dominate the plant-based market. According to 2024 data from the European Good Food Institute (GFI), the sales volume of vegan private labels in Germany increased by 41.4%, while the sales volume of national vegan brands decreased by 8.3%. Anonymous Expert also supports this data by stating, "Healthy products, plant-based, vegan, sustainable products, these are the private label products that have the highest growth compared to national brands." (Anonymous Expert, 2025, p. 68) While the European Good Food Institute provides precise figures, Anonymous Expert provides qualitative information about the market. According to information obtained from these two sources, the main drivers of private label growth appear to be sustainability and the trend toward plant-based foods. When asked about other advantages of private label products, Alvarstein stated, "It is about competitiveness, it is about transparency in the supply chain, it is about margins..." (Alvarstein, 2025, p. 74) The literature also confirms the supply chain control and transparency advantages of private labels. For example, the Private Label Manufacturers Association International Council, in its 2024 report, states that "as supply chain uncertainty increases in Europe, retailers are demanding greater control over product supply and are turning to private label products." Both agree that private labels provide retailers with supply chain control. When looking at the leading private label countries, the literature lists Switzerland with 52%, Spain with 45.7%, Portugal with 44.9%, the United Kingdom with 44.1%, Belgium with 39.7%, and Germany with 39.1% (Quinn, 2025). Anonymous Expert and Alvarstein's responses demonstrate the consistency between academic statistics and industry knowledge. Kikalishvili adds that Nordic countries are also far ahead in private label production (Kikalishvili, 2025, p. 72). Furthermore, discounters like Aldi and Lidl sell a significant percentage of private label products and contribute to the growth of this market. Kikalishvili supports this hypothesis by saying, "Discounters are one of the main places people buy groceries, and locality plays a big role in that. I think that is why they are increasingly buying local products made by companies like retailers. So, I think this trend in local markets is really helpful for private labels." (Kikalishvili, 2025, p. 70). This statement is confirmed by a study published

by the GOV.UK in 2023, which states, "Discounters operate on a no-frills business model, which means offering minimal products and services at significantly lower prices. They have a smaller product range than supermarkets, and the majority of these products are private labels. For example, 90% of sales at Aldi and 80% at Lidl come from private labels. This share is around 50% for traditional retailers." While the literature provides statistics on the role of discounters, Kikalishvili interprets this from the perspective of consumers' trust in local sourcing. Moreover, when researching consumers' purchasing decisions, one of the most important factors is seen in product packaging (L.E. Wells, Farley, and G.A. Armstrong, 2007). When the Anonymous Expert was asked a similar question, they also emphasized the importance of packaging differentiation. The impact of innovative packaging was also emphasized in presentations and chats with manufacturers from different countries at the PLMA fair. Packaging that appears premium, in particular, significantly influences purchasing decisions because it evokes luxury products in consumers. The similarity shows consistency between academic statistics and industry knowledge.

On the other hand, some information was found in the literature review but was not mentioned in the interviews due to time and question limitations. For instance, while the literature uses demographic analysis, interviews have not addressed demographics, focusing solely on countries. Sgroi and Salamone's 2022 survey showed that women are more likely to purchase private label products than men. Richardoson et al.'s 2019 survey revealed that older people are more likely to prefer private label products than younger people. Interviewees, however, did not address the issue of private label selection based on age and gender. Another issue not addressed in the interviews is store image. The literature suggests that store image shapes consumers' perceptions of the store's quality, reliability, and value. When this image is strong, consumers attribute higher value and quality to the store's own-brand products (Konuk, 2018). The reason interviewees did not mention this is because their focus is on margins, supply chain, and innovation, while academics also focus on consumer psychology.

5.2. Theoretical Implications

This study explores the growth of private label products in the European food industry, exploring consumer perceptions, retailer strategies, supply chain dynamics, and market competition, providing a new framework that integrates fragmented explanations in the literature. While many studies have previously explored the growth of private label products, no academic study covers such detailed and varied viewpoints. According to the study, private label products are changing the perception of low quality and low price by becoming more innovative and high-end. The findings in the literature review are supported by interviews and field observations from PLMA. While information from the articles provides clear statistical figures, interviewees interpret their impact on business from a different perspective, using qualitative information. The impact of many factors, such as certifications, packaging innovation, and store image on consumer shopping decisions, is thoroughly investigated and detailed with quantitative data from past surveys. These studies have shown that the vast majority of consumers' perspective on private label products has become quite positive in recent decades, and they prefer private label products to national and global products since they can obtain high-quality products at a more affordable price. Retailers are also increasing their private label production due to reasons such as not adhering to a single manufacturer, lower costs, and brand reliability. It has also been revealed that discounters have created different product lines, such as premium and vegan, differentiated themselves from national and global brands, increased brand image, and received very positive consumer responses. The fact that macro shocks such as COVID-19, the energy and commodity crises, Brexit, and war-related volatility have increased private label demand may also explain the long-term market share growth of these brands. Subsequently, the thesis redirects the focus from the idea that private label food goods are low quality and low priced to one that emphasizes risk management and value generation. This approach demonstrates how and why they are preferred, gaining the trust of both retailers and consumers. Thus, the study provides a strong theoretical and practical foundation for the current and future role of private label products.

5.3. Managerial Implications

The findings from this study show many practical implications for private label management strategies. As a result of the literature review, PLMA field observation and interviews, useful information was found for retailers, manufacturers, and supply chain managers. For example, packaging not only protects the product but also influences consumer purchasing decisions. Consumers are highly likely to prefer innovative and premium-looking products. This not only increases profit margins but also strengthens the store's overall image, providing a differentiating advantage in competition with national brands. Furthermore, some retailers frequently employ plant-based product lines. These products, which are lower priced than global and national brands but offer similar quality, attract consumer attention. This allows private labels to become active value-creators rather than passive complements on shelves. Furthermore, consumers are more likely to choose products from retailers with a strong store image due to their loyalty to the brand. In other words, some customers choose products based on the store's overall image rather than its quality and price. On the other hand, discounters' in-store promotions increase both customer loyalty and the purchase of their own brands. Furthermore, thanks to their multi-supplier network and vertical integration, retailers are more secure than other brands, especially during times of crisis. Because they are not tied to a single manufacturer and can switch manufacturers as needed, managers should develop procurement strategies focused not only on cost but also on durability, ensuring supply continuity through long-term partnerships.

From a manufacturer's perspective, private label products are generally perceived as a threat. However, manufacturers should turn this into a strategic opportunity by implementing dual branding. While private labels have lower profit margins, national and global brands, which already produce in high volumes, significantly reduce their per-unit costs. This provides them with a distinct opportunity and helps them avoid competition with private labels. Finally, digitalization presents a significant opportunity for private labels. A study conducted in 2023 by Verstraeten et al. observed that consumers purchased more private-label food products online than offline. Easier online price comparisons offer an advantage over cheaper, similar-quality private label products. A more transparent shopping experience makes private label products more competitive. Consequently, managers should no longer view private labels as a cost-saving

by-product line, but rather as a strategic opportunity that simultaneously enhances store image, customer loyalty, profitability, and crisis resilience. This perspective provides the long-term sustainability of competitive advantages for both retailers and manufacturers.

6. Conclusion

This study demonstrates how private label food products in Europe are overcoming the perception of low quality and low price, and how they are now competing with national and international brands. While in the past, only those with low purchasing power preferred private label products, consumers now consider product quality, certification, and ingredients, in addition to price. When consumer demographics are examined, older people are more likely to prefer private label products than younger people, and women are more likely to prefer private label products than men. Surveys have not found a correlation between education level and the store's product selection. Another factor that influences consumers' product selection is the store's image. The store image shapes consumers' perceptions of the store's quality, reliability, and value. When this image is strong, consumers attribute higher value and quality to the store's own-brand products. Thus, the store's image increases consumers' confidence in purchasing private label products. When private label consumption is compared by country, Switzerland, Spain, Portugal, the United Kingdom, and Belgium stand out. Looking at the categories where private label products are most preferred, ambient food, confectionery & snacks, and perishable food are the most common categories. Organic and vegan products have also become increasingly popular recently. Large retailers like Aldi, Lidl, and Rewe have created separate product lines for these categories. Consumers, realizing they can purchase the same quality product at a more affordable price, have shown significant interest in these products. Furthermore, retailers have achieved high profit margins from both these niche products and all private label products in general. Low costs, reduced supply chain risks, and the freedom from being tied to a single manufacturer have led retailers to increase their private label production. Furthermore, being able to manufacture products in the desired quality, quantity, and ingredients has provided retailers with great flexibility. Moreover, retailers selling their own brands have

gained customer loyalty, resulting in more stable and higher sales. Meanwhile, manufacturers have begun dual branding to compete with private label products. They started producing both their own brands and their private labels. Larger brand owners want to produce private labels in addition to their own brands because, although private labels have lower profit margins, they already produce in high volumes, resulting in lower per-unit costs. Smaller brand owners also want to produce private labels in addition to their own brands because they gain an additional source of income. For these reasons, dual branding has become a strategic strategy for manufacturers. Additionally, manufacturers can produce private label products using existing production lines without requiring significant investment. The motivation to utilize their full capacity also drives these manufacturers to produce private label products.

Another reason for the increased preference for private label products in recent years is product differentiation and innovation. Retailers are launching new and distinctive private label products to differentiate themselves and gain preference over national brands. The private label share of new food launches has increased significantly in the last 10 years, and consumers seeking premium products at more affordable prices have turned to private label products. Furthermore, they have adapted to rapidly changing trends and consumer preferences, becoming the preferred choice of both retailers and consumers compared to well-established companies. Moreover, private label products have also differentiated themselves in terms of packaging. Manufacturers have begun using more eye-catching and premium packaging, significantly increasing sales. In addition, these products stood out with both their prices and promotions. Consumers began to view private label products as affordable luxury rather than the lower quality of national brands. Additionally, retailers began to offer many more promotions, such as special displays, discounts, and special offers, while selling private label products. This attracted greater consumer attention and successfully increased sales. Discounters played a key role in this. Retailers such as Aldi, Sainsbury's, and Lidl ran numerous promotions for private label products and increasingly prioritized their own brands over national ones. Store-loyal customers also preferred these products over national and global brands. Furthermore, the rise in online shopping in recent years has also increased the consumption of private label products. Prices can be easily compared online, making it more advantageous to buy cheaper, similar-quality private label products.

This research also highlighted economic reasons behind the growth of private label products in recent decades. Macroeconomic shocks such as COVID-19, energy and commodity crises, Brexit, and war-related fluctuations have increased demand for private labels. The food sector, which is a fundamental human need, is one of the most affected sectors. Furthermore, high temperatures and droughts caused by climate change are negatively impacting global food production and yield. The Russia-Ukraine war has also significantly negatively impacted global supply chains. Disruptions in food production, supply chains, availability, and affordability have had long-term impacts. Due to these factors, food inflation reached a record high of nearly 15% in March 2023. This has led consumers to seek more affordable products without compromising on quality. Furthermore, as supply chain uncertainty in Europe increases, retailers are demanding greater control over product supply and are turning to private label products. Since retailers are not tied to a single supplier with established quality standards, they can outsource private label products to multiple manufacturers within a more robust supply chain, allowing them to more easily optimize their product lines. For these reasons, both retailers and consumers have become increasingly preferring private label products.

Overall, the growth of private label demonstrates an essential aspect of the current European food market. Retailers want control and differentiation, manufacturers want efficiency and survival, and consumers want quality and transparency at a reasonable price. Private label will continue to grow when these three needs intersect. Although they have not finished their transition from generic to premium, it already provides valuable insights about how markets can change when economic necessity, consumer trust, and strategic innovation come together.

7. Limitations and Future Work

This study has some limitations. First, the interviews used as one of the primary sources for the research were conducted with a limited number of experts. While they were selected from diverse backgrounds and expertise, their comments may not represent the entire private label

food market in Europe. Furthermore, while the questions were as open-ended and non-leading as possible, as with any interview, subjectivity is unavoidable since the answers are based on the interviewees' own experiences and perspectives. The surveys used in the study are another limitation. While various surveys from many European countries were used, this limited the study because no survey covering all of Europe was conducted. Moreover, field observations were conducted at a single trade fair. Although it is Europe's largest private label trade fair, comparisons were limited since similar observations were not conducted at different fairs. Therefore, the information obtained at this trade fair was compared with interviews and previous academic studies.

Due to the limitations of time and resources, some research questions are left out of this study and can be examined in a different study. This study focused primarily on Europe, but the United States also has a very developed and growing private label market. The growth of US private label food products can be explored in another study. Asia and Africa, even though the growth rates are not as significant as those of Europe or the United States, the reasoning and its implications can be researched as well. In this study, the implications of private label growth are superficially examined. The details of the supply chain were out of the scope of this study, but it has great implications, especially in sustainability and product quality. Another research specifically on the supply chain implications would be very beneficial to the industry and the research world. Private label products in the food sector have already achieved a significant market share, but there are other private label products lines that are also experiencing significant growth in fast-moving consumer goods sectors such as cosmetics. Further study is required on these unexplored areas in the private label market.

8. Recommendations

This research shows that private label products are no longer preferred as cheaper alternatives to branded products, but rather as affordable luxury. Therefore, future success will be determined not only by producing low-priced products, but also by certifications, innovations, packaging,

and the trust established with consumers. The most important step for retailers is to prioritize store image and connect with consumers. This connection and trust should be supported through promotions, transparency, and sustainability. Manufacturers should view private label products not as competition, but as opportunities for collaboration and growth. They should particularly focus on the recent trends of premium, organic, and plant-based product categories. Consumers, on the other hand, should move away from traditional thinking and focus on product ingredients, sustainability, and certifications when shopping. By embracing these changes, all stakeholders in the food industry can help private labels reach their full potential as reliable, innovative, and competitive brands. Ultimately, the future of private labels will be determined not only by price but also by the value, meaning, and trust they bring to everyday shopping.

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