NielsenIQ

US Consumer Outlook 2025

Private Label &
Branded Products

April 2025

© 2025 Nielsen Consumer LLC. All Rights Reserved.

From competition to ***collaboration***

The landscape of store brands has changed dramatically. Gone are uninspired packaging, “me too” bottle shapes and mediocre taste profiles. Retailers have taken a page out of the brand marketing playbook and are designing appealing, high quality products with their own brand names. This poses a unique challenge for national brands. Unlike store brands where they have direct access to distribution, national brands must present compelling and clear value propositions to get on retailer shelves.

Our *2025 US Outlook on Private Label & Branded Products* report offers a comprehensive look at the trends driving the growth of store brands and branded products. We dive into consumer behavior trends; the increasing influence of retail media networks and how different generations prioritize brand preferences. This strategic resource will equip you with the insights to not only adapt, but to lead in the evolving retail landscape of 2025 and beyond.

Steve Zurek

Vice President, Thought Leadership,
Analytics & Activation

Behind *the research*

NIQ *2025 Private Label & Branded Products* report global survey details

Global scope: 25 markets, Including US

- Australia
- Brazil
- Canada
- Chile
- China
- Colombia
- Egypt
- France
- Germany
- Greece
- India
- Indonesia
- Italy
- Mexico
- Poland
- Romania
- Saudi Arabia
- Singapore
- South Africa
- South Korea
- Spain
- Thailand
- Turkey
- UK
- US

Methodology

The NIQ 2025 *Private Label & Branded Products* report global survey was conducted between December 2024 and January 2025, polling over 17,000 online consumers in 25 countries throughout Asia Pacific, Europe, Latin America, the Middle East & Africa, and North America. The respondents include consumers who often make shopping decisions on behalf of their households and agreed to participate in this survey. The sample for each country incorporated age and gender quotas aligned with respective census data, while ensuring that each demographic group maintained a statistically reliable base size. This research covers all departments across the store.

Table of *Contents*

1

Outlook 2025

Trends driving US growth and regional nuances for Private Label and Branded Products

Consumers around the US **are *sold* on private labels.**

15.6%

sales share in the US[1]

4.1%

annual sales growth in the US year over year[1]

49%

of US consumers say they're likely **buying more private label products than ever before**[2]

Sources: 1) NIQ Omnisales+, Total US Omni, Total private label sales in the US, Latest 52W ended 02/22/2025 vs. year ago, Value % growth 2) NIQ 2025 Private Label & Branded Products report global survey

Big retailer investments drive even *bigger reputation*

Recent private label expansion efforts in the US:

“7-Eleven continuing focus on its private label line, with plans to add 150 new products”

… looking to its private brands to offer high-quality items at a lower price point and better margin than national brands

“CVS Pharmacy introduces new inclusive beauty and personal care brand, one+other™”

Pronounced "one another," the brand features an assortment of 200+ self-care staples

“Dollar General puts ‘Food First’ through investment in private brands”

Expanding its private label brand, Clover Valley, to include new on-trend national brand alternatives, debuting more than 100 new items for 2023

“Target’s ‘Good & Gather’ brand surpassed $3B in 2023”

- “offers high-quality, better-for-you options at an affordable price”
- “no artificial flavors, no artificial colors, no high-fructose corn syrup—and it will be delicious and affordable”

From stigma to status:

Private label is growing more than just sales

Fading stigma, value proposition, and demand growth *have propelled private labels to new heights*

The stigma has faded.

72% of US consumers say private labels **are good alternatives** to name brands

They deliver on value.

75% of US consumers say private labels **are good value** for the money

Demand has grown.

59% of US consumers say they **would buy more** private label products if a larger variety were available

Source: NIQ 2025 Private Label & Branded Products report global survey

But some consumers are more open to private label options than others

For instance, **South Koreans are least likely** to see private labels as good alternatives to name brands, but **Egyptians are most likely** to embrace them, value them, and demand a larger variety of them.

In the US ...

72%

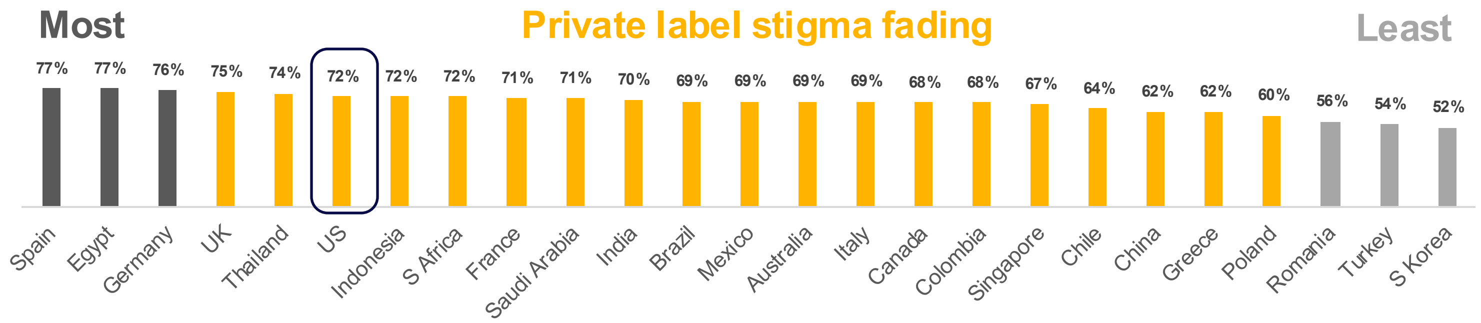
say private labels are good alternatives to name brands

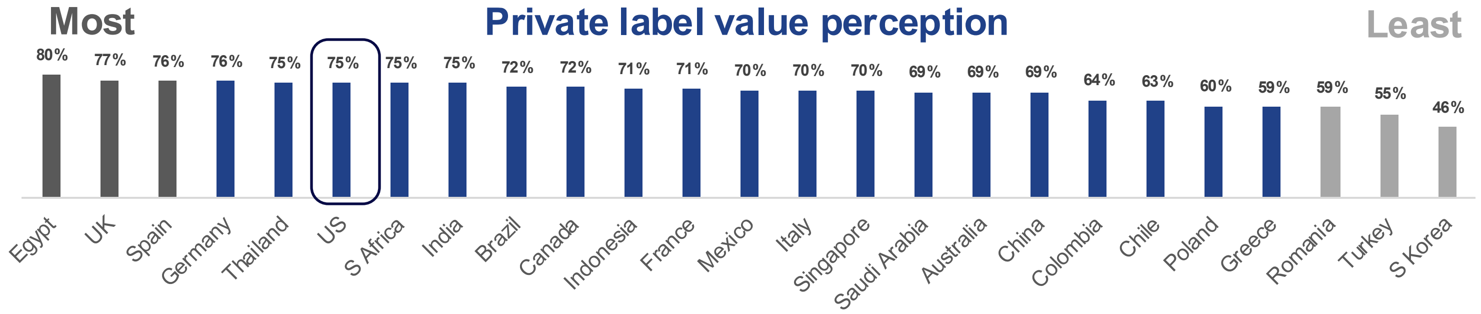
75%

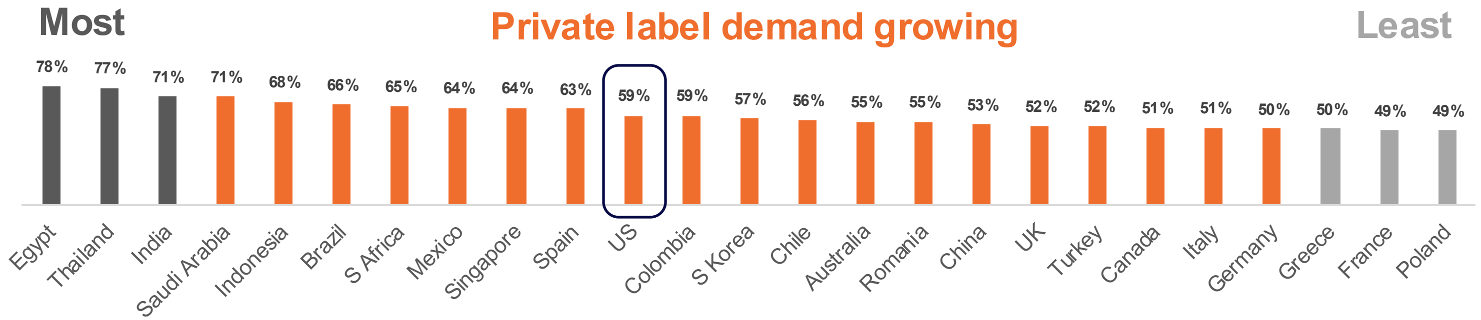
say private labels are good value for the money

59%

say they would buy more private label products if a larger variety were available



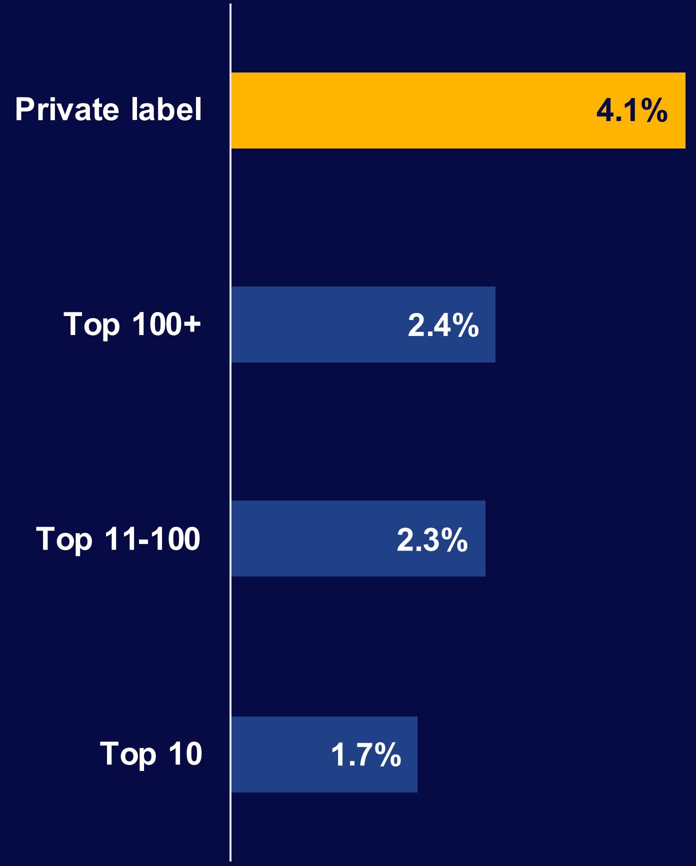




Source: NIQ 2025 Private Label & Branded Products report global survey

Demand for Private Label Remains Steady vs Branded Products

Sales growth vs. year ago: Private label and top US brands



Private Label
is *outpacing* sales growth of top US Brands

Source: NIQ Omnisales+, Total US Omni, value sales % growth vs. year ago, Latest 52 Weeks ending 02/22/2025

NIQ

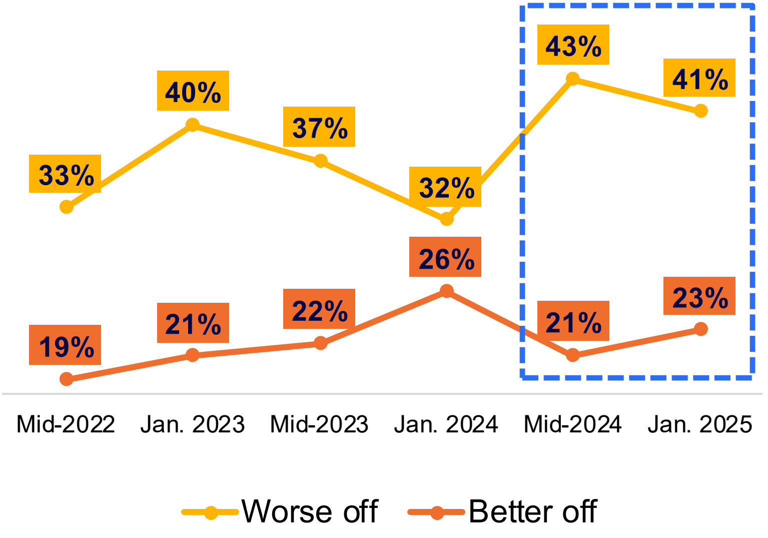
What's behind these *shifts in performance?*

Let's explore key drivers of consumer behavior change >>>

Recent financial stability, confidence, and spending flexibility could be driving brand dynamics

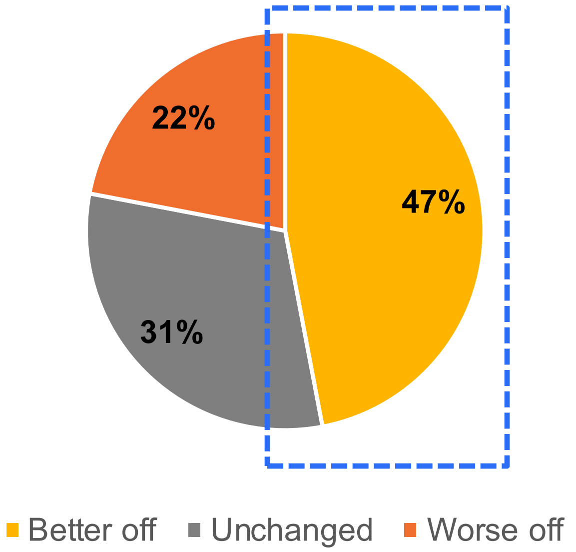
Stability
in consumer financial position during past six months

Current consumer financial position
% respondents, US



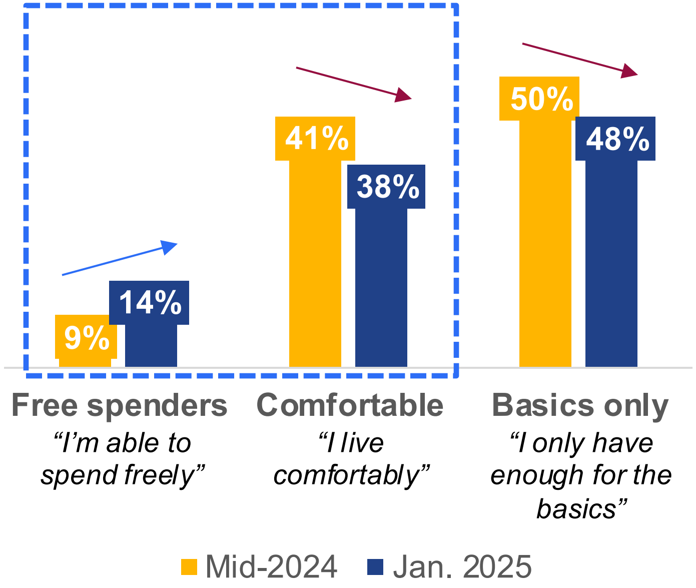
Confidence
in future state of affairs

Expected financial position by end of 2025
% respondents, US



Spending flexibility
has decreased

Spending mentality
% respondents, US



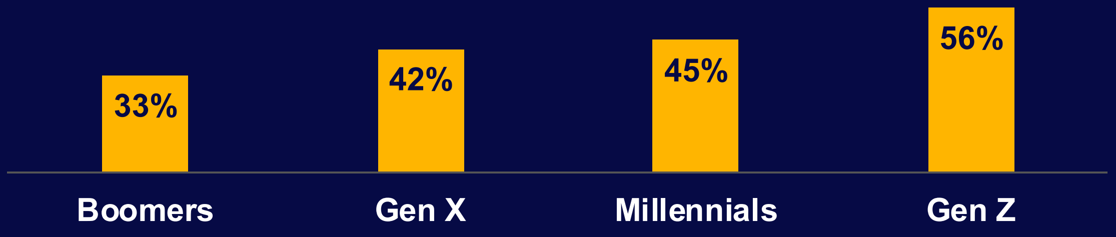
Source: NIQ 2025 Private Label & Branded Products report global survey

Most consumers—particularly younger generations—*are open to splurging on* ***premium options***

When it comes to premiumization, some factors are more influential than others.

43%

of US consumers say they're likely to **treat themselves by upgrading to a premium brand** product



Source: NIQ 2025 Private Label & Branded Products report global survey

More influential

Loyalty — **55%** would pay more to purchase from a brand/retailer that **rewards my loyalty**

Incentives — **52%** would pay more on a purchase to get **something else for free** (e.g., qualify for free shipping)

Efficacy — **47%** would pay a premium on the option I believe is **the most safe/effective**

Less influential

Immediacy — **37%** would pay a premium to receive something **sooner/more immediately**

Scarcity — **36%** would pay a premium to buy **something often "sold out"/hard to get**

Novelty — **30%** would pay a premium to have something **when it first hits the market**

NIQ

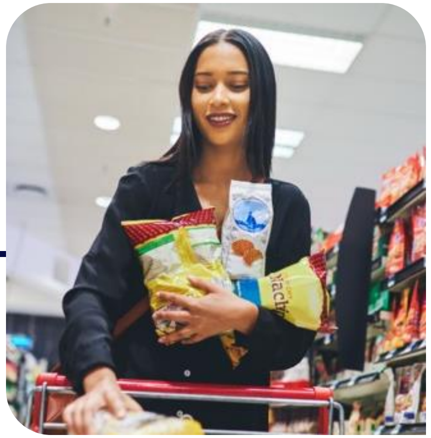
Every organization has the chance to help grow the size of prize with consumers

Seize consumers' openness to trying "whichever" brand fits their needs.

54%

of US consumers say **brand or store brand is irrelevant**; they just buy what they need.

Needs-driven decisioning



60%

of US consumers say they're **buying more brands, across more categories** than ever before

Broader consideration sets

64%

of US consumers say if they look hard enough, they can find a brand that fits their exact needs

Captive shopper audiences

Source: NIQ 2025 Private Label & Branded Products report global survey

The future belongs to those who can co-exist on the shelf.

2

Hybrid Shopping

Assessing ***purchase drivers*** *of private label and branded products*

Finding harmony between brands starts with understanding the primary drivers of brand choice

Today, consumer decisioning is driven most heavily by ***functional*** reasons.

In the US, what is most important to consumers when choosing a brand to buy?

Top/Bottom
reasons to buy a brand:

▲ **Affordable**

▼ **Celebrity-endorsed**

Average importance
% US respondents

77%

Functional reasons [F]
Specific aspects or offerings within a brand's value proposition

59%

Emotional reasons [E]
Intangible or reputational qualities/values of a brand

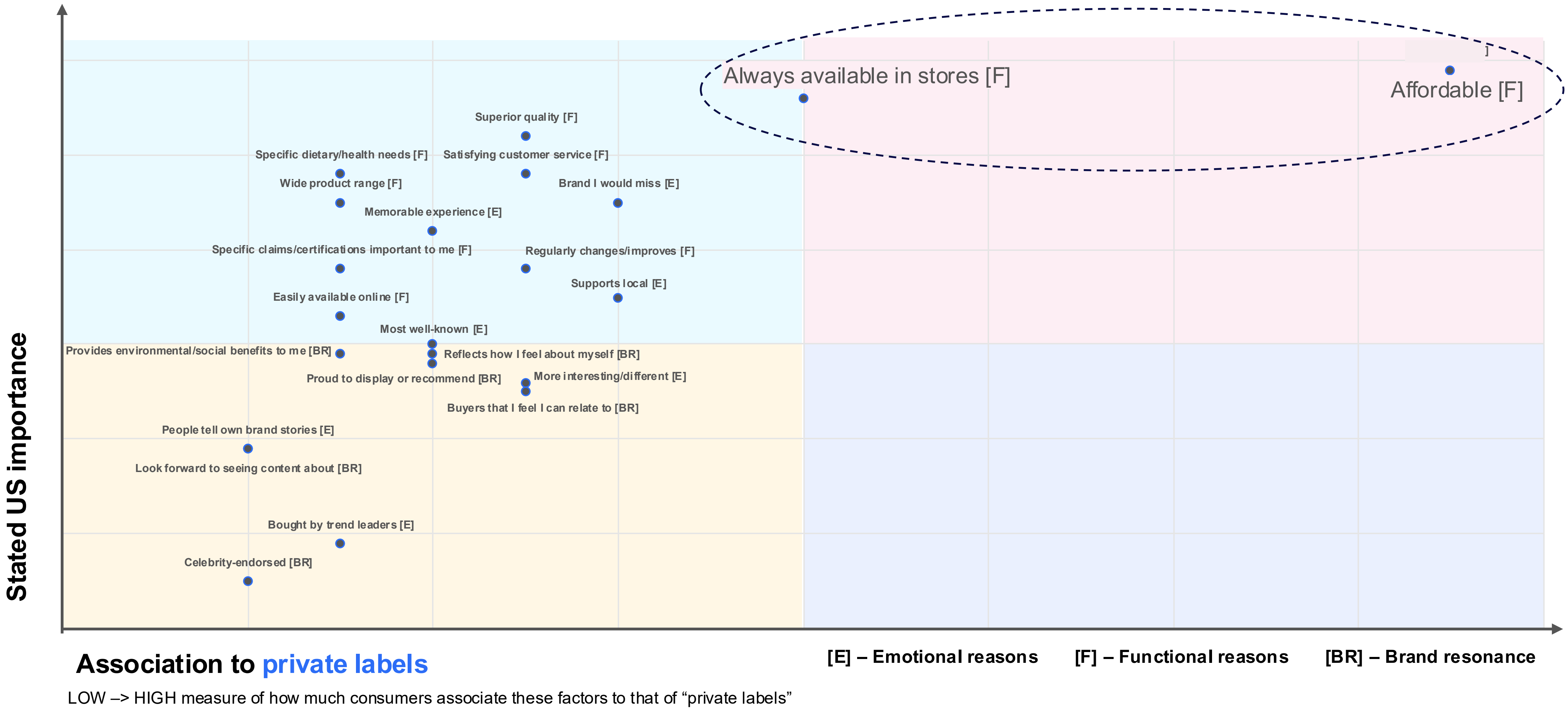
53%

Brand resonance [BR]
Aspects that align to one's personal or cultural resonance/identity

Source: NIQ 2025 Private Label & Branded Products report global survey

For private labels, above all else, consumers in the US expect value and availability

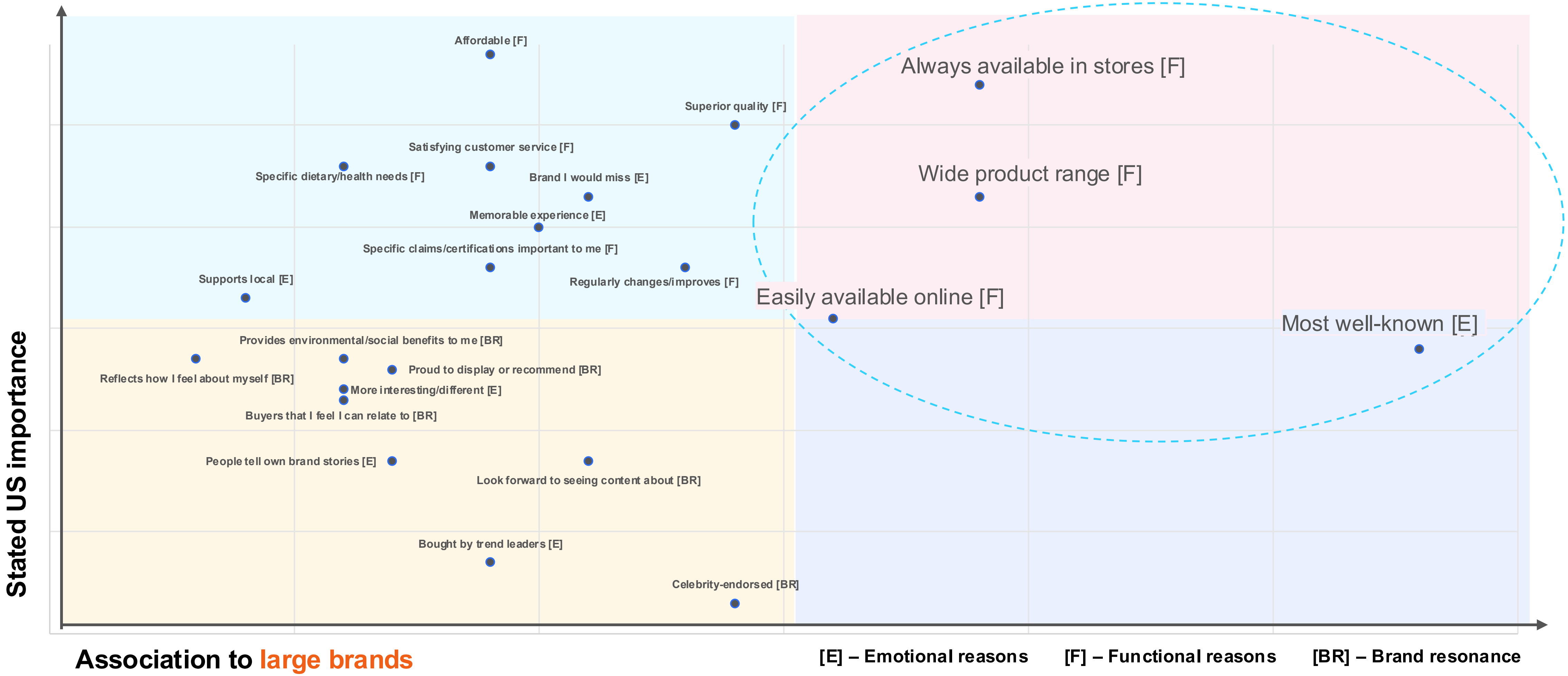
Future growth will favor those who leverage these strengths alongside what name brands are bringing to the table.



Source: NIQ 2025 Private Label & Branded Products report global survey

But for name brands, consumers expect and prioritize factors beyond affordability alone

Name brands should avoid direct competition with private labels and double down on unique motivators like notoriety, wide assortment, and omni availability.



LOW –> HIGH measure of how much consumers associate these factors to that of “larger name brands”

Source: NIQ 2025 Private Label & Branded Products report global survey

Find your unique *runway for growth*

There are ways to grow *alongside* your competition. Start with assessing *symbiotic dynamics*: Your relative **reputation, pricing, influence, and impact** could be influenced (for the better) by other category players.

Symbiotic dynamics for private label and branded products

Click to navigate to each section:

Brand halo effect
Name-brand reputation can boost private label credibility by comparison.

Increased traffic
Popular private labels drive overall retailer traffic that can benefit name brands.

Market expansion
Private labels can empower entire categories, propelling name-brand opportunities forward.

Price anchoring
Name-brand pricing sets a benchmark for private label value perception.

Finding harmony

You can struggle to survive alone—or strive to grow the overall size of prize.

Private labels ***and*** brands can lean on unique **symbiotic dynamics** to *collaborate*, rather than directly compete.

Private label growth guidance

SYMBIOTIC DYNAMIC 1

Brand halo effect

Name-brand reputation can boost private label credibility by comparison.

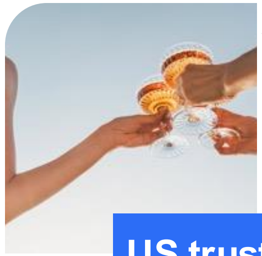
How it can help:

Retailers can harness the credibility of well-known brands to boost the appeal of their own private labels. The perception that a store brand can match the quality or perception of a premium name brand builds consumer trust and drives sales.

Action for retailers:

Find your halo to harness growth.

Around the world, many private labels are already benefitting from the "halo" of name-brand comparisons



US trust in private label alcohol options

Read more >>>

Costco's Kirkland Signature spirits:
Drinkers have often flocked to this line of bulk-size spirits. Touted for its similarities to premium vodka or whisky/whiskey name brands, this private label brand is sought out not only for its incredible value but also for its high-quality taste.

UK skincare elevated by private label influence

Read more >>>

Aldi's Lacura Skincare:
This skincare range is often compared to high-end brands carried in specialty retailers. The products have and continue to receive positive reviews for their quality and affordability.

Asia e-grocery expands to private label food

Read more >>>

Foodpanda's *bright* foods:
With the largest range available in Singapore and Malaysia, this new private label brand offers customers high-quality products with up to 25% savings compared with other brand alternatives.

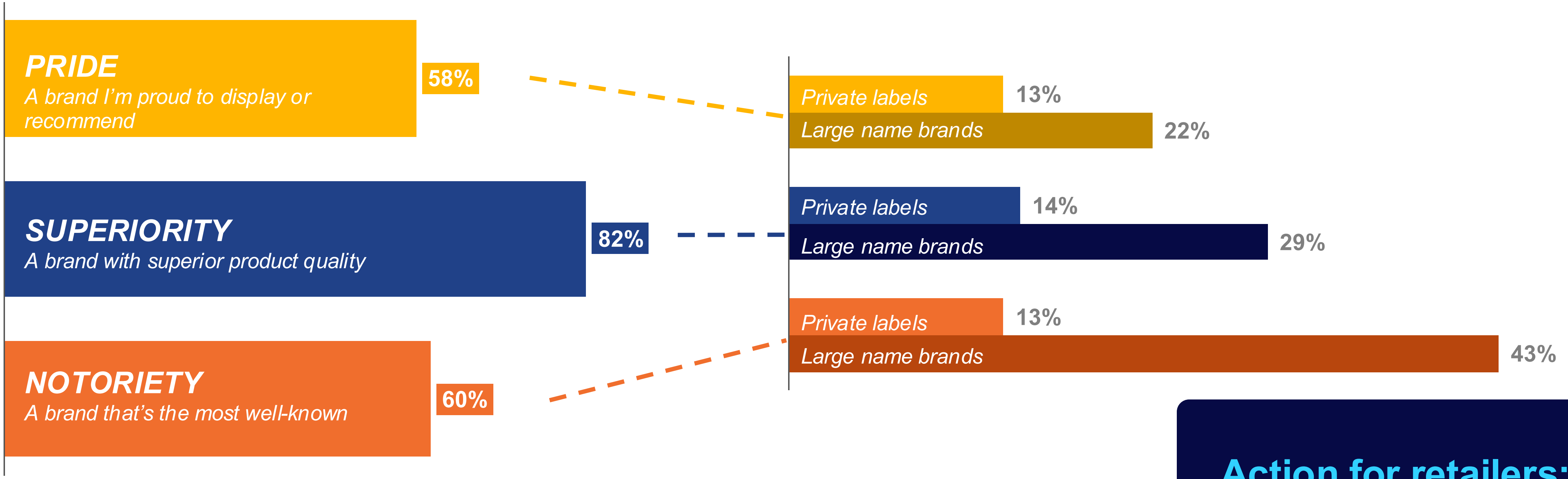
Brands hold a commanding presence with factors like pride, superiority, and notoriety, but private labels have continued to invest in bridging these gaps

Importance of brand attribute

% US respondents, "Very + Somewhat important"

Association to private labels or name brands

% US respondents, consumers' association of attributes to certain brand types



Action for retailers:

Find your halo to harness growth.

Source: NIQ 2025 Private Label & Branded Products report global survey

Private label growth guidance

SYMBIOTIC DYNAMIC 2

Price anchoring

Name-brand pricing sets a benchmark for private label value perception.

How it can help:

Name-brand pricing often sets the bar for consumer decisioning. And when these known—and often premium—brands are priced higher, retail-owned private labels are often seen as value-driven alternatives. Pricing contrasts can amplify the appeal of private labels and entice consumer choice.

Action for retailers:

Entice with price,
then convert on quality.

In the US across CPG categories …

Branded products
are sold at

19%

higher average price than private label products.

Source: NIQ, Global Strategic Planner, Total CPG across US, Directional read of % difference in Avg. Unit Price of Branded Products aggregate vs. Private Label aggregate, Latest 52 weeks ended Dec. 29, 2024, Reflected in US dollars

NIQ

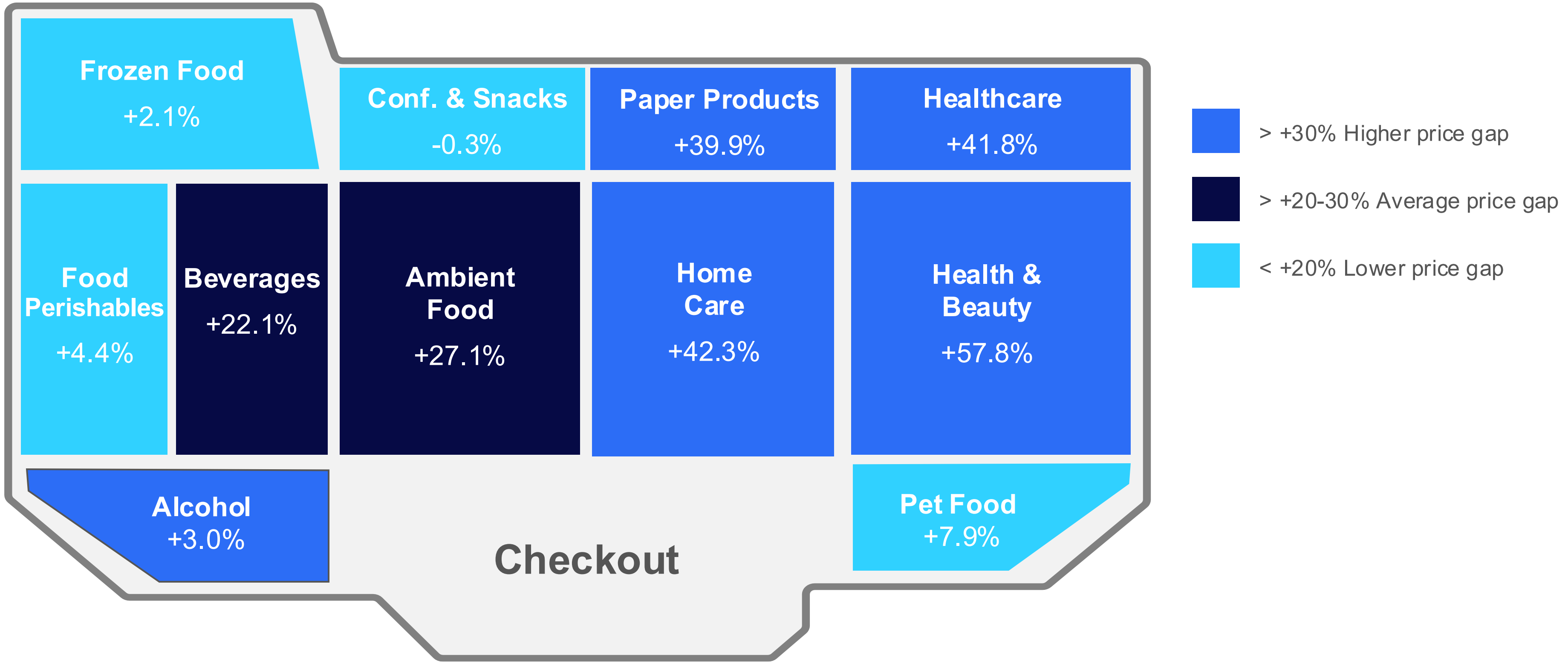
Mind the gap: Some brand swaps save consumers much more than others

The price differential between private label and branded products varies across categories.

Right-size your strategy: *Product quality may be questioned the most where price gaps between brands are the highest.*

Branded product price differential by department: US Market

Directional read of topline average unit price of branded vs. private label CPG products



Source: NIQ, Global Strategic Planner, Total CPG and departments across US, Directional read of % difference in Avg. Unit Price of Branded Products aggregate vs. Private Label aggregate, Latest 52 weeks ended Dec. 29, 2024, Reflected in US dollars

Branded products growth guidance

SYMBIOTIC DYNAMIC 1

Increased traffic

Popular private labels drive overall retailer traffic that can benefit name brands.

How it can help:

The popularity of a retailer's in-demand private label products increases shopper traffic, often leading to additional premium or branded item purchases. Securing strategic placements around private label buzz can boost the visibility and sales of name brands.

Action for manufacturers:

Ride the traffic wave from hot private labels.

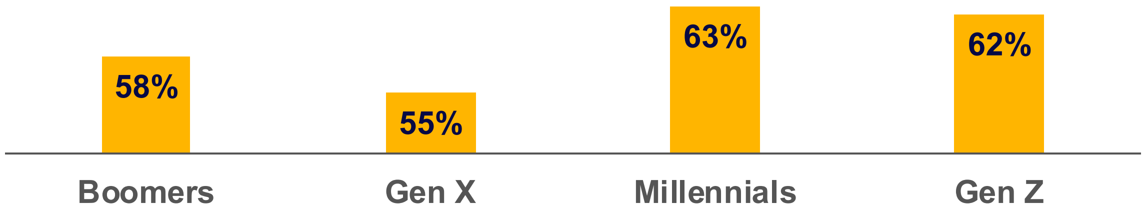
Trust in a retailer = trust in its products, according to consumers

Retailers’ reputation holds opportunity for potentially ***all*** products it carries.

59%

of US consumers
say they **trust store brands, as they are endorsed by the retailer**

Consistent across generations—Millennials in particular:



Source: NIQ 2025 Private Label & Branded Products report global survey

Action for manufacturers:

Ride the traffic wave from hot private labels.

Playing the field: Branded products benefit from being largely “retailer-agnostic”

Collaborate in channels where private labels are hotly sought after ***and*** find growth independently via other channels.

Rank of consumer channel preferences by brand type

% US respondents

Where consumers usually shop for **PRIVATE LABELS**	Where consumers usually shop for **LARGE NAME BRANDS**
#1: Supermarket/Grocery store	#1: Warehouse club store
#2: Dollar store	#2: Mass merchandiser/Hypermarket
#3: Discount retailer	#3: Online purchase from a retailer
#4: Pharmacy/Drug Store	#4: Online purchase from a brand site

Action for manufacturers:

Ride the traffic wave from hot private labels.

Source: NIQ 2025 Private Label & Branded Products report global survey

Branded products growth guidance

SYMBIOTIC DYNAMIC 2

Market expansion

Private labels can empower entire categories, propelling name-brand opportunities forward.

How it can help:

Popular private labels can evolve overall category perceptions, boosting acceptance of high-quality products or even increasing adoption and usage among consumers. This market expansion can benefit both the retailer and name brands operating in the same category.

Action for manufacturers:

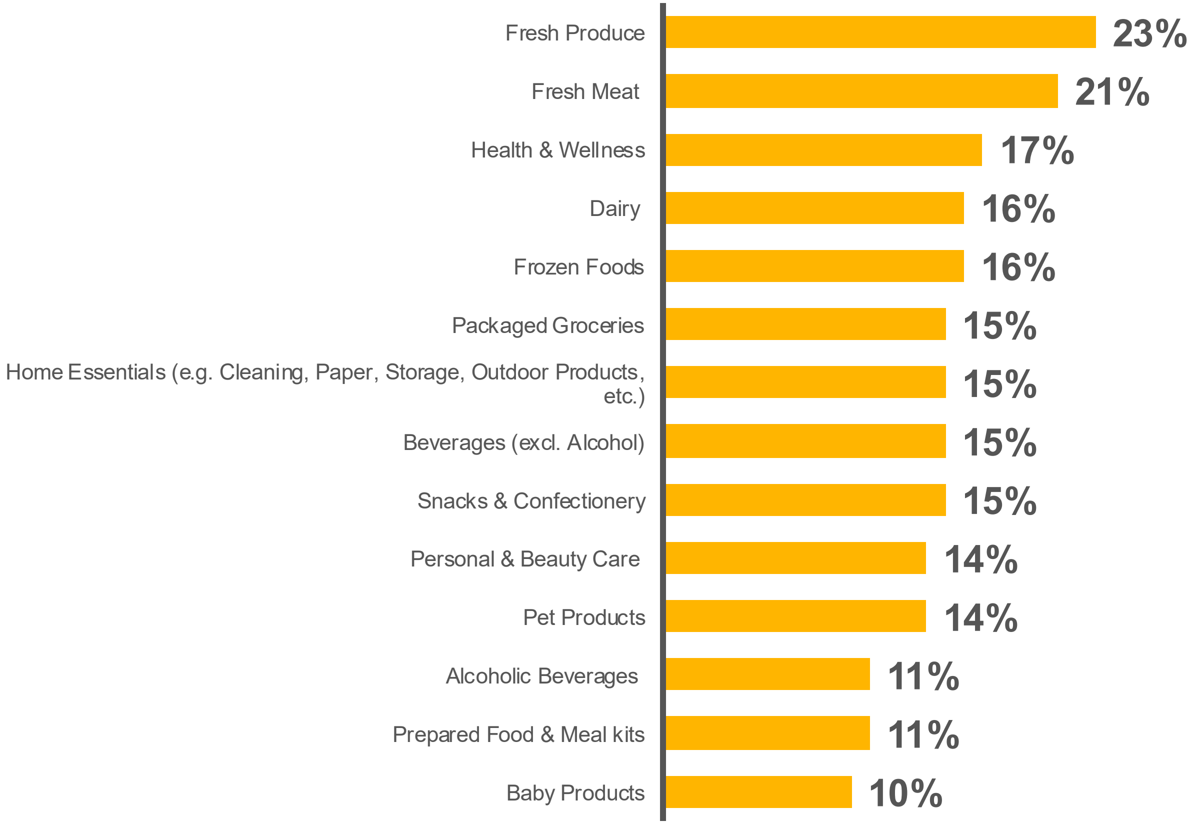
Make a bigger splash with expandable categories.

Open to growth: Consumers are willing to expand their spending on key categories

Brands can strategize around these valuable opportunities to expand purchase repertoires.

Categories consumers would "splurge" on:

% US respondents, most likely to "spend more than their usual amount as a treat for enjoyment"



Emerging need states for spending more

At-home luxuries

61%

say they're likely to **spend more on at-home experiences** to save on restaurant and entertainment expenses

One-stop shop

57%

say they're likely to spend more at the store, website, app, or outlet that **carries most of what they need in one place**

Convenience

48%

say they're likely to spend more on **product formats that are convenient to use**

Source: NIQ 2025 Private Label & Branded Products report global survey

Renowned retailer experiences can drive spending that grows the whole store (and all brands within it)

Crowds of consumers explore brands at this atypical convenience chain

US: With some of the largest convenience stores in the world, Buc-ee's brings renowned excitement to passersby eager to explore and spend on the wide array of ***all*** brands carried by the popular retailer.

Read more >>>

Consumers prepared to spend big at new wholesale locations worldwide

JPN: A worldwide phenomenon, Costco amasses huge attention and dollars as it unveils its first store in the Okinawa Islands. Consumers clamor to try all the brands available inside.

Read more >>>

New product use cases inspired by retailer's holiday pop-up experience

US: Inspiring how consumers spend on holiday food favorites, Aldi, a popular discount retailer, opened its first-ever "charcuterie chalet" sampling experience—leaving patrons full of ideas on how to procure a festive feast.

Read more >>>

Collaborate to evolve your brand alongside key retailers.

Action for manufacturers

Make a bigger splash with expandable categories.

3

Challenges

Assessing ***competitive dynamics*** *between private label and branded products*

Manufacturers face key challenges posed by private labels

Price undercutting

- ***The challenge:*** Private labels offering comparable quality at lower prices
- ***The risk:*** Losing cost-sensitive consumers driven by price alone

Shelf space competition

- ***The challenge:*** Retailers that may prioritize placements of their own private label products
- ***The risk:*** Losing priority shelf space

Perceptions of parity

- ***The challenge:*** Consumers' belief in the equivalent quality of private labels vs. others
- ***The risk:*** Losing pricing power and potential erosion of brand equity

Price undercutting: Private label price advantage continues to hold weight with consumers

Price undercutting

- ***The challenge:*** Private labels offering comparable quality at lower prices
- ***The risk:*** Losing cost-sensitive consumers driven by price alone

Drivers of brand choice: US average

% US respondents, stated importance

Brand choice drivers:
[E] – Emotional reasons
[F] – Functional reasons
[BR] – Brand resonance

Affordability wins

Among a variety of choice drivers—including emotional or functional reasons and brand resonance—consumers say ***affordability*** matters most, positioning private labels for success.

Source: NIQ 2025 Private Label & Branded Products report global survey

Shelf space competition: Partner today, or risk a retailer-owned tomorrow

Canada pilots a new "store-brand-exclusive store."

46%

of US consumers
say that some of their favorite **name brands no longer seem to be available when searched for**

Retailers hold the keys to shelf space

Brands will need to work harder to collaborate and protect their priority shelf placements and distribution with retailers (both in-store and online).

Shelf space competition

- ***The challenge:*** Retailers that may prioritize placements of their own private label products
- ***The risk:*** Losing priority shelf space

Loblaws pilots ultra-discount, fully private label store

CA: From store-branded shopping carts to a discount-friendly limited assortment of the retailer's everyday goods, this location tries to offer a simple and affordable experience to Canadians pressured by food costs.

Read more >>>

Source: NIQ 2025 Private Label & Branded Products report global survey

Perceptions of parity: Majority of consumers are feeling good about the quality of private labels

51% of US consumers say that **private labels are higher or equal quality** than name brands

47% of US consumers say they **would switch to a cheaper medicinal alternative (biosimilar/equal quality)**

35% of US consumers say they **would pay the same or more for a private label product** than a name brand

Quality concerns are being minimized
Private labels around the world have done well to assure most consumers of the quality they bring to consumers. In fact, more than half of US respondents believe they are as good as name brands.

Perceptions of parity

- ***The challenge:*** Consumers' belief in the equivalent quality of private labels vs. others
- ***The risk:*** Losing pricing power and potential erosion of brand equity

Source: NIQ 2025 Private Label & Branded Products report global survey

Retailers face key challenges posed by branded products

Brand loyalty

- ***The challenge:*** Strong loyalty to brand (quality, reliability, prestige, etc.) may be hard to overcome
- ***The risk:*** Limited conversion of brand-loyal buyers

Category dominance

- ***The challenge:*** Extensive marketing and broader cross-channel distribution reinforces top-of-mind position for brands as category leaders
- ***The risk:*** Limited room to establish an independent—and leading—private label identity

Nostalgia and trust

- ***The challenge:*** Brands that benefit from years (or even decades) of building trust, recognition, and emotional connections with consumers
- ***The risk:*** Limited cultural influence and legacy for storytelling, slowing trust development and long-term growth

Brand loyalty: Despite openness to private labels, younger consumers still have name-brand loyalty

Brand loyalty

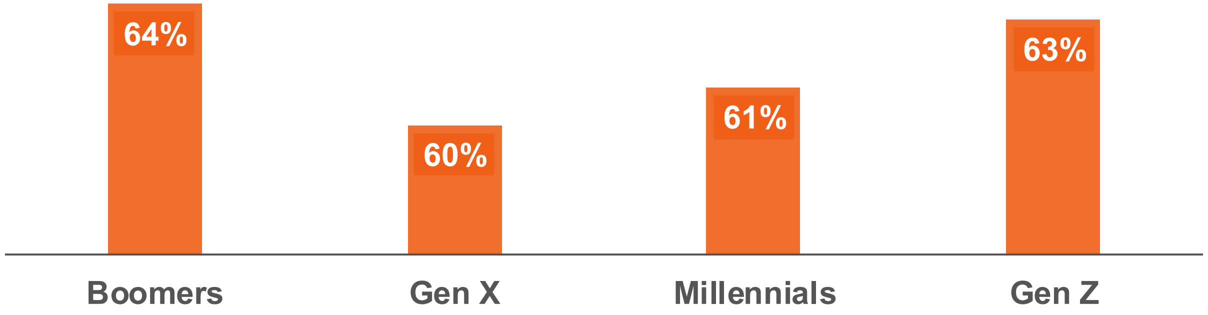
- ***The challenge:*** Strong loyalty to brand (quality, reliability, prestige, etc.) may be hard to overcome
- ***The risk:*** Limited conversion of brand-loyal buyers

62%

of US consumers say they **always buy the same name brands** they know and trust

Younger consumer have a routine with name brands they're loyal to

Despite their reputation for being open to private labels, younger generations can be particular and steadfast in their choice of name brands they choose to purchase.



Source: NIQ 2025 Private Label & Branded Products report global survey

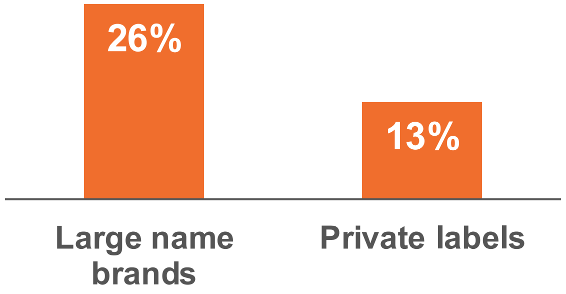
Nostalgia and trust: Name brands have deep emotional connections among consumers

Association to brand type:

Emotional drivers of brand choice	Large name brands	Private labels
Memorable experiences with brand	25%	13%
Most well-known brand in its category	43%	13%
One that would be missed if not used anymore	26%	15%
People tell their own stories about liking this brand	22%	11%
More interesting or different than other brands	21%	14%

Emotional drivers: US average

% respondents, association to brand type



2X emotional connection

Name brands still own the space of "emotional connection" to consumers. In fact, people are nearly twice as likely to associate emotional factors to large name brands compared with private labels.

Nostalgia and trust

- ***The challenge:*** Brands that benefit from years (or even decades) of building trust, recognition, and emotional connections with consumers
- ***The risk:*** Limited cultural influence and legacy for storytelling, slowing trust development and long-term growth

Source: NIQ 2025 Private Label & Branded Products report global survey

4

The Path Forward

Opportunities for retailers and manufacturers to co-exist and drive growth

Consumers are ready for the ***right brands*** *(including private labels)* to find them across the ***many channels*** they frequent ...

55%

of US consumers say they **maintain different shopping lists** for different in-store and online outlets

57%

of US consumers say they **look online for things out of stock at their local store**

43%

of US consumers say they would likely **repurchase a new brand they tried as a retailer's substitute** for their first choice

71%

of US consumers say they **shop at a physical store because it has the lowest prices**

Source: NIQ 2025 Private Label & Branded Products report global survey

… because, today, interaction with brands happens across a rapidly evolving ***omnichannel universe***

Retailers | Digital media | Online

Influencers | SMB | Home delivery | T&D

Manufacturers | Quick commerce | B2B

Social commerce | D2C | Food delivery

Secondhand | Retail media networks | Media

Metaverse | Click & Collect | Marketplaces | Tradit

Community buying | CPG | Gamification

VR | Loyalty programs | Last mile | Subscriptio

Wholesale | Localization | Pop-ups

AI | Globalization | Specialty stores | Webroomin

Showrooming | Spearfishing | Modern trade

NIQ

Opportunities for ***retailers***

Key takeaways
to ensure all brands you carry can thrive *together*.

So what? Now what?

NIQ

Strengthen consumer traffic through co-promotion and limit cannibalization across your retailer portfolio.

01

Strengthen category traffic

Ensuring prominent placement of ***both*** name brand and private label options can cater to a wide and diverse set of customers. This maximizes category traffic and total growth potential.

02

Avoid cannibalization

Position private label products as "smart alternatives" rather than direct substitutes. This maximizes growth potential by enabling name brands ***and*** private labels to meet demands for premium and high value.

03

Develop co-promotion programs

Incentivize "total-category buying" by developing promotions and loyalty campaigns where the purchase of name brands can provide discounts or incentives toward private labels (or vice versa).

Opportunities for *manufacturers*

Key takeaways
Live your value proposition this is your key differentiator.

So what? Now what?

Maintain premium appeal, innovate with co-branded marketing, and fully leverage retailer partnerships.

01 100% Consumer Focused

You have to be attuned to the attributes that are driving conversation; generational purchasing, perceptions, experiences, etc.

02 Early & Fast

Have courage to explore ideas that initially don’t meet traditional financial hurdles. Store brands are spotting trends early, executing faster and developing novel innovations rapidly.

03 Be Everywhere

Do not let availability be in issue: Manage out-of-stocks, feed consumer discovery through social, trial, online ordering bonuses.

NIQ

Reveal your brand's *Next*—with *The Full View* from NIQ

We're strengthening brand engagement through *market-tested consumer insights.*

>>> **Learn more**

about *NIQ BASES* ***Innovation Testing***

We're uncovering a world of market *performance shifts in store and online.*

>>> **Learn more**

using NIQ ***Market Measurement solutions***

We're providing brand-specific line of sight into *consumer buying behavior.*

>>> **Learn more**

with NIQ ***Consumer Behavior & Insights***

We're helping brands optimize *performance across RMNs.*

>>> **Learn more**

via *NIQ Activate* **Retail Media Intelligence**

NielsenIQ