

Store Brands Muscle In on National Brands' Comfort Zone

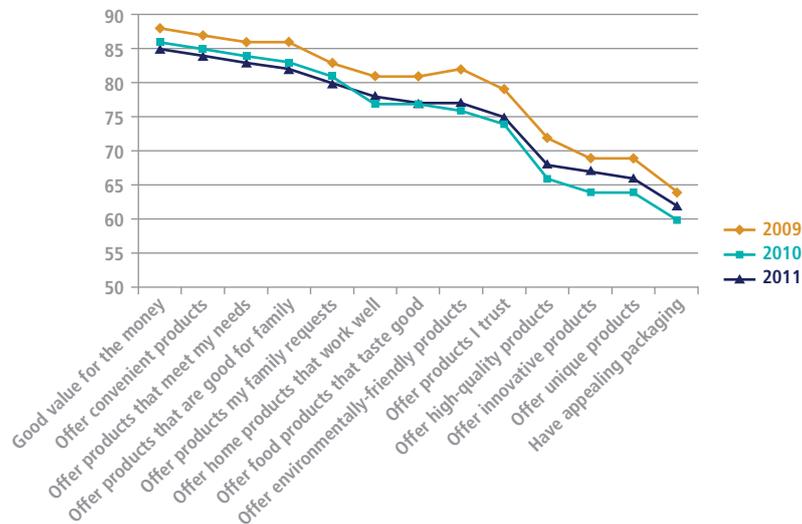
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While consumer perceptions toward store brands have slipped on many dimensions over the last two years, store brands may be starting to improve on several product benefits typically associated with national brands, namely: quality, innovativeness, uniqueness and packaging. This is the latest finding from a study conducted by Ipsos Marketing.

In an annual study conducted by Ipsos Marketing over the last three years, consumers from around the world were asked to compare store brands to national brands on a host of attributes. A three-year trend analysis indicates the following:

- Each year since 2009, the majority of global consumers have perceived store brands to be the same as or better than national brands on all attributes.
- From 2009 to 2010, store brands slipped in all areas – with no indications of improvement in 2011 for value, convenience, meeting needs, being good for the family, and being requested by the family.
- From 2010 to 2011, store brands gained ground in consumers' minds in the areas where national brands tended to be strongest: quality, innovativeness, uniqueness and packaging.

Consumer Perceptions toward Store Brands vs. National Brands
 - Percent Saying Store Brands are the Same As or Better Than National Brands -
 - Among Global Consumers -



Note: Complimentary data for each country is available from Ipsos upon request.

Improved attitudes toward store brand quality, innovativeness, uniqueness and packaging improved consistently across most countries from 2010 to 2011 – with sharp increases stemming from Brazil, France, Germany, Mexico, Russia, South Korea and Turkey.



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"Our data indicates that store brands still pose a formidable threat to national brands – perhaps now more than ever," says Gill Aitchison, President, Ipsos Marketing, Global Shopper & Retail Research. "While we might have believed that store brands were reaching their peak during the worst of the recession, it looks as though they are positioning themselves to succeed very well in an improving economy as well."



Gill Aitchison
President
Ipsos Marketing, Global
Shopper & Retail Research

Aitchison continues, "It is really not that surprising that consumer perceptions toward store brand quality, innovativeness, uniqueness and packaging have improved. Retailers are investing more heavily into the development and merchandising of their store brands. Not only do store brands offer higher margins versus national brands and help drive traffic, they also offer the means for differentiating between one retailer and another. In their quest to make their store brands more appealing to consumers, many retailers have launched higher-priced, specialty lines – which explains the increase in quality perceptions and the decrease in value perceptions."

Aitchison concludes, "National brands must now battle store brands on all fronts – it's not just a value game anymore. National brands must vehemently protect their image for providing higher-quality and more innovative products than store brands. With retailers focusing more on the product development and marketing of store brands, national brands are going to need to work even harder to differentiate their brands with breakthrough innovations, more standout packaging and true product superiority. Bringing in the voice of the consumer, digging for deeper consumer insights, and leveraging leading-edge marketing techniques will be instrumental to winning over the shopper at the critical moment of point of purchase in order to win the ongoing battle against store brands."

These are the findings from a study conducted by Ipsos Marketing via the Ipsos Global @dvisor International Omnibus, an online survey of citizens around the world. A total of 18,754 adults were interviewed between December 6th and December 19th, 2011. Their answers to the same question were compared to those of 17,146 adults interviewed between December 10th and 20th, 2010 and 19,555 adults interviewed between November 4th, 2009 and January 13th, 2010 in the same countries. The countries included Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Great Britain, Hungary, India, Italy, Japan, Mexico, Poland, Russia, South Korea, Spain, Sweden, Turkey and the United States of America.

Complimentary access to the data in this report for each of the 21 countries is available upon request from Ipsos Marketing.

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Ipsos Marketing is the Ipsos brand dedicated to meeting the innovation and brand growth needs of our clients. It is organized around four global practices: Innovation and Forecasting (Ipsos InnoQuest), Market Understanding and Measurement, Healthcare and Qualitative.

Ipsos Marketing aims at transforming consumer insights into our clients' competitive advantage. We offer innovative contractual models to better manage Market Research resources. We distribute insights in real-time within clients' organizations by leveraging technology and activation sessions. We integrate knowledge by combining various sources of data.

Ipsos Marketing is a specialization of Ipsos, a global market research company which delivers insightful expertise across six specializations: advertising, customer loyalty, marketing, media, public affairs research, and survey management. With offices in 84 countries, Ipsos has the resources to conduct research wherever in the world our clients do business. In October 2011 Ipsos completed the acquisition of Synovate. The combination forms the world's third largest market research company. In 2011, Ipsos generated global revenues of €1.363 billion (1.897 billion USD), Marketing research contributing to nearly 50% of Ipsos revenues.

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About Ipsos

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With offices in 84 countries, Ipsos delivers insightful expertise across six research specializations: advertising, customer loyalty, marketing, media, public affairs research, and survey management.

Ipsos researchers assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media and they measure public opinion around the globe.

Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,363 billion (1.897 billion USD) in 2011.

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