

# MAKING YOUR BRANDS IRREPLACEABLE

## Ipsos POV on Private Labels

### Key Takeaways



Claimed private label purchasing is rising in Canada – and the majority of consumers are open to purchasing private label (PL) across different age groups and various income levels. This high level of openness to private labels poses an increasing challenge to established CPG brands, especially in food, beverage and household care categories etc.



The success of private label products can be attributed to two key factors: a narrowed perception gap regarding product quality and a more attractive value proposition amidst the current high inflation economic environment. As a result, more than half of Canadians (54%) report purchasing more private label products than last year. Additionally, more than half of Canadians (57%) say that price almost always drives their purchase decision, with brand name being the most cited trade-off for price.



That said, name brands still hold a strong position to compete with private labels as consumer loyalty to name brands still plays a significant role in at least some of their purchase decisions. Many also acknowledge that it is not always easy to find a store brand equivalent to their preferred name brand products, and there is a spectrum of substitutability across granular product categories.



Innovation is the key – innovation becomes essential as name brands' quality advantage diminishes. Name brands can continue strengthening their advantages by focusing on innovating via offering new and unique products that more effectively address consumers' needs to distinguish themselves from private labels and justify premium pricing.

## Considerations for Action Plan

- **Stay Highly Relevant** – develop new products, new functionality or deliver additional product benefits to better fulfill consumers' needs, both functionally and emotionally.
- **Establish Strong Differentiation** – leverage unique brand assets, claims, benefits and packaging etc. to stand out in the clutter and convey product superiority and authenticity.
- **Justify Premium Pricing** – ensure any advantage versus P/L is explicitly communicated to justify premium pricing. In some cases, price optimization may help to find the sweet spot to maintain a superior brand image while being price competitive with P/L.
- **Optimize Current Lineup** – strategically examine and build the optimal lineup to achieve operational or financial efficiency and maximize shelf space utilization.

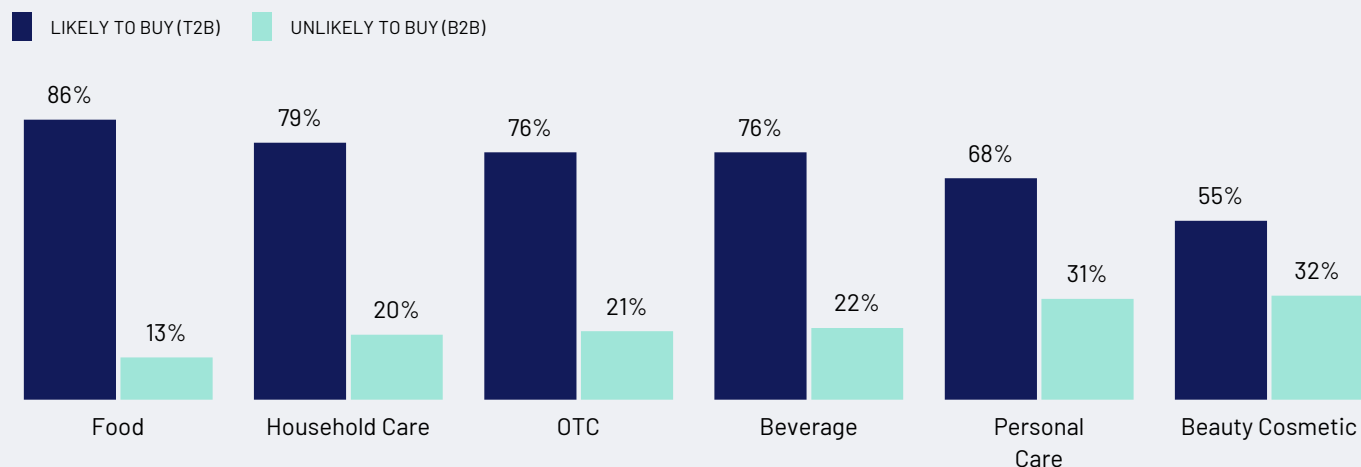
Innovating against unmet needs does not mean launching the 'next Swiffer.'

For example, President Choice frozen avocados is a line extension to frozen fruits/veg but one that solves a consumer pain point of wasting money on over or underripe avocados.



## Openness to Private Labels is High

**Graph 1:** Thinking of the following categories, how likely, if at all, would you be to try a private label version of a product you buy?

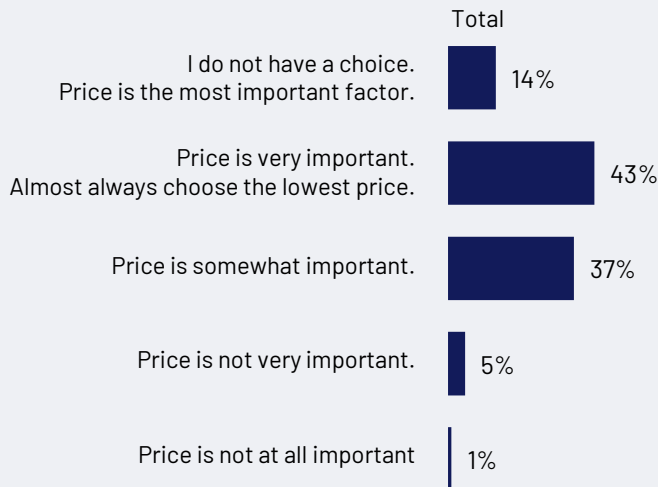


Source: Ipsos FastFacts Private Label Survey (May 2025), fielded in Canada | National Representative Respondents  
Total: n=1,000

# 57% of Canadians say, “price almost always drives their purchases”

Among this group 14% always choose the cheapest option

**Graph 2:** Thinking about your \*overall\* purchase decisions over the last three months, no matter the product or service, how much of a factor is price in your choices? (% AGREE)



Lower educated, lower income and non- Boomers are most likely to be “price first” consumers:

**Gen Z = 73%**

**Millennials = 69%**

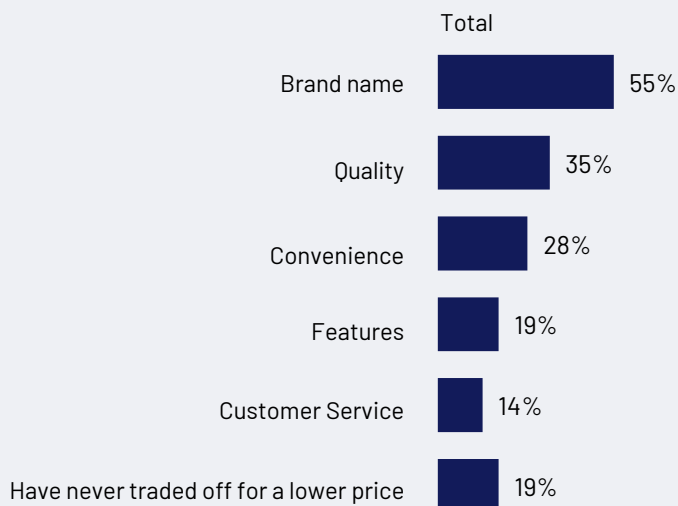
**Gen X= 67%**

**Boomers = 40%**

## Cost conscious consumers are most likely to trade off brand name to get a lower price. Least likely to trade off customer service.

Brands that are not the lowest price will be increasingly challenged to distinguish their unique service, features and quality.

**Graph 3:** When you think about your purchases over the last three months, which of the following have you traded off in order to get a lower price? (% AGREE)



## Perceptions of PL Have Improved...

Narrowed quality perception gap and more appealing value and price equations contribute to private labels' success, with more than half of consumers buying more private label products than last year.

**Graph 4:** Do you agree or disagree with the following statements (% AGREE)



## ... But Name Brands Still Possess Notable Merits

However, name brands with strong equity and loyalty can retain a competitive position as consumer loyalty still plays a significant role in their purchase decisions and many acknowledge it is not easy to find a store brand equivalent to their preferred name brands.

**Graph 5:** Do you agree or disagree with the following statements (% AGREE)



Source: Ipsos FastFacts Private Label Survey (May 2025), fielded in Canada | National Representative Respondents  
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# How Does Ipsos Innovation Research Help Your Brand Remain Competitive Against Private Labels?



## Innovation Advisory

Ipsos' InnoExplorer methodology enables you to identify emerging consumer trends; uncovers white space in your category to continue staying a step or two ahead of P/L (AND competitive branded players) by being first to market to address unsatisfied needs.



## Innovation Screening

Ipsos' InnoTest methodology offers precise evaluation of the trial potential of innovations within a competitive context through normative benchmarking and assesses volume shifts from private labels and key branded competitors.



## Lineup and Pricing Optimization

Leveraging MaxDiff TURF or Discrete Choice/Mini DC, Ipsos can help you identify the ideal lineup on the shelf to maximize shelf space efficiency, and ensure pricing is managed strategically to maintain its premium positioning while staying price competitive in market.



## Pack and Shelf Evaluation

Breaking through shelf clutter is challenging, especially when private labels often emulate leading brand designs. Ipsos' SimStore and FastPack methodologies effectively assess and evaluate packaging designs to help optimize and differentiate your products on shelves.



## Forecasting and Validation

With strong credentials in forecasting, Ipsos can help you accurately predict the financial outcome of your innovations while providing a deeper understanding of cannibalization across your brand portfolio using Ipsos' franchise growth module.

# THANK YOU

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