Consumers See Little Difference between National and Store Brands

Majority of Global Consumers Equate Store Brands with National Brands on Essential Brand Attributes

New York, NY – Consumers from around the world feel strongly that store brands are the same as, or better than, national brands at providing a variety of benefits. This is the latest finding from a study conducted by Ipsos Marketing, Consumer Goods.

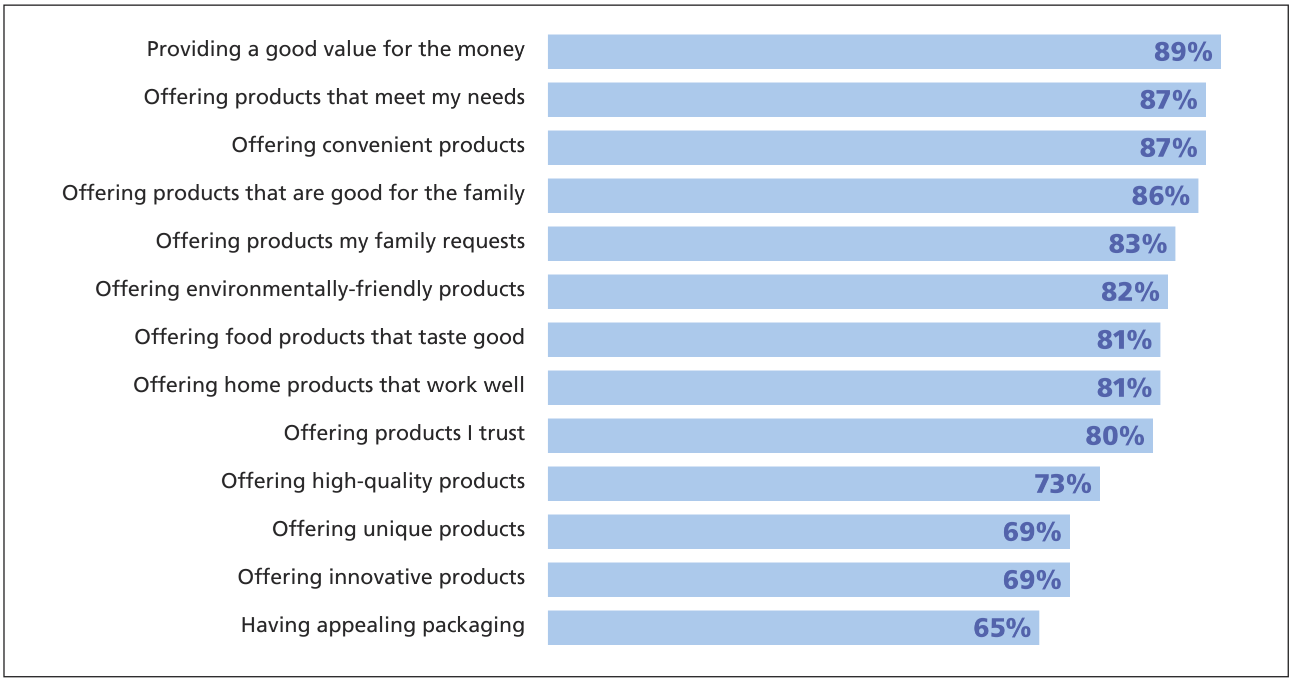
Gill Aitchison
President
Ipsos Marketing,
Global Shopper &
Retail Research
gill.aitchison@ipsos.com

While store brands have built their foundation on distinguishing themselves as a good value in terms of low cost, the study suggests that consumers believe store brands provide much more than that. At least 80% of global consumers indicated that store brands are the same as or better than national brands on many dimensions, most notably meeting their needs, offering convenience, being good for their families, caring about the environment and exuding trust.

"Our data indicates that store brands are challenging national brands on a number of key brand attributes," says Gill Aitchison, President, Ipsos Marketing, Global Shopper & Retail Research. "In essence, the brand experience associated with store brands is matching the brand experience associated with national brands – and that is very alarming for national consumer packaged goods marketers."

The study further indicates that global consumers are confident that store brands perform just as well as national brands: 81% say that store brands offer food products that taste as good and home products that work as well as national brands. The notion that store brands offer a sub-optimal product experience – the trade-off for lower price – seems to be fading in consumers' minds.

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



"Store brands are flourishing as a result of product quality improvements in conjunction with the effects of the poor economy on consumers, which has elevated purchasing of store brands," Aitchison adds. "The level of trust in store brands across many different product areas at a time of distrust in other sectors like banking may mean that shoppers may be less likely to return to more expensive brands in the future unless the benefits really outweigh the cost – and these will tend to be emotional benefits rather than functional benefits."

On which benefits should national brands focus? According to Aitchison, "The data from our survey suggests that national brands' greatest strengths vs. store brands are packaging, innovation, uniqueness and quality. These are important facets of the brand experience, and ones that manufacturers should consider in their brand strategy."

These are the findings from a study conducted by Ipsos Marketing, Consumer Goods via the Ipsos Global @dvisor International Omnibus, an online survey of citizens around the world. Interviews were carried out between November 4th, 2009 and January 13th, 2010. For this survey an international sample of 21,623 adults aged 18+ were interviewed in a total of 23 countries. The countries included Argentina, Australia, Belgium, Brazil, Canada, China, France, Germany, Hungary, India, Italy, Japan, Mexico, Poland, Russia, South Korea, Spain, Sweden, the Czech Republic, the Netherlands, Great Britain, the United States and Turkey.

Complimentary access to the data in this report for each of the 23 countries is available upon request from Ipsos Marketing, Consumer Goods.

For more information, please contact:

Allyson Leavy Director of Marketing, Ipsos Marketing, Consumer Goods
(516) 507-3515 • allyson.leavy@ipsos.com
Or
Gill Aitchison President, Ipsos Marketing, Global Shopper & Retail Research
+44 208 861 8223 • gill.aitchison@ipsos.com

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