

Press Release – 17 September 2009

Bilthoven – Soaring growth of private label in the Dutch market

Over the past 5 years the importance for Private Label in the Netherlands has increased dramatically. In 2004 the market share was only 20%, in 2009 it passed the 25% mark. Although the growth might seem impressive, this market share is still behind most of the other EC countries like:

Germany, Belgium, France, the UK and Spain.

The main reason for this is a very fragmented retail landscape, according to Mr. Koen de Jong, Managing Director of the leading consultancy firm in Private Label, IPLC (International Private Label Consult). The top-5 retailers have a total market share of 62% of which Albert Heijn is with a 31% market share by far the dominating player. In a market of 16,5 million consumers this results in relatively low volumes for all other individual retailers wanting to use the store brand for Private Label endorsement.



The AH brand of Albert Heijn aimed to offer an alternative for the national brands

However, in the past few years we have experienced interesting changes in the Dutch market for Private Label. As market leader Albert Heijn has clearly taken the initiative to drive the market forwards with a multi-tiered Private Label strategy and a complete re-design its packaging. The AH-label aims to offer an alternative for the well known branded products, AH Excellent at the top-end as a premium private label and Euroshopper at the bottom-end to prevent consumers to running for the discounters like Aldi and



O'Lacy a fancy label used by two retailers was the first private label to make use of GDA-labeling



Lidl. Recently Albert Heijn launched 'AH Puur and Eerlijk' (Pure and Honest) allowing Albert Heijn to offer a range of products fitting in categories like Fairtrade, Ecologic, Sustainability, Animal Wellness or organic.

But also other retailers have been active re-designing their Private Label packaging and expanding their assortment. Notably Jumbo Supermarkt, member of buying organisation Superunie is to be mentioned here. This family-owned retail company has a unique strategy of Every Day Low Pricing (EDLP) in combination with the widest assortment. Over the past five years they have experienced an impressive growth by means of organic expansion and take-overs. This has enabled them to abandon a Fancy Label 'O'Lacy' which they previously used as a Private Label and to build their own Jumbo Label.

The average size of the stores in the Dutch market is relatively small compared to our other EC-countries. Next to the fragmented market and the number of consumers, this is the third reason for low market share for Private Label in this market.

In the years to come we expect that a further consolidation will re-shape the retail landscape in the Netherlands. It will create a fewer number of large retailers capable of building wide and deep ranges of Private Label. Recent research of Deloitte on consumer trends revealed that 62% of the consumers in this market believe that the quality of Private Labels is equivalent to the national brands. For two-third of the consumers the Private Label assortment is the reason to choose for a certain supermarket. Bearing this in mind, we expect that the share of Private Label can do nothing but grow in this market.

These trends and developments will be discussed in detail by Mr. Koen de Jong at the IFBN's [Dutch Food Market Opportunities meeting](#) on 3 & 4 November 2009 in Amsterdam. The IFBN (International Food Business Network) assists food manufacturers in building bridges between European food markets by helping them to better assess markets, reduce market barriers and by increasing know-how and marketing skills. The network's quarterly country meetings are designed to help food manufacturers make connections, grow their business and build on their success. [IFBN](#) meetings in Europe are organized by Bridge2Food.

For more information contact:

Marjolijn Cohen or Gerard Klein Essink - Bridge2Food

Jan van Eijcklaan 2 | 3723 BC Bilthoven | The Netherlands | Phone: +31 30 225 2060 |

Press release Dutch Private Label Trends - Bridge2Food



Fax: +31 84 832 7225 | M: +31 6416 83102 | Skype: Bridge2Food | E: mcohen@bridge2food.com | I: <http://www.bridge2food.com>

Bridge2Food is a knowledge and network agency based in The Netherlands. Its key strength is the development of specific platforms for the food industry: **'Building bridges between food professionals'**. Bridge2Food is operating in the international food sector. Bridge2Food facilitates **international food networks** such as the **International Food Business Network (IFBN)** tailored to food business managers and the **Global Protein Network (GPN)** for research managers with an interest in food proteins. Bridge2Food also organizes a wide range of **food industry conferences** for senior managers of food manufacturing companies in Europe, the USA and Asia. News and innovations are covered in our quarterly **in2food e-Magazine**.

Upcoming events:

- Dutch Food Market Opportunities, 3 & 4 November 2009, Amsterdam (Netherlands). This meeting is part of the International Food Business Network (IFBN).
- Sports & Performance Nutrition, 19 & 20 November 2009, Frankfurt (Germany). You can combine this meeting with a visit to the FoodIngredients Europe exhibition, also in Frankfurt, 17 – 19 November.
- 3rd Healthy & Nutritional Bars Conference, 3 & 4 November 2010, Cologne (Germany). Combine this meeting with a visit to the ISM 2010 also in Cologne, 31 January – 3 February 2010.