

How to Seize Expanded Private Label Opportunities in 2023

Deliver the Options Consumers are Looking for



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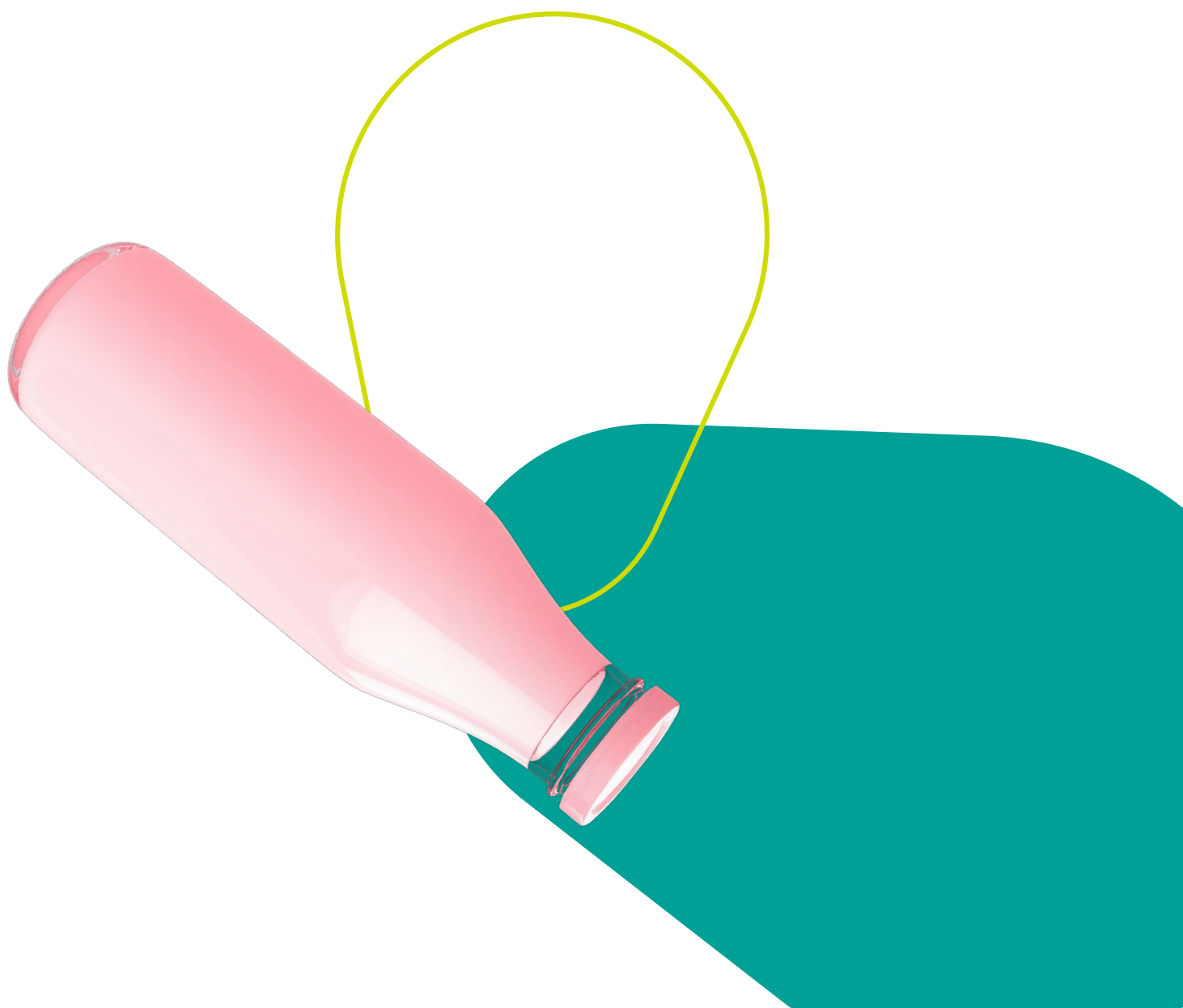
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Introduction

Consumer behaviors shifted radically during COVID-19, and the impacts are still being felt in the retail industry.

Among the most significant changes:

- Shoppers became **more willing to try new brands** when supply chain challenges made their regular choices unavailable;
- Consumers intensified their focus on **healthier food options** and looked for products with ingredients that aligned with their wellness desires;
- Heightened concerns about the environment made **sustainability a key differentiator for brands**, creating a demand for sustainable packaging and a need for improved traceability throughout the manufacturing and supply chain processes;
- Inflation and fears of a recession drove **shoppers to seek lower-priced, higher-value items** that nevertheless fit their needs — and their personal belief systems.

All these shifts have created a prime opportunity for private label products in 2023. To take just one example, consumers, particularly members of Generation Z, have expressed strong preferences for sustainable products — if the price is right. That means private-label products, which are typically priced below national or name brands, will appeal to consumers if the items can substantiate their eco-friendly and values-based bona fides.

This *Retail TouchPoints* White Paper, sponsored by Trace One, will provide a playbook that retailers and private-label brands can use to latch onto these emerging trends and find success in 2023.

Success Secret #1

Satisfy Consumers' Thirst for Data While Protecting Revenue Targets

Sustainability remains top of mind for consumers, but many have become increasingly wary of retailers' claims in light of dubious data and little proof that brands are making real progress in delivering eco-friendly products. Modern shoppers, particularly Millennials and Gen Z, are passionate supporters of sustainable and ethical products.

Wellness is also a priority, with consumer demands for organic and natural foods experiencing massive growth in recent years. Consumers seek brands, products and consumption modes that align with their values as well as their wellness concerns.

50% of U.S. consumers say wellness is a priority.

Millennials and Gen Z's desire for wellness products & services rank **6%** higher than average.

Source: [McKinsey](#)

Gaining consumers' trust is a key step in nurturing loyalty around **your brand's commitment to sustainability initiatives and health causes**. Private-label brand stakeholders can gain ground with health- and eco-conscious shoppers by building business strategies based on transparency, sustainability, ethics, health and wellness.

With the right product lifecycle management (PLM) platform, your brand will get meaningful data to demonstrate that your company is ethical and that your sustainability efforts have produced positive results. Dashboards and reporting tools deliver granular insights on product and packaging specifications.

Using KPIs, brands can understand their current practices and act on sustainability initiatives by reducing plastic in their packaging, for example. With hard data showing the difference between plastic content today versus a few years ago, brands have the ability to show shoppers that they're serious about their commitment to improving sustainability and that their efforts are producing tangible results.

Reshaping corporate sustainability and wellness strategies is one side of the coin. **Protecting margins and profitability** is the other. Brands need to balance their interests to respond to shopper demands while ensuring their business moves forward in a financially sound way.

A PLM solution that offers access to a dynamic marketplace — where retailers, suppliers and manufacturers can connect to share ideas, collaborate on new products and explore opportunities to leverage new cost efficiencies — empowers businesses to control costs across the full product development lifecycle. Ingredients and other raw materials can be sourced with an eye toward both sustainability and profitability. This approach gives retailers valuable agility in adjusting to consumers' demands and partnering with suppliers and manufacturers that can deliver products with a favorable profit margin.

Success Secret #2

Accelerate Speed-to-Market in a Dynamic Environment

Consumer expectations are highly dynamic, and **improving speed-to-market** is a critical element in successfully capturing shoppers' attention with products that speak to their needs in the moment.

For a successful private-label product launch, brands first need to be confident that the data they collect from suppliers is accurate. With a collaborative PLM system in place, retailers and suppliers can work in sync to share, verify and update information.

For example, a supplier may write a specification for the launch of a new product with a list of ingredients. Retailers can then access tools and features within the PLM that allow them to review those specifications, share data and even request additional details. This level of collaboration greatly accelerates the time to market and can put your brand ahead of competitors who still use manual systems for product development.

Because quality data is at the heart of every successful product, **brands today need the ability to gather and process huge volumes of information.** That data doesn't just live in one place—it's constantly moving between numerous core systems. Solution integrations that allow these different systems — including ERPs, PLMs and other enterprise platforms — to work together are key to maintaining data integrity and increasing efficiencies. Manually reentering data into multiple systems not only consumes too much time, but it also opens the door to errors, data loss, and incomplete or duplicate records.

Private-label brands need a reliable way to retrieve data easily from their PLM so they can reuse it in other systems. A modern PLM platform supports the integrations to make that happen, such as feeding data to an ecommerce website or ERP. Rather than delaying a product launch to verify data accuracy, populate data in other systems or prepare customer-facing materials, the brand can move more quickly. There's no reentry of data, the risk of errors is minimized, and the brand knows the information communicated to the end consumer is accurate, current and complete.

Tapping into an extensive and carefully curated network of industry partners is another way that savvy private label brands can **speed their time to market and respond swiftly to changing consumer demands.** With the right PLM ecosystem, retailers can gain access to a large community of manufacturers. Brands may choose to look for new business partners based on their product or packaging needs, or they may search for a specific company or even a specific contact. Product will progress through the development cycle faster when the brand isn't stuck trying to find a supplier or manufacturing partner with a particular set of capabilities or available bandwidth.

The right PLM solution enables brands to minimize inefficiencies and streamline processes to put innovative products in customers' hands faster.

71% of food retailers and manufacturers say they'll partner with suppliers on price optimization and availability to drive private-label growth.

Source: [FMI, the Food Industry Association](#)



Success Secret #3

Connect With Shoppers and Build Loyalty

Success in the ever-changing consumer market hinges on **getting customers' attention quickly and nurturing their brand loyalty**. Accomplishing both goals in an age where customers are more sophisticated — and more demanding — requires access to product data that resonates with shoppers' values and preferences.

Consumers today face increasing price pressures and stock availability. For private-label brands, this presents an opportunity to connect with customers from nearly every income bracket and age group. By offering a mix of variety and value, private label has evolved into a strategic tool that brands can use to drive differentiation, engage diverse shopper segments and respond to emerging consumer trends with more agility.

87% of shoppers are switching to private-label and store brands in the center-store aisles

69% of shoppers say private-label brands now comprise a larger portion of their shopping baskets

Source: [Supermarket News](#)

Health and wellness concerns are also top of mind for many consumers. Private-label brands that can show their products are organic or vegan, for example, or that they're lower in sugar, salt or fat than competitors' products, will be positioned better to gain the attention of these health-conscious shoppers. Transparent data that includes easy-to-find ingredient lists and other information makes shoppers more confident that your claims are accurate and proven.

Consumers increasingly want to support retailers whose sustainability values align with their own. Product details that include the country of origin for key ingredients can provide a vital connection to shoppers interested in avoiding items from areas of conflict or places where human rights violations are rampant.

From salt content in food products to the percentage of recyclable plastic used in an item's packaging, a PLM solution delivers the insight retailers need to **forge a connection with consumers**. You'll know that everything from your customer-facing communications to package labels are accurate and contain the information shoppers want to see.

With an enormous amount of disruption still happening within the supply chain, keeping this data up to date is both crucial and challenging. As recipes adjust to low availability — such as using palm oil in response to a shortage of sunflower oil — a PLM empowers you to maintain the latest information. This increased level of transparency allows your consumers, suppliers, manufacturer partners, and even regulatory agencies and certification bodies to see exactly what your product contains.



Transform to Meet the Top 2023 Private Label Trends

With consumer preferences in a constant state of flux, private-label brands that leverage the latest technologies can deliver much-needed variety and value. A robust PLM platform enables retailers to increase their range of product offerings, reduce risk, deliver new products faster and reduce the cost and time needed to launch new products through important process efficiencies.

Access to accurate, comprehensive data gives brands a powerful connection to shoppers interested in healthy, eco-friendly products. And while building brand loyalty, your business can also use deep process data to control manufacturing and supply chain costs and accelerate time to market.

Learn more >



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