

Private label opportunities in food and drink

How food and drink manufacturers
can take advantage of this growing
segment

Logistics doesn't have to be a maze.

Why private label?

Private label manufacturing is a growing segment in the food and drink industry, where producers supply unbranded or retailer-branded products.

Once seen as a low-cost alternative to branded goods, private label products have evolved significantly, offering quality, variety, and even premium options to meet consumer demands.

Globally, **private label sales are booming**.

A cost-of-living crisis has meant price sensitive consumers are altering their buying habits. Brands are perceived to be pricier. For UK food and drink producers, this presents several key opportunities:



Diversify income streams



Maximise production capacity



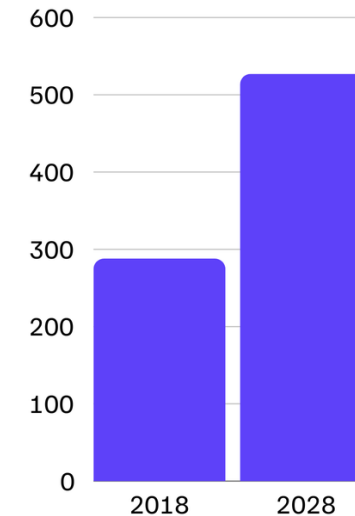
Access to international markets without the overheads of building and maintaining a brand.

This article explores the biggest opportunities in private label exports for UK producers, focusing on key markets like Europe, North America and Asia.

It provides insights into the unique advantages each region offers and how UK businesses can tap into this lucrative market.

If you're already exporting but haven't yet considered private label manufacturing, this could be the next big step for your business.

Global private label food and drink market (£bn)



Source: technavio

European market: Convenience and familiarity

The mainland European private label market is one of fantastic potential for food and drink manufacturers. It's proximity to the UK is just one of many factors which makes this a mouth-watering prospect.

High market penetration

Private label products constitute a large portion of the European market. In 2024, private labels accounted for 39% of the total grocery market value across 17 European countries, according to the Private Label Manufacturers Association. That's higher than anywhere else globally.

"Given that the share of private labels in Europe is already the highest at 39% of the entire food market, the reaction of experts in the industry is generating great optimism among all private label players."

**Peggy Davis, President of the Private Label
Manufacturers Association (PLMA)**

Consumer trust and acceptance

European consumers have a strong acceptance of private label products, often perceiving them as equivalent or superior to national brands. This trust facilitates easier market entry for exporters.

Retailer investment in private labels

European retailers are heavily investing in their private label lines, focusing on quality, variety, and innovation to meet consumer demands.

Some supermarkets, such as Aldi, are almost exclusively built on private label brands.

This trend opens avenues for exporters to collaborate with retailers seeking high-quality products.

Diverse market opportunities

The European market is diverse, with varying levels of private label penetration across countries and product categories.

This diversity means there's a huge range of opportunity. It allows exporters to identify and target specific markets and segments that align with their products.



North American market: Mature and growing

Across so many food and drink sectors, the US & North American market offer exciting prospects. Private label goods are no different.

Increased consumer adoption

Nearly all U.S. households purchase private label grocery items. Public opinion towards them is growing and so is their market share. Private label spending is expected to rise from 20% of the total market to 24% by 2030.

While not at European levels, private label adoption is clearly becoming more commonplace for North American consumers.

Retailer investment in premium private labels

Retailers are developing premium private label brands to offer unique, high-quality options that enhance differentiation, profitability, and shopper loyalty. Within this segment there are market opportunities for UK producers who can hit those strategic priorities with their products.

Securing deals in this space comes without the costs of building a brand in the local market, with supermarkets able to guarantee immediate volumes.





Asian market: Rapid growth across all sectors

Undoubtedly the Asian market for white label goods isn't as mature as the European or North American. However, that doesn't mean opportunities cannot be found.

Economic factors

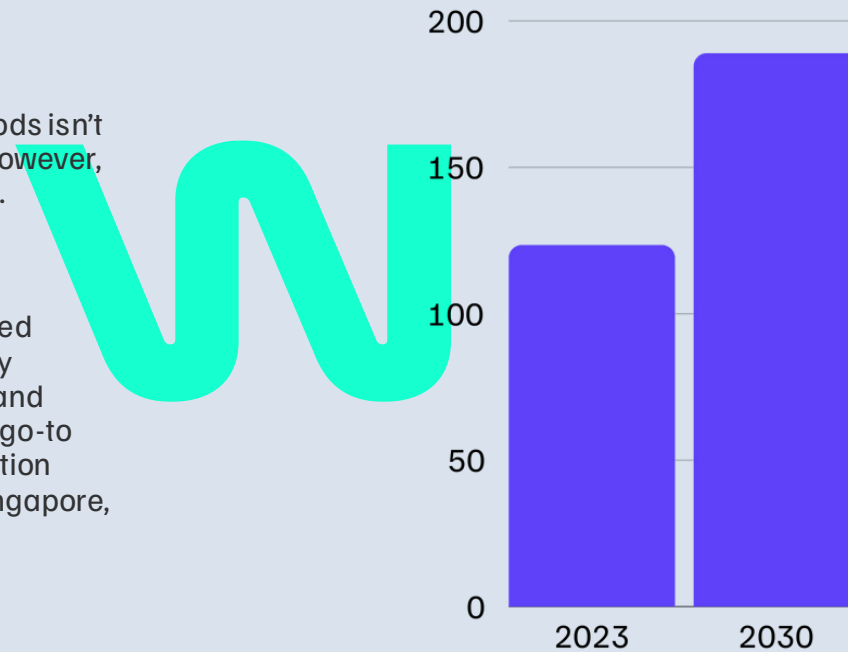
The Covid-19 pandemic has permanently changed shopping behaviors in Asian countries, with many consumers shifting towards more cost-effective and reliable options, making private label products a go-to choice for many households. But consumer adoption remains low, between 4-8% in places such as Singapore, Hong Kong, India, and South Korea.

Retailer efforts

Retailers in the region are expanding their private label offerings to include health-focused and specialty products, such as gluten-free, and plant-based foods, catering to diverse consumer preferences and dietary needs.

Asia Pacific private label packaged food market size (£bn)

The private label market in Asia is expected to see a growth rate of 6.3% annually until 2030.



Source: Grand View Research

4 ingredients for success in private label

Partnering with retailers

Building strong relationships and establishing trust is vital in any relationship with a retailer. Engage at an early stage to ensure alignment on product specifications.

Make sure demands and expectations on product quality, packaging, and delivery schedules are agreed well in advance. Retailers also boast extensive knowledge of their customer base. Use that to your advantage and lean on their expertise.

Price competitiveness

In many cases, but not all, the margins on private label goods are smaller than that of branded food and drink. So, costs are going to need to be optimised. Streamlining production costs and optimising your logistics are great ways to achieve this. A supply chain visibility tool, such as the [WTA Platform](#), will go some way to achieving logistical cost optimisation.

Unique selling points, such as sustainable packaging or health benefits, can help move private label goods to the premium end of the market.

Navigate regulation effectively

Ensure you fully understand the compliance and regulations of any new market, including those which are a private label market. Your partners, such as the retailer or distributor should be able to advise on product requirements.

It's impossible for one person to deeply understand each export market, but by engaging in proper partnerships, food safety, labelling, and ingredient usage requirements can be met comfortably.

Customisation for local tastes

Obviously in food and drink tastes change as you move into different markets. Customising products to align with local tastes can enhance acceptance and drive sales.

Involving local stakeholders in product development can provide insights into consumer preferences. Packaging and branding needs to resonate with local cultures but conduct research to avoid any elements that may be considered inappropriate or offensive.

Finding private label opportunities

Use trade shows

An important aspect of any exporting strategy and private label goods are no different. Trade shows are unparalleled for building industry connections and gaining initial market entry.

They remain vital for understanding the demand in a particular market and learning from competitors. Use them to gain a precise understanding of what's required in a market for success.

In the private label segment, **The World of Private Label** trade show is the biggest and takes place in Amsterdam every May. It isn't food exclusive, but food and drink have a large presence.

Alternatively, there is a similar trade show in Chicago every November. Or there are the major food and drink trade shows such as Anuga or SIAL.



"We go to the SIAL trade show in Paris every year and make some terrific connections with businesses looking to export more."

Obviously, we live in a world where digital communication is so easy and succinct. But for building business relationships, you really can't beat an in-person meeting at a trade show. It just provides an extra layer of trust and friendliness."

Jade Blackburn, Head of Sales, WTA



Get in touch



Research retailer private label strategies

Understanding exactly what a retailer is looking for from a food and drink provider in private label goods is a method of enhancing your prospects at tenders.

For example, Lidl and Aldi are well known for demanding low prices, therefore we can be confident that price will be a key aspect of any white label supplier.

But for others, the picture is more mixed. Carrefour, for example, can often focus on sustainability or premium offerings. As do Walmart in the US with their Sam's Choice selection.

Research the private label tiers of major international supermarket brands and identify the one which suits your market position. Then work with partners such as the **Department for Business and Trade** and **UK Export Finance** to find specific opportunities.

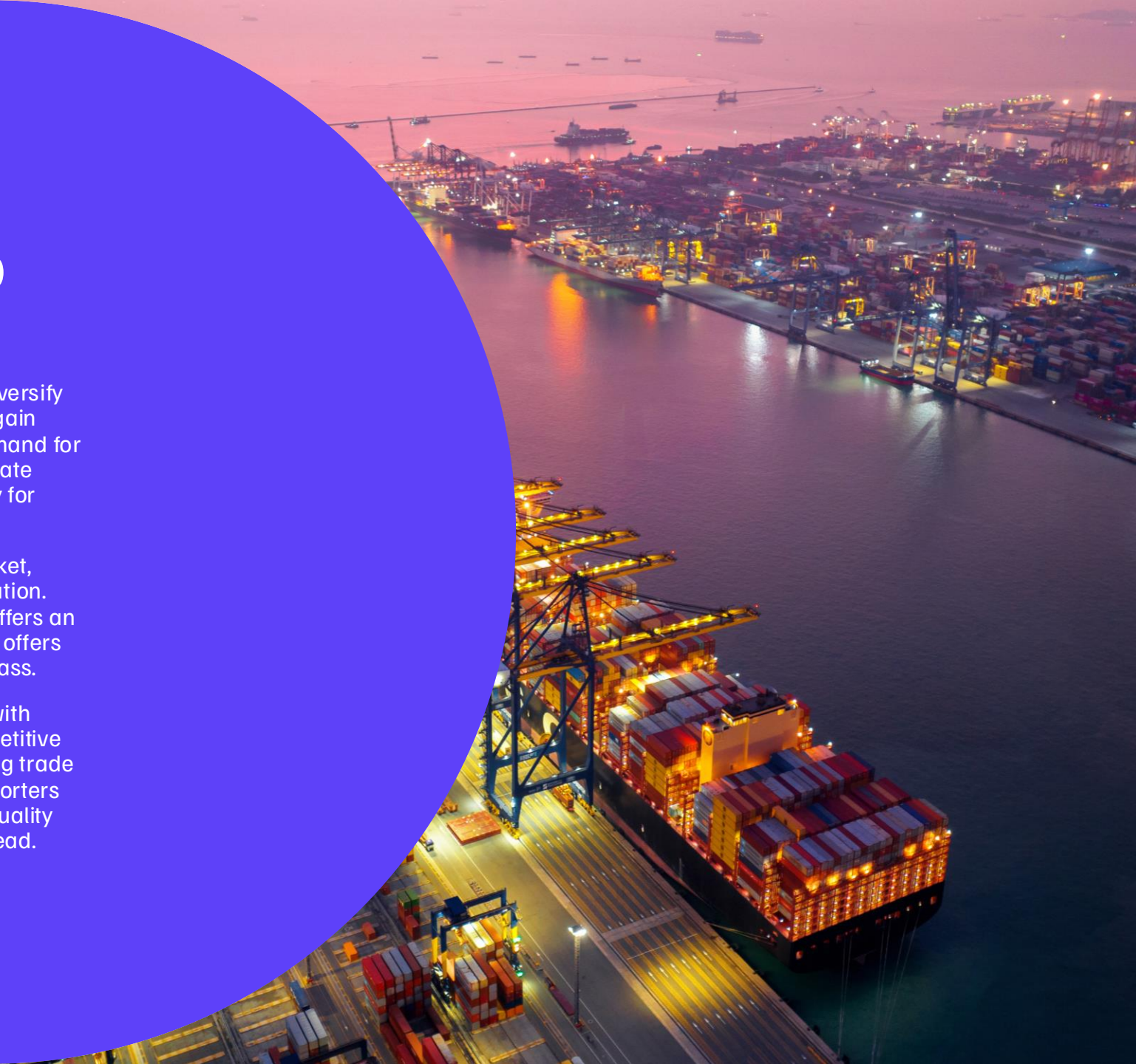
Trade associations such as the **Food & Drink Federation (FDF)** or the **Food and Drink Exporters Association (FDEA)**.

Private label prospects on the up

The private label export market presents a significant opportunity for UK food and drink manufacturers to diversify revenue sources, use spare production capacity, and gain access to global markets. With growing consumer demand for value-driven, premium, and sustainable products, private label partnerships offer a profitable pathway for expansion.

Europe remains the most developed private label market, offering familiarity, proximity, and high market penetration. Ripe for UK manufacturers. However, North America offers an expanding premium-focused landscape and Asia also offers huge growth potential driven by an evolving middle-class.

Success in all of these regions relies on partnerships with retailers, adherence to regulatory requirements, competitive pricing, and customisation to local tastes. By leveraging trade fairs, local networks, and government support, UK exporters can position themselves as trusted suppliers of high-quality private label food and drink products for the years ahead.





Meet Jade Blackburn.



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Jade is passionate about boosting international trade and establishing global business communities to drive revenue growth and provide customer-centric solutions. With over a decade of experience in sales, customer operations, and commercial management, she has collaborated with diverse and dynamic teams across various industries. Her approach is based on strategic planning and problem-solving, offering realistic timelines rather than false promises which lead to disappointment later.