

SUCCESS STRATEGIES FOR PRIVATE LABELS THE KEY POINTS AT THE CONVENTIONS ACCOMPANYING MARCABYBOLOGNAFIERE 2019

The event, which enjoys the partnership of ADM, is set to open with the inaugural convention *“Security, traceability and quality of private labels for safeguarding the consumer,”* organised in collaboration with The European House-Ambrosetti.

Day two will see the presentation of the *“15th MarcabyBolognaFiere report,”* by BolognaFiere and curated by IRI and Nomisma

One grocery retail purchase in every five is a Private Label product, and the trend continues to grow. In 2017 the Private Label sector passed the milestone of 10 billion euros with a market share of 18.7%, while in the first eight months of this year, according to data from IRI, **private label sales reached a share of 19.2%**. A performance that is partly due to the extension of the range of products, with Private Labels responsible for a growing number of new products, with a growth rate of 4.8%, more than triple the percentage for products offered by large brands (+1.4%).

Products which carry the label of the large retail group, which have now abandoned the logic of solely aiming to be the cheapest, are diversifying and aiming to serve the precise requirements of consumers, winning them over with quality, responding to their needs in terms of wellbeing and security guarantees. These topics will take centre stage on **16 and 17 January** at MarcabyBolognaFiere, the International Conference and Exhibition for Private Labels **organised by BolognaFiere in collaboration with ADM (the Italian association for modern retail)**.

Security, traceability and quality are the factors that determine the success of Private Labels and these will be at the centre of the debate at the inaugural convention of MarcaByBolognaFiere 2019.

“Security, traceability and quality of the Private Label for safeguarding the consumer” is, in fact, the title of the appointment promoted by ADM that will include the presentation, on Wednesday 1 January at 10am, of the report developed by **The European House - Ambrosetti**, enriched by two surveys: one with the Quality Control Offices of various leading groups involved in retail, the other with industrial businesses that provide products for the Private Label sector.

“Quality and security departments are recognised as being strategic within organisations: in almost 80% of cases these have a direct communication with the Managing Director and 100% of retail groups plan further increases in investments in security and quality over the next 5 years,” comments **Valerio De Molli, Managing Partner & CEO The European House-Ambrosetti**. In recent years Private Labels have supported and led to the growth of an extensive supply chain consisting of SMEs, the majority of which are Italian. Our consultants have constructed a database with the economic performance over the last 10 years of 350 co-packer companies. The analysis that I will present for the very first time at MarcabyBolognaFiere,” continues De Molli, “demonstrates that the companies in the food supply chain that are involved in Private Labels have experienced better performance than the others, thanks to the contribution of Private Label products to the reinforcement of their industrial dimensions and competitiveness.”

Performance, role, consumer perception and new challenges, together with the results of one year of monitoring of Private Labels, will be the focus of the analysis developed in the *“15th MarcabyBolognaFiere Report 2019,”* a reference for operators in the sector that will be presented on Thursday 17 January (10am). The survey is promoted by BolognaFiere and curated by IRI and Nomisma, with the collaboration of the leading retail groups associated with ADM and participating in the events’ Scientific. Technical

Committee.

“At the centre of the analysis is the consumer, whose choices continue to underwrite the success of Private Labels,” explains **Silvia Zucconi, Head of Marketing Intelligence at Nomisma**. “Success that is the fruit of the trust the Private Labels have managed to build, without fear of the competition, actually by challenging the competition by diversifying and by offering quality products under the industrial brand.”

The Report will highlight the driving role played by some particular categories, in which now Private Labels are ahead of industrial products. 39% of Italians choose Private Label meat and fish compared with 21% that prefer industrial brands. The gap is significant in the fruit and vegetable sector, with Private Label products enjoying a 15% advantage over industrial brands (31% and 14% respectively).

“Attention to waste (with reference to diverse aspects, from environmental impact to size and shape), product quality, capacity to provide wellbeing, respect for the environment and security (traceability, belonging to a controlled supply chain),” continues Silvia Zucconi, “are the drivers of choice through which Private Label products are reinforcing their position with consumers, demonstrating solid capabilities to evolve and innovate. A funnel (to use the marketing jargon) that leads to purchasing choices, through which the consumer is delicately encouraged through information, with the internet communication that has now achieved similar levels of reach as television, and with consumers showing an increasing propensity to search for information about the product on its label, concerning its composition and the traceability of its supply chain.”

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