



CONSUMER AND RETAIL GROUP

NOW IS THE TIME TO ACCELERATE ON PRIVATE BRANDS



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There is No Better Time Than Now to Invest in Your Private Brand Portfolio



With continued inflation, tariffs and consumer sentiment softening, Americans are becoming increasingly price-sensitive. In this context, now is a great time for retailers to accelerate their private brands assortment to drive differentiation and value at the same time.

The U.S. economy continues to face persistent uncertainty, shaped by inflationary pressure, global trade disputes, and more cautious consumer behavior. In this environment, private brands offer a strategic lever not only to satisfy shoppers' evolving expectations, but to improve bottom-line performance and grow share.

Major retailers like Target, Kroger, and Walmart have already leaned heavily into their private brand portfolios. The race has already been underway for years, but it's far from over. Private Brands continue to grow in the market at a faster rate than national brands, and winning private brand retailers have delivered stronger market share growth, deeper customer loyalty, and healthier margins.

Wary Consumers Are Quickly Signaling a Shift Toward Value

Recent macroeconomic trends are making consumers more hesitant, price-conscious, and open to change. The latest round of tariff announcements has reignited concerns about product pricing and availability, especially in categories reliant on imports. [CRG's Perspective on Tariff Impacts](#)

A&M CRG's most recent consumer sentiment survey revealed



of respondents expect to spend the same or less money over the next six months



of consumers report purchasing store brand products somewhat to very often

That's not just budgeting; it's a mindset shift. Among those who plan to reduce their grocery spending,



said they'll switch to less expensive brands or products at their current store, while



have already started shopping at lower-priced grocery stores more frequently.

This isn't just belt-tightening. It's a profound reassessment of what and where consumers are willing to buy. Private brands are increasingly positioned as the answer: lower-cost, high-quality, and unique options that feel like a smarter choice rather than a sacrifice.

Private Brands, A Modern Response to Changing Expectations

Private brands today are not the generic, no-frills versions of the past. Retailers like Costco (Kirkland Signature), Target (Good & Gather), Kroger (Private Selection and Simple Truth) and Trader Joe's have redefined what private brands can aspire to: distinctive, high-quality products that can provide higher quality, different flavors and innovation compared to National Brand alternatives.



56% consumers believe the quality of store brand products has improved over the past year



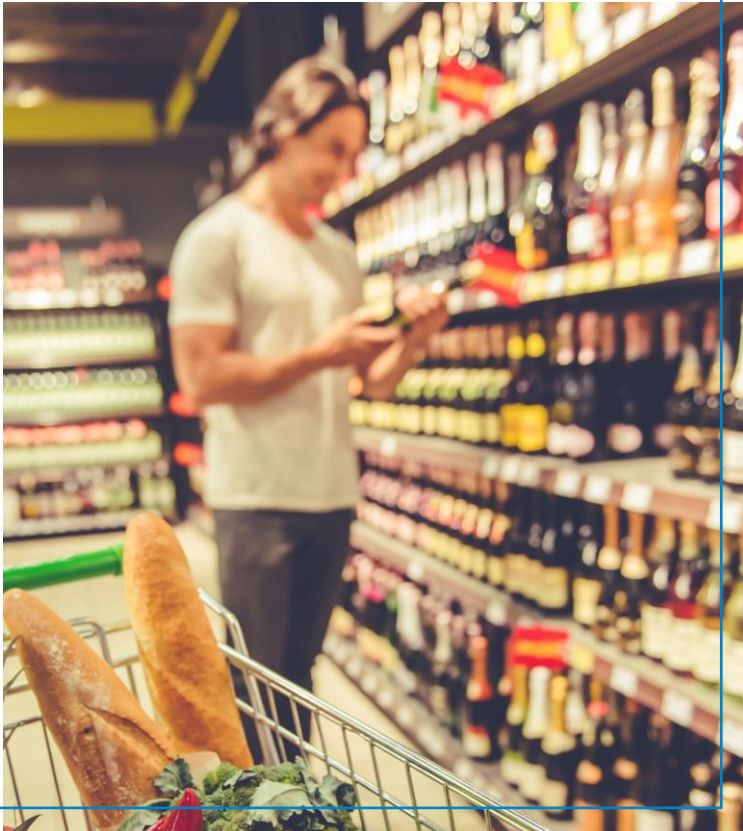
67% of consumers say that store brands' quality is just as good or better than national brands

This matters because trust and value fuel loyalty. In times of uncertainty, shoppers seek both reassurance and affordability. Retailers who consistently deliver on quality, design, and brand experience through their private brands, earn loyalty, advocacy, and repeat business.

Private Brands Also Power the Bottom Line



Beyond consumer appeal, private brands offer a structural advantage in today's volatile global economy. They give retailers direct control over key cost levers, such as **pack sizes, formulations, quality standards, and packaging design**—which translates into tighter management of cost of goods sold (COGS) and higher margins. This level of control, combined with sourcing flexibility, positions private brands as a powerful tool to offset the impact of tariffs when they do hit.



National brands often depend on complex, global supply chains that are vulnerable to political, logistical, and cost-related disruptions. Private brands allow retailers to:

- Customize product specs to reduce unit costs
- Design packaging that meets cost and sustainability goals
- Localize or nearshore production to reduce shipping costs and exposure to tariffed regions
- Negotiate directly with manufacturers for better pricing and service
- Build margin flexibility to absorb unexpected cost pressures, including new or fluctuating tariffs

For existing private brand products:

Ensure visibility into the total cost breakdown of each product. Even if final manufacturing is domestic, raw materials and components may originate from tariff-impacted regions, which can impact costs.



For new private brand products and ranges:

Research manufacturers thoroughly and ask pointed questions about tier-2 and tier-3 sourcing. This level of transparency ensures better quality control and stability vs cost fluctuations and supply limitations.



A&M has developed a battle-tested methodology to help retailers accelerate their private brands



	1 Private Brand Strategy	2 New Product Development	3 Vendor Partnerships
Purpose	Develop a customer-centric strategy based on price, innovation, or quality - ensuring a tailored approach that meets customers' needs	Increasing the speed and frequency of category reviews is key to remain relevant and innovative in a dynamic market - standardization is a must	Developing long term partnerships with vendors who possess unique capabilities. Create a vendor eco-system and co-invest in process and innovation
Action	<ul style="list-style-type: none"> Define Brand Architecture Build clear Brand and Product guardrails Define financial roadmap Align org capabilities 	<ul style="list-style-type: none"> Standardize process to review categories and assortments every year Consistent approach to NPD to ensure brand strategy is executed Align decision makers and remove roadblocks 	<ul style="list-style-type: none"> Rigorous and standard spec and DTC process Align sourcing process to category strategy Engage vendors in NPD Partner with unique and innovative vendors
Impact	Clearly defined private brand strategy with detailed financial targets and metrics for success, broadly shared across the organization	Scalable approach across categories with increased review frequency and accelerated time to market	Shift from vendor RFPs to strategic partnerships that foster innovation and continuous improvement

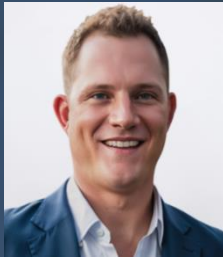


For more insights into our approach refer to our private brand strategy article.

[Private Brand Acceleration Framework](#)



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