

# Opportunities for private label FMCG growth in South Africa

- South African private label sales growth surges 7.5% year-on-year to nearly R100 billion
- Consumers show growing willingness to try private label offerings as more premium products hit the shelf
- Retailers and manufacturers vying for consumer attention can leverage collaborative relationships for mutual growth

According to NielsenIQ (NIQ) private labels generated sales value of more than R98 billion in South Africa during 2024. The data shows that private labels grew sales value in South Africa by 7.5% in 2024 and accounted for around 18% of total FMCG sales value for the year.\*

These findings are drawn from NIQ's new report, *Finding Harmony on the Shelf: 2025 Global Outlook on Private Label & Branded Products*. The report offers an in-depth analysis of shifting global consumer attitudes around private label and branded products, catalysts driving these trends globally and regionally, and important insights retailers and consumer packaged goods (CPG) manufacturers can keep in mind to strategically reach consumers within a fast-moving macro-economic environment.

According to the report, four in ten (39%) of South African respondents are likely to purchase more private label products than they were before, representing strong growth in a market where private labels have enjoyed a notable presence on most retailers' shelves for many years. Furthermore, nearly two thirds (65%) of South African consumers say they would buy more private label products if a larger variety were available.

## in South Africa

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Zak Haeri

“Private label brands in South Africa are booming as consumers adapt their shopping habits to current market conditions. Local retailers and manufacturers have found creative ways to collaborate and address the evolving needs of the consumer with white label offerings that span from value products for price-conscious spenders to luxury offerings for premium customers.”

Zak Haeri, MD for NIQ in South Africa ...

\*Source: NIQ Retail Measurement Services, Total private label sales, Annual period ended Q4 2024 vs. year ago.



“There is room for private labels to enter new categories like liquor and baby goods, as well as to continue refining their offerings to appeal to different income and generational groups.”

## Key trends shaping private label and branded product growth in South Africa



By Lauren Fernandes  
Vice President of Global  
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Consumer perception of private label products and their quality has significantly improved, while global brands also see strong performance. Key trends driving growth of both private label and branded products in South Africa include:

- **Embracing value for money:** South African consumers have a positive perception around the value for money and quality offered by private label brands, with 72% of respondents viewing them as good alternatives to name brands and 75% perceiving them as offering good value.
- **From stigma to status:** Private label brands are no longer targeted solely at price-sensitive consumers in South Africa. Premium house brands from leading retailers are winning market share from named brands as consumers look for both quality and cost savings.
- **Divided opinions:** Two thirds (66%) of South African consumers trust private label brands as



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- they are endorsed by the retailers and 45% say store brand products are higher or equal quality than name brands. They are divided exactly 50/50 about whether name brand products are worth paying more for.
- **Premiumisation:** Close to half of South African consumers (49%) say they are likely to treat themselves by upgrading to a premium-brand product, with younger generations – Millennials (62%) and Gen Z (58%) – exceeding that average.
- **Openness to explore:** More than half (58%) of South African respondents say they're expanding their brand purchases across multiple categories, as well as across a wide range of price tiers and preferences. The same amount (58%) say

that brand or store brand is irrelevant, choosing products based on necessity instead.

- **The quest for value:** With 39% of South African consumers reporting that their household is worse off than a year ago and 53% reporting they have only enough money to cover the basics, affordability is the most important consideration in choosing a brand. Some 95% say that affordability and value for money is a top consideration in brand choices.
- **The loyalty lever:** South African consumers leverage promotions and loyalty programmes to save money. Three quarters (74%) will spend more on a brand that rewards loyalty and 58% say they will pay more to get free bonuses such as complimentary delivery.



“There’s never been a better time for organisations to rally together to find ways to grow the overall size of prize with consumers. Growth is attainable for many companies in this wildly diverse playing field. Retailers should maximise category traffic by balancing a strategic mix of both name-brand and private label products – and consider co-promotion programs to boost overall category growth. On the other hand, manufacturers need to safeguard and expand their market share by innovating with trade incentives, while working to preserve their brand’s overall value proposition,” said Lauren Fernandes, Vice President, Global Thought Leadership, NIQ.

### Harmonising success between private label and branded products

Strategies retailers and manufacturers can use to create synergies for mutual growth include:

#### For private labels

**Brand halo effect:** Proximity to name brands enhances private labels’ appeal. Brands thrive on pride (30%), superiority (37%), and notoriety (48%). Trust in private labels grows when they match premium quality, boosting sales.

**Price anchoring:** Branded products are often sold at a 26% premium compared with private label

products across CPG categories globally. A price gap can inspire a consumer to make a value-driven choice to try something new or comparable.

#### For branded products

**Market expansion:** Private labels drive over half of global sales growth in categories like ready-to-drink coffee and snack bars, creating opportunities for all brands. Initially budget-friendly, they enhance category perceptions and boost name brand acceptance.

Brands should focus on areas where private labels grow category opportunities. **SR**



#### About finding harmony on the shelf: 2025 Global Outlook Private Label & Branded Products Report

This first-of-its-kind report focuses on trends driving global growth, assesses symbiotic/competitive dynamics between private label and branded products, and identifies opportunities for retailers and manufacturers to drive collaboration and growth. To understand how these trends are impacting your local market, **download a free copy** of the report.

#### Research Methodology

The NIQ 2025 Private Label & Branded Products report global survey was conducted between December 2024 and January 2025, polling over 17 000 online consumers in 25 countries throughout Asia Pacific, Europe, Latin America, the Middle East & Africa, and North America. The respondents include consumers who often make shopping decisions on behalf of their households and agreed to participate in this survey. The sample for each country incorporated age and gender quotas aligned with respective census data, while ensuring that each demographic group maintained a statistically reliable base size.

**Affordability and value for money are top considerations in brand choices.**

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