# Unleashing private-label potential with agile, authentic product insights

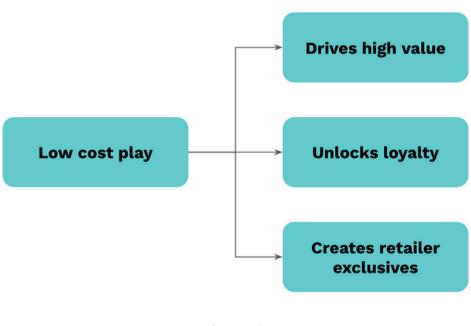
### Private label brands are "having their moment"

According to <u>Retail Dive</u>, an <u>October survey from food industry</u> <u>association FMI</u> found that 54% of consumers surveyed said they anticipate buying much more or somewhat more from private-label brands, but only 26% said the same for name-brand items. <u>PLMA also reports</u> that private label unit volumes rose 2.5% versus a decrease in unit volumes of 0.8% for national brands.

### Target is an early innovator in private label

Target has pioneered more than **45 owned brands** that consumers love, moving private label beyond "budget" to a key driver of loyalty.

### Early on, Target understood the power of private label:



Highlight.

### The challenge



The speed of consumer trend cycles



Meeting consumers where they are



Understanding consumer sentiment

### The shortcomings of traditional research methods



Inefficient product development cycles



Missed consumer expectations



Negative impact on loyalty and sales

Winning private label brands aren't built overnight. The brands that win start with studying the consumer to understand who they are and what they want.

Further reading: Retail Dive's "Why Bed Bath & Beyond's private labels were a bust"

Brands like Target's private labels win because they have found ways to overcome the challenges and shortcomings presented by traditional market research methods to develop a thorough understanding of what their consumers are looking for.



### Target innovates at the speed of culture

## FASTER PRODUCT ITERATION

The Economist:

"Pickleball is the fastest
growing sport in America"



Target releases
Pickleball
collection
with Prince

# ENHANCED SATISFACTION

Glossy:

"In the DTC era, Target is gunning to be the swimwear leader"



Target holds the #1 market share for Women's Swim

# INCREASED BRAND LOYALTY

Fast Company:

"<u>Target's 45 private</u> <u>labels generate >\$30B</u>"



Cat & Jack is the most popular kids' apparel brand in the U.S

### In-home usage testing (IHUT) for speedy answers

"Excellent source of protein" is trending: But does your prototype win on taste and sensory measures?

SENSORY EVALUATION

PROTOTYPE TESTER

The feminine wellness category is growing: Are there unmet needs that our brand can meet?

**CATEGORY ASSESSOR** 

**BENCHMARK BUILDER** 

Consumers want less plastic packaging: But how sensitive are they to price?

**PACK TESTING** 

**SEE MORE IHUT SOLUTIONS** 

SNACKFUTURES BY
MONDELĒZ USES ATHOME SENSORY TESTING
TO PREPARE FOR NEW
PRODUCT LAUNCH



**READ THE CASE STUDY** 

### 3 key takeaways: It's all about...

#### **AGILITY**

The landscape, the market, your competitive set, and your consumer are changing every day. Brands looking to "meet the moment" in real-time are in constant research and discovery mode.

#### CONTEXT

What needs are your competitive set already meeting (or missing)? Where can your brand win as much "mind share" as market share? Identifying where your products can make the most impact is crucial.

#### **AUTHENTICITY**

Your brand tells a story—are your consumers the main character? When consumers see themselves in your story through products that brighten their everyday lives, you can build the kind of loyalty needed to drive long-term revenue.

### **About Highlight**

Highlight's in-home product testing (IHUT) platform helps CPG brands innovate, test, and successfully launch better products for people and the planet. Ship your product to Highlight, and our logistics team repackages for our owned community of testers. Quickly field IHUTs and see results as they come in. Highlight's customers have tested products in early development, blind-tested products against the competition, and benchmarked in-market products for category insight.

Learn more at <u>letshighlight.com</u>.