

# Amazon's Private Labels Are Causing Even More Retail Disruption

## ARTICLE |

### eMarketer Editors

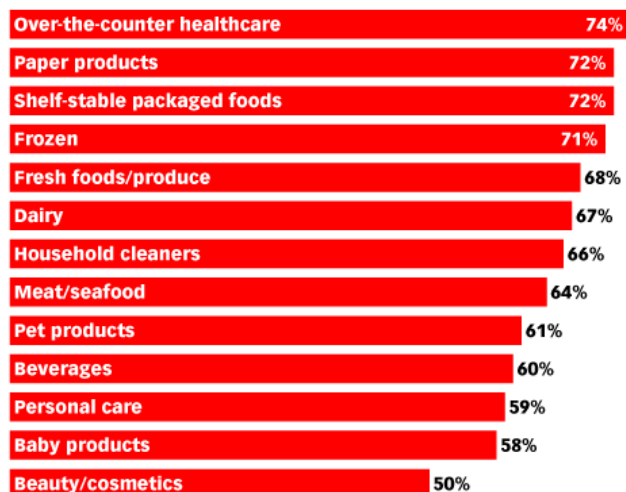
Consumer brands have long competed against each other, first in brick-and-mortar stores and now online. But the latest competitive threat is coming from an unexpected source: Amazon's 135+ private-label brands, as tallied by TJI Research.

In a recent Feedvisor report, 66% of executives surveyed said that Amazon's private label products are a cause for concern. In fact, 44% of the 500 brands surveyed said that this new competition was one reason that they decided to sell on Amazon.

Their concern is not misplaced. A majority of consumers surveyed by Cadent said they would buy private-label products in virtually every major category, including over-the-counter medicine, shelf-stable food, household cleaners, pet products and baby products.

## How Likely Are US Millennial Shoppers to Consider Purchasing Private-Label Products?

% of respondents, by category, Aug 2018



Note: ages 23-38

Source: Cadent Consulting Group, "The Branding of Private Label," Nov 1, 2018

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Buying private label is also cited as the best way to save money across all age groups and income levels of internet shoppers. The tactic is most popular among 18- to 28-year-olds (95%), but even those ages 73 and older opted for store-brand bargains (75%).

## Ways in Which US Internet Users Save Money During the Shopping Journey, by Demographic, March 2018

% of respondents in each group

	Buy private label options	Try new, lower-priced brands	Visit multiple retailers	Download coupons from a retailer/manufacturer website	Compare prices on area retailers' websites
<b>Age</b>					
18-28	95%	86%	58%	70%	64%
29-37	91%	85%	65%	63%	60%
38-53	91%	82%	59%	61%	54%
54-62	84%	77%	60%	55%	54%
63-72	81%	72%	59%	52%	49%
73+	79%	57%	52%	41%	30%
<b>Income level</b>					
<\$35K	90%	81%	63%	52%	50%
\$35K-\$54.9K	86%	74%	59%	53%	51%
\$55K-\$99.9K	84%	75%	61%	58%	50%
\$100K+	80%	69%	50%	55%	47%
<b>Total</b>	<b>85%</b>	<b>74%</b>	<b>59%</b>	<b>54%</b>	<b>49%</b>

Source: IRI, "Q1 Food & Beverage Trends: Early View 2018," May 15, 2018

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An additional weapon in Amazon's competitive arsenal is its control of ad placements: It can, and does, promote its own brands higher in search results and also sometimes at the bottom of brand competitor listings.

At the same time, Amazon has invited marketers to create Amazon-exclusive brands, [reports](#) The Wall Street Journal, opening a door for companies to create new private labels of their own. Tuft & Needle mattress maker (Nod), Equal artificial sweetener (Sugarly Sweet by Equal) and GNC nutrition brand (Informed Nutrition and Challenge) are among the first to create new Amazon-only brands.