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Report Highlights:

The Philippines' private label grocery market is projected to reach \$896 million in 2025, representing seven percent of total food and beverage grocery sales. Key categories include fresh produce, frozen meats, oils, condiments, and spices, with growth in gourmet, free-from, and ready-to-eat products. With some grocery operators aiming to double their private label portfolios within the next five years, significant opportunities exist for exporters to supply U.S. food and beverage products under both U.S. and grocers' private label brands.

Scope of Report

This report focuses on the private label food and beverage products of Philippine grocers, excluding non-food items. The analysis includes sales from supermarkets, hypermarkets, membership clubs, convenience stores, and small grocers.

While informal mom-and-pop stores are mentioned in this report, their food and beverage grocery sales were not included when the shares of grocery operators were determined (as shown in Figure 1). These informal stores primarily source products from the retail channels mentioned above to resell to their own locales. Including their food and beverage grocery sales, estimated at \$3 billion according to industry sources, would distort the data and inaccurately represent the market within the scope of this report.

Market Overview

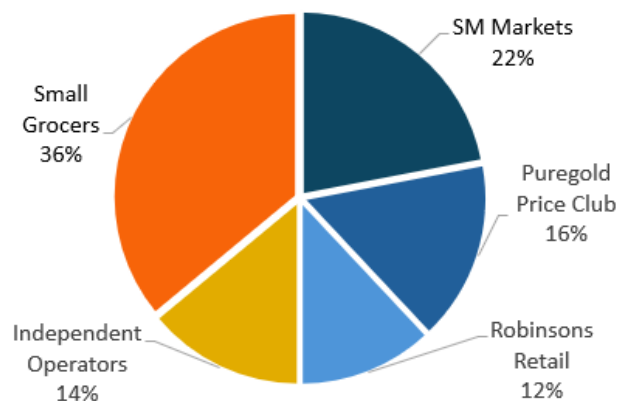
Philippine food and beverage grocery sales are projected to reach \$12.8 billion in 2025, reflecting a five percent year-on-year growth. This growth is expected to continue at a compound annual growth rate (CAGR) of five percent over the next five years, outpacing the broader Asia Pacific market's projected CAGR of four percent (FAS Manila interviews and Euromonitor International - Grocery Retailers in Asia Pacific, April 2023).

Three major conglomerates – SM Markets, Puregold Price Club, and Robinsons Retail – dominate the food and beverage grocery sector, collectively accounting for 50 percent market share. These conglomerates operate diverse portfolios of grocery brands (see next page, Table 1).

Table of Contents

Scope of Report	2
Market Overview	2
Grocers' Own Private Label Brands	4
Product Mix Models and Consumer Perceptions	5
Grocers Leverage U.S. Origin	7
Challenges for Micro-operators	7
Legal Considerations	7
Foreign Private Label Brands	7
Promotions	7
Best Product Prospects	8
Assistance and Further Information	8

Figure 1. Shares of Grocery Operators



Source: USDA GAIN Report: [Philippines: Retail Foods Annual 2024](#).

Table 1. Summary of Operators, Grocery Brands, and Private Labels

Operators and Grocery Brands	Projected 2025 F&B Sales (\$M)	Own Private Label Brands	Foreign Private Label Products	
			Direct Importation	Through Importers
SM Markets (22%)				
SM Supermarket and Hypermarket	1,342	SM Bonus	occasionally	✓
Savemore Supermarket	901	SM Bonus	x	✓
Alfamart Convenience Store	333	Alfa Savers, select SM Bonus products	x	✓
WalterMart Supermarket	246	SM Bonus, Everyday	x	✓
Puregold Price Club (16%)				
Puregold Supermarket and Hypermarket	1,547	Puregold, Pure Basics	occasionally	✓
S&R Membership Club	603	S&R, Member's Value, Fresh Pick	✓	occasionally
Robinsons Retail (12%)				
Robinsons Supermarket	1,065	Robinsons, Surebuy, Healthy You	✓	✓
The Marketplace Supermarket	246	Robinsons, Surebuy, Healthy You	✓	✓
Shopwise Hypermarket	88	Robinsons, Surebuy, Healthy You	✓	✓
Uncle John's Convenience Store	116	Uncle John's	x	✓
Independent Operators (14%)				
7-Eleven Convenience Stores	998	7-Select, 7-Fresh, City Café, Crunch Time, Hotta Rice	x	x
Metro Supermarket and Hyprmarket	356	Metro Select	✓	✓
Super8 Hypermarket	154	Great Buy	x	occasionally
Landers Membership Club	132	Founders	✓	✓
Prince Hypermarket	110	Prince Plus	x	x
Small Grocers (36%)				
>1 million operators	4,557	None	x	occasionally
Total	12,793			

Source: USDA GAIN Report: [Philippines: Retail Foods Annual 2024](#).

Independent grocery operators that each have a single grocery brand, such as Philippine Seven Corporation (7-Eleven), Metro Retail Store Group, Suy Sing Commercial Corporation (Super8), Southeast Asia Retail (Landers), and Prince Retail Group, collectively account for 14 percent of the market. The remaining 36 percent of the market is comprised of more than 1.3 million micro-operators located throughout the country.

Grocers' Own Private Label Brands

In the past five years, private label products have made up an average of seven to ten percent of grocery food and beverage sales in the Philippines, higher than the Asia Pacific average of six percent. This amounts to \$896 million of the projected \$12.8 billion in food and beverage grocery sales in 2025. Major grocers and their private label brands include:

- **SM Markets:** Launched 40 years ago, the SM Bonus brand has achieved a high level of consumer acceptance and is available across all of SM Markets' grocery brands.
- **Puregold Price Club:** Utilizes two private label brands:
 - Pure Basics brand for Puregold stores, catering to a broad consumer base and traditional mom-and-pop stores.
 - S&R, Member's Value, and Fresh Pick brands for S&R stores, a membership shopping warehouse club that retails a wide variety of imported premium products.
- **Robinsons Retail:** The company introduced the Healthy You brand, positioning itself as the first major grocery operator in the Philippines to leverage health and wellness themes. The company also offers the more general Robinsons and SureBuy brands. These brands are available across all of Robinsons Retail's grocery brands, except its Uncle John's convenience stores which utilizes its own private label brand.
- **Independent Operators:**
 - **7-Eleven:** Leverages several exclusive brands, primarily for ready-to-eat meals.
 - **Other Independent Operators:** Typically employ a single private label brand.

Below is a list of the grocers' own private label brands, the number of products offered under each brand, and the corresponding product mix model, which will be discussed in the succeeding pages of this report.

Table 2. Grocers' Own Private Label Brands and Product Mix Categorization

Operator/Grocery Brand	Own Private Label Brand	No. of Products	Product Mix Model
SM Markets	SM Bonus	300	A
Puregold Supermarket and Hypermarket	Puregold and Pure Basics	200	A
S&R Membership Club	S&R , Member's Value , and Fresh Pick	300	B
Robinsons Retail	Robinsons and SureBuy Healthy You Uncle John's	300 80 20	A C C
7-Eleven Convenience Stores	7-Select , 7-Fresh , City Café , Crunch Time , and Hotta Rice	30	C
Metro Supermarket and Hypermarket	Metro Select	150	B

Super8 Hypermarket	Great Buy	200	A
Landers Membership Club	Founders	60	B
Prince Hypermarket	Prince Plus	150	A

Source: FAS Manila trade interviews and store visits. The product counts are approximate, as product categories such as fresh fruit and vegetables include seasonal items.

Product Mix Models and Consumer Perceptions

FAS Manila conducted interviews with grocery operators to understand the product mix of their private labels. Based on these interviews, the product mix can be classified into three distinct models:

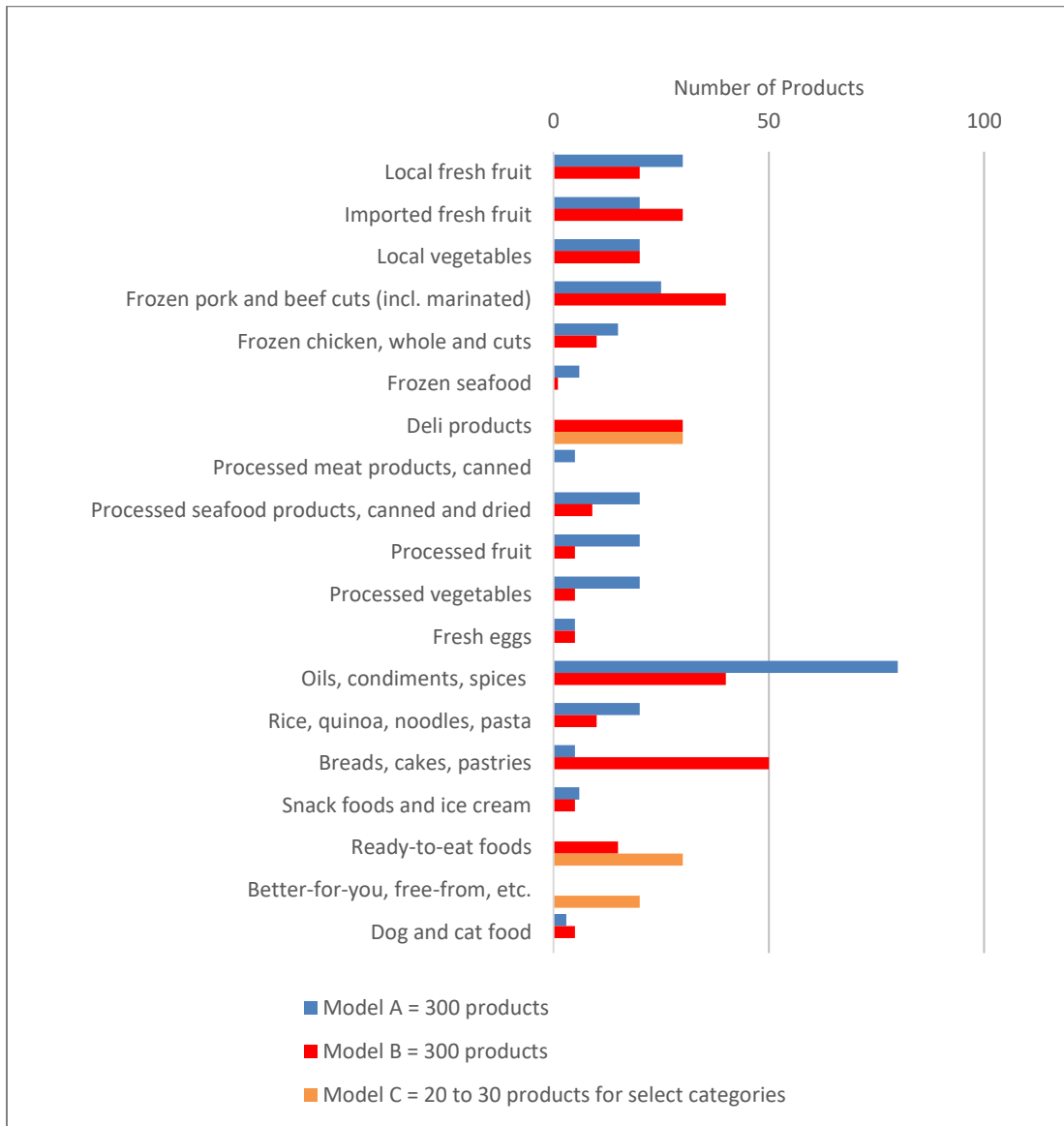
- **Model A (Primarily Essentials)**
 - Utilized by grocery brands that cater to a broad consumer base and traditional mom-and-pop stores.
 - This model is heavy on fresh and frozen foods (not processed) that can be easily packaged at the store level, as well as cooking essentials (oils, condiments, and spices).
 - Some consumers perceive the private label brand as a money saver, typically priced up to 30 percent lower than name-brand products.
 - Grocery brands following Model A are open to increasing the share of their private label sales from seven to ten percent over the next five years.

- **Model B (Mix of Essentials and Premium Quality Products)**
 - Utilized by grocery brands that target affluent consumers.
 - This model is heavy on deli meats and other gourmet products, specialty breads, cakes, and pastries, and premium ready-to-eat meals.
 - Some consumers perceive the private label brand as offering good value for money. Premium-quality private label products are typically priced up to 20 percent lower than name-brand products.
 - Grocery brands following Model B aim to increase the share to 15 percent, doubling the current share of their private label products within the next five years, with a key focus on offering more premium-quality private label products.

- **Model C (Select/Niche Products)**
 - Limited product categories utilized by convenience stores with limited shelf space, typically with no price comparison because there are no competing brands. Other types of grocery stores also follow this model to highlight a brand attribute, such as wellness (Robinsons' Healthy You is a prime example).
 - Some consumers associate the private label brand with the grocery brand's attributes.
 - Grocery brands following Model C want to maintain the share of their private label products at seven to 10 percent.

Figure 2 on the next page illustrates the concentration of products in each category per model.

Figure 2. Concentration of Products in Each Category per Model



Source: FAS Manila trade interviews and store visits.

The information on product mix, combined with the data presented in Table 1 (page 3), can potentially offer valuable insights for U.S. suppliers and USDA Cooperators in:

- Identifying potential market entry strategies.
- Assessing the capacity of grocery brands to handle the required volume for private label production.
- Tailoring product offerings to better align with the preferences of each grocer.

Grocers Leverage U.S. Origin

U.S. food and beverage products have a reputation for good quality among Filipino consumers. Notably, grocers leverage the origin when describing U.S. fresh and dried fruit such as apples, blueberries, cherries, grapes, and raisins, often using terms like 'USA,' 'Washington,' and 'California' under their own private label brands.

Challenges for Micro-operators

Due to their smaller volume, micro-operators often lack the capacity to develop private label brands. However, as the market grows, some may expand and achieve sufficient volume to launch their own private label brands or collaborate with others to launch a group private label.

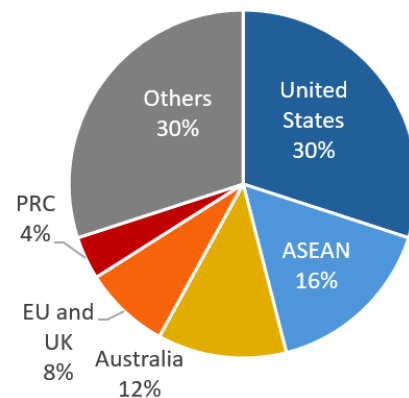
Legal Considerations

Developing private labels can present challenges, including legal complexities and risks. Trademark infringement is a significant concern, as highlighted by a recent case where a local operator faced legal action for alleged infringement on established brands. This underscores the need for thorough due diligence and careful brand development to avoid potential legal issues.

Foreign Private Label Brands

High-end grocery stores like The Marketplace, S&R, and Landers are increasingly stocking their shelves with foreign private label brands, directly importing these products for better prices and exclusivity. They meticulously curate their selection, prioritizing those with a diverse product range and proven track record in other markets. Consumers are drawn to these foreign private labels, perceiving them as a balance of quality and affordability. The top sources of foreign private labels are the United States (30 percent), followed by the ASEAN region (14 percent) and Australia (12 percent).

Figure 3. Sources of Foreign Private Label Brands and Market Shares



Source: FAS Manila trade interviews.

Promotions

Grocers promote both their own and foreign private label brands through a variety of channels, including online platforms (ordering pages, apps), direct mail (physical and electronic), in-store displays (gondolas, shelf talkers), social media, and messaging apps (such as Viber), often supported by advertising campaigns.

It is common for grocers to highlight U.S. food and beverage products, including private labels, in July to coincide with the Fourth of July celebration and leverage the U.S.-Philippines' shared history. Other important holidays that retailers leverage include Valentine's Day, Mother's Day, and Halloween. Christmas holiday gift baskets also present an opportunity for U.S. private label brands to be included. Planning for these baskets typically begins as early as June each year, and U.S. exporters are advised to communicate with grocers at this time to ensure the inclusion of their products.

Best Product Prospects

Below are some of the product categories that hold significant potential for increased sales. While price remains a key consideration, grocery operators are increasingly gravitating towards niche product opportunities, such as ultra-premium quality, health and wellness, free-from products, and products popularized by food influencers on platforms like YouTube.

Table 3. Best Product Prospects

Baby food	Free-from and better-for-you-products	Processed seafood products (frozen, dried, canned, etc.)
Baked goods	Frozen potatoes and other processed vegetables	Pulses
Cereals	Fruit and vegetable juices	Snack foods (popcorn, chips, etc.)
Chips, dips, and salsa	Gourmet products	Ready-to-eat foods
Confectionery	Groundnut and nuts	Salad dressings
Crackers, biscuits, small cakes	Ice cream	Sauces (tomato, cheese, barbecue, steak sauce)
Dairy products (cream cheese, spreads, etc.)	Mayonnaise and other savory spreads (cheese, mayonnaise with chicken, etc.)	Specialty coffee
Deli meats	Peanut butter and other sweet spreads (chocolate with almond/hazelnut, etc.)	Soup (canned and powdered)
Dried fruit	Powdered eggs	Cocktail mixes

Source: FAS Manila trade interviews.

Assistance and Further Information

U.S. suppliers and USDA Cooperators interested in exploring private label market opportunities are encouraged to connect with grocery operators. The Foreign Agricultural Service (FAS) Manila can facilitate introductions. Contact: USDA Foreign Agricultural Service, U.S. Embassy in Manila, Philippines, Phone: (+63) 2 5301-2000, Email: AgManila@usda.gov.

Access the following GAIN reports through USDA-FAS Manila's [webpage](#):

- Philippines: Exporter Guide
- Philippines: Food and Agricultural Import Regulations and Standards (FAIRS) Report
- Philippines: Food Processing Ingredients
- Philippines: Food Service - Hotel Restaurant Institutional
- Philippines: Retail Foods

Attachments:

No Attachments.