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Pick n Pay introduces premium range of private label products

Pick n Pay has expanded its private label offering with a more premium range dubbed Crafted Collection. Promising "a premium taste intertwined with affordability", the Crafted Collection has been designed to drive innovation and differentiation within the newly revamped middle- to top-end Pick n Pay stores.



Source: Supplied

Pick n Pay's CEO Pieter Boone <u>announced earlier this year</u> that, as part of the group's new Ekuseni strategic plan, its supermarkets will be organised into two customer-facing brands, each designed around specific customer needs. The Crafted Collection will be stocked at Pick n Pay stores that aim to satisfy the needs of middle to top-end customers who are looking for innovation and inspiration. The new range forms part of the 18,000 products the stores will stock, which has a strong focus on innovation.



Pick n Pay's big plans: New brands, cost-cutting, Boxer expansion and omnichannel growth $^{18\,\text{May}\,\text{2022}}$

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Growth of private label

Pick n Pay's private label range now accounts for 25% of its sales. This is up from 18% five years ago showing the growth opportunity. Bridget Dore, head of customer insights at Pick n Pay, says that many customers are seeking value-for-money products and are increasingly choosing private label products.

This is a global trend as many countries experience rising inflation. A recent survey of US shoppers showed that shoppers are buying more private labels over known food and grocery brands than before the pandemic. Of the 41% of shoppers who said they'd bought more private label products, 77% said they plan to continue buying store brands. The *Power of Private Brands* report by the Food Marketing Institute (FMI) also revealed that apart from value and lower costs, quality and taste are also driving this purchasing behaviour.

Pick n Pay first introduced its private label in 1976 with the 'no name' range as a way to offer customers excellent value at preferential prices. From just 14 'no name' products, its private label now boasts over 4,800 products and Pick n Pay states that it has launched several ranges over the decades to suit its customers' changing needs, aspirations and budgets.



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'Mainstream premium' food and grocery products

The new Crafted Collection by PnP range currently has over 70 products in store, with a further 100 products expected to launch by the end of the year. The range focuses on innovation across food and grocery items, and will soon extend into more categories.

Nicki Russell, head of product and technical at Pick n Pay, says that customers have been asking for a new affordable toptier product range following the retailer's Finest private label range. "We've spent a lot of time understanding customers in this space, and have crafted this range to be sophisticated yet mainstream, at surprisingly good prices."

Crafted to deliver a unique foodie experience to customers, the range has elevated much-loved products into high premium. Some of these include a Fynbos Flavoured Extra Virgin Olive Oil, Chai, a Smoky Tomato Ketchup and a wide range of Exotic Mushrooms.

"The flavours aren't too chefy or unattainable. We haven't gone for extremely niche flavours, but rather 'mainstream premium' that pushes the boundaries. We wanted our customers to relate to the flavours, and feel confident using them," says Russell.

Indulgence is another strong focus of the range with its range of crafted chocolates, biscuits, shortbread and hot chocolate. This is tapping into the 'spoiling myself' trend which has strongly emerged post-Covid. Customers are increasingly looking to treat themselves to food indulgence that doesn't break the budget.

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Pick n Pay states that it has always used its private label to help develop small businesses, and the Crafted Collection is no different.

Ninety percent of the range is locally sourced or produced by local suppliers. "Our dedicated product team has worked closely with local businesses to craft and develop these products. We have sourced the finest local products, and have only used imported products if they weren't available locally."

According to the retailer, the range's packaging follows the global trend of 'blue is the new black'. "We wanted customers to feel proud to place it on the dining table or to gift it to someone," says Russell.

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