The Deloitte 2015–2016 Private Label Sourcing Survey highlights shifts in market trends and uncovers leading Private Label sourcing practices. The survey remains one of the largest and most comprehensive Private Label sourcing studies to date.

**Key Private Label Sourcing Pressures**
- Raw material cost increases and/or volatility
- Demand for increased speed to market
- Evolving product trends causing shifts in consumer demand

**Retail Trends Driving Private Label’s Importance**
- Omnichannel operating model
- Customer insights
- Regulatory pressures
- Conscious consumerism
- Innovating across the retail ecosystem

Private Label sourcing is helping retailers navigate these trends through greater control of the assortment, visibility to the supply chain, and deeper supplier partnerships.

**Strategic Responses**

**Top 3 Emerging Responses:**
- 32% Reshoring production to domestic vendors
- 29% Aligning metrics and systems to foster supply chain partner collaboration
- 28% Implementing vendor performance management

**Top 3 Currently Employed Responses**
- 60% Enhancing quality assurance programs
- 60% Engagement in innovation/product design/R&D collaboration with vendors
- 57% Use of advanced planning/scheduling

All strategies point to deeper, more strategic partnerships. With 76% retailers already or planning to consolidate vendors, the industry is placing bigger bets on fewer manufacturers.

**Shifts in Source of Supply**

<table>
<thead>
<tr>
<th>2013</th>
<th>2015</th>
<th>2017 (expected)</th>
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</thead>
<tbody>
<tr>
<td>1. China</td>
<td>China</td>
<td>China</td>
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<tr>
<td>2. Canada</td>
<td>Canada</td>
<td>Vietnam</td>
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<td>3. Mexico</td>
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<td>4. India</td>
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<td>5. Vietnam</td>
<td>Vietnam</td>
<td>Bangladesh</td>
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<td>6. Italy</td>
<td>Cambodia</td>
<td>Cambodia</td>
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<td>7. Hong Kong</td>
<td>Bangladesh</td>
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<td>8. Brazil</td>
<td>Hong Kong</td>
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<td>9. Chile</td>
<td>Indonesia</td>
<td>Indonesia</td>
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<tr>
<td>10. Indonesia</td>
<td>Thailand</td>
<td>Thailand</td>
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</tbody>
</table>

Cambodia, Bangladesh, Indonesia and Thailand all showed growth from 2013 to 2015 but are forecast by respondents to decrease in popularity over the next two years.

China and Mexico remain consistent top sources, with Vietnam rising fast.

**Survey Respondents**
- 388 respondents across three categories:
  - Apparel
  - General Merchandise
  - Grocery

50%+ of respondents have annual revenue greater than $1B

70 countries noted as sources of supply

Private Label accounts for more than $1 in every $6 of spend in the United States*
About
The 2015–2016 Private Label Sourcing Survey was conducted online by Deloitte in 2015. Over 388 respondents provided input across three spend categories (Apparel, General Merchandise and Grocery). Because respondents could submit responses for multiple sub-categories, over 700 responses were collected. Approximately 53% of respondents are from companies with annual revenues greater than $1B, and 42% of the companies represented have more than 10,000 employees.

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