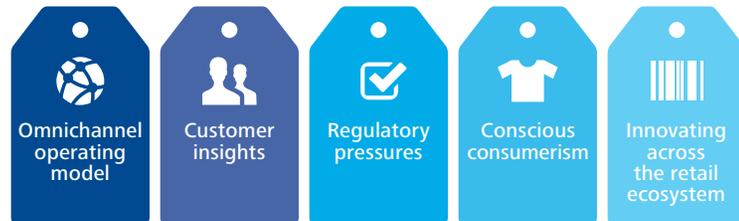


2015–2016 Private Label Sourcing Survey

Shifts in countries and capabilities

Deloitte's 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.

Retail Trends Driving Private Label's Importance



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

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
- It's not just about cost anymore: Last survey, the top 3 pressures were cost-related. This year, it's a mix of cost, quality and speed to market

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*

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

Only 50–70% of surveyed retailers reported success with reshoring

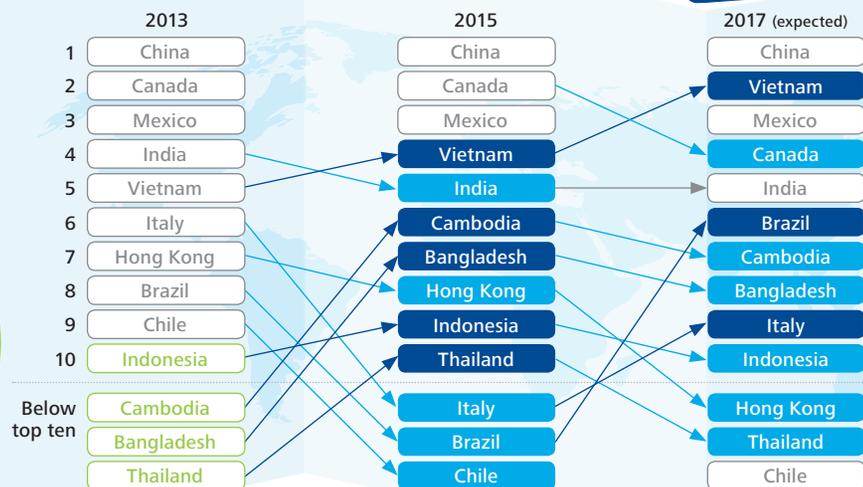
Top 3 Currently Employed Responses

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

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

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



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

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.



Learn more

Visit us:

www.deloitte.com/us/2015privatelabel



Engage

Follow us on Twitter:

[@DeloitteCB](https://twitter.com/DeloitteCB) [#PrivateLabel15](https://twitter.com/PrivateLabel15)

This publication contains general information only and is based on the experiences and research of Deloitte practitioners. Deloitte is not, by means of this publication, rendering business, financial, investment, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte, its affiliates, and related entities shall not be held responsible for any loss sustained by any person who relies on this publication.

Copyright © 2015 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited.