

# PLMA 2025: Innovation Meets Consumer Challenges

## Event Highlights & Key Product Trends

Steve Tardio and Steve Dresner, members of Dresner Partners' Consumer Team, attended the annual 2025 Private Label Manufacturers Association Show held in Rosemont, IL in November, in search of the latest trends and opportunities that will impact clients' merger and acquisition activity and interaction with the capital markets.



The Show featured more than 50,000 food and nonfood products, 3,050 booths, nearly 2,000 exhibitors representing 63 countries and 54 national pavilions<sup>1</sup>. Key product trends evident from the Show included:

- Better-for-you, health & wellness products are at the forefront, with protein-rich snacks, kombucha, and bone broth leading the way. The growing focus on health and wellness, highlighting functional benefits such as nutrient density, signals long-term opportunities for brands to innovate and meet evolving consumer needs.
- Collagen is increasingly used as an ingredient in supplements, foods, and beverages to support skin, joint, and bone health. Consumer demand for collagen-based products is rising as part of the broader health & wellness trend, with functional beverages and supplements gaining traction<sup>2</sup>. Examples of products on the show floor included Coffee Latte with Bioactive Collagen Peptides, and Collagen Shots.
- Functional foods, especially those with probiotics, are surging in popularity due to the reported link between gut health and overall well-being<sup>3</sup>. Examples of products on the show floor included Probiotic Frozen Smoothie Cubes, and Probiotic Snacks.
- Greener Cleaners: More sustainable choices are available for laundry cleaning, reflecting consumer demand for eco-friendly solutions. Examples of products on the show floor included Ultra-Concentrated Laundry Detergent Designed to Be Diluted at Home, Dissolvable Laundry Cleaning Sheets, and Compostable Fabric Softener Sheets<sup>4</sup>.



- **Regeneratively Farmed Products**: Regenerative agriculture supports practices that prioritize soil health, biodiversity, and ecosystem restoration. Examples of products on the show floor included Regeneratively Farmed Rice, Cold-Brew Coffee, and Eggs<sup>5</sup>.
- **Topical patches** made with vitamins, antioxidants, and other ingredients provide convenience for consumers seeking relaxation, immunity, and wellness<sup>6</sup>.
- **Sustainability**: Eco-friendly packaging and upcycled ingredients have become expectations, not options. As consumers grow more eco-conscious, brands are adopting sustainable practices and materials.
- **Global Flavors & Novelty**: Adventurous tastes are in demand—from exotic spices and gourmet chocolates to the ‘pickle craze’ with novelty pickle-flavored products. These trends reflect a diverse and curious consumer base eager for new experiences.
- **Premiumization**: Private label is redefining itself, moving beyond affordability to offer quality and elevated experiences. Many retailers are now offering three distinct tiers of private label products—good, better, and best—enabling them to serve a broader range of consumer expectations. Elegant packaging and upscale products are helping store brands compete directly with national labels.
- **Nostalgia**: familiar favorites like waffles are being reinvented, capturing consumer interest with creative twists and nostalgic appeal.

## International Context: Private Label Market Share

Historically, private label's share of the U.S. grocery market has lagged behind other countries—but that gap is narrowing.

Private label penetration continues to differ significantly across global markets, with Europe maintaining a commanding lead. According to PLMA's International Council, using NielsenIQ data, Switzerland stands as the strongest private-label market globally with a 52.0% share, reflecting deep consumer trust in retailer brands. The United Kingdom, together with Germany and France, forms one of Europe's three largest grocery markets, collectively holding a 39.7% private-label share, illustrating the region's mature and highly developed store-brand ecosystem. In contrast, the United States maintains a private-label share of roughly 20%, a level consistently reported across industry analyses and reflective of ongoing but slower adoption compared to Europe. These differences highlight both the growth runway in the U.S. and the structural advantage European retailers have built over decades<sup>7</sup>.

## Grocers Go Niche

Retailers are increasingly differentiating their private label strategies by launching niche offerings that target specific consumer interests and dietary preferences. Grocers such as Natural Grocers, Albertsons, SpartanNash, and Kroger have recently rolled out unique items under their store brands, including specialty cooking oils, herb blends, and flavored butters. This shift reflects a broader industry trend: retailers are moving beyond traditional value-focused private label products to develop exclusive, innovative lines that appeal to shoppers seeking premium, natural, or specialty options. By embracing niche categories, grocers are strengthening customer loyalty and positioning their private labels as destinations for discovery and quality<sup>8</sup>.

Today's economy is marked by a 'barbell' market structure: premium food retailers and deep discount stores are thriving, while mid-market players face challenges. Consumers are polarized—some seek value, others pursue premium experiences. Differentiation and strategic positioning are more critical than ever for success.

## Market Outlook

Private label continues to outperform national brands. Mid-year 2025 data shows a 4.4% growth in value for private label, compared to 1.1% for national brands. Store brands now hold a 21.2% market value share, underscoring strong consumer trust in both quality and affordability.

Consumer sentiment in the U.S. is currently at one of its lowest points on record, with the University of Michigan's Consumer Sentiment Index falling to 51.0 in November 2025—a nearly 30% decline from the previous year. This reflects widespread concerns about affordability, persistent high prices, and weakening incomes.

## Dresner Partners Perspective

The Show was as robust as ever. The number of creative new food products was immense and rife with opportunities. From the different coffees, drinks, chocolates, cheeses, crackers, jams, meat products and so many others in new packaging, the event was exhilarating with health and nutrition, a recurrent theme. International representation was strong, with countries such as Greece, Italy, France, Belgium, Germany, Poland, Mexico, India and a host of others exhibiting as well as attending.



Given these pressures, private label products—across good, better, and best tiers—are increasingly attractive to consumers. On average, store brands are priced 10–30% below national brands, and the price gap has grown by 38% since 2019. Premium private label now represents 40% of all private label spend, as retailers expand their offerings to meet diverse consumer needs.

With consumers seeking value and quality, and retailers encountering the 'barbell' market dynamic, we expect M&A activity in private label to also concentrate at the high and low ends of the market. These factors also strongly support the continued growth and share gains of private label products in the U.S. relative to other types of brands.



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## Sources

<sup>1</sup> PLMA e-Scanner, December 6, 2025

<sup>2</sup> Global Collagen Market Report, 2025

<sup>3</sup> Functional Foods Market Analysis, 2025

<sup>4</sup> Eco-Friendly Consumer Trends Report, 2025

<sup>5</sup> Regenerative Agriculture Market Study, 2025

<sup>6</sup> NielsenIQ Wellness Patch Sales Data, 2025

<sup>7</sup> PLMA International Council, "Private Labels Strong in Europe: Sales Reach €352 Billion in 2024," NielsenIQ data, March 24, 2025.

<sup>8</sup> Food Dive, December 3, 2025