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Category Insights

Private Label Household Products

Private label household wipes and laundry products help time-starved shoppers keep their homes clean without cleaning out their wallets.

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Regardless of the state of the economy, one thing holds true for most American consumers. We all could use more time in the day. So it's little surprise that time-saving products are big sellers in the [laundry](#) and cleaning segments of household goods. The [private label](#) cloth all-purpose cleaners segment, for example, is up 54 percent to more than \$106 million, with a 21 percent share, according to SymphonyIRI Group data for the latest 52 weeks ending Sept. 8, 2013.

According to Mintel's June 2013 "Cleaning the House—U.S." report, adults spend an average of four hours and 40 minutes per week on house cleaning, a significant amount of time in the

[Enlarged Image](#)

HOUSEHOLD

context of increasingly time-crunched lives, signaling an opportunity for time-saving products, but also underscoring the importance consumers place on keeping their homes clean.

Primary shoppers for cleaning products like household wipes and floor-cleaning products are basically moms and other convenience shoppers, “which is basically everybody,” said Donna Rippin, category director at Rockline.

Even in the economic downturn, you don’t see as much decline as you might think in convenience items, according to Rippin. You still need to do the laundry and keep the house clean. Time is still worth money.

When it comes to floor care, Rippin noted they constantly get comments like, “Well, there’s no way I’m going to get out a mop and a bucket, and I’m certainly not going to get down on my hands and knees and scrub the floor.”

The time and effort consumers put into house cleaning and home care are associated with considerable emotional rewards, according to the Mintel report.

“More than 4 in 10 agree strongly that taking care of their home gives them a sense of accomplishment,” said the report. “Nearly as many agree strongly that it’s important to be thorough in household chores. Cleaning product brands and retailers can tap into these emotions by positioning themselves as complementary to consumers’ own efforts.”

Quality Assurance

When it comes to selecting cleaning products, cleaning effectiveness and disinfection take priority over a variety of other attributes and benefits, including scent, faster cleaning and environmental friendliness, according to the Mintel report. Nearly two-thirds of house cleaning consumers rank eliminating bacteria and germs among the most important criteria, a finding consistent with other Mintel research showing that disinfection has become more important to category shoppers. Marketing for cleaning products must first assure effective cleaning results before it can differentiate on other attributes and benefits.

When it comes to private label cleaning wipes, Rippin said there’s always the opportunity to improve formulations. “For example, with disinfecting, you are concerned about how quickly you can kill bacteria, viruses and other things,” she said. “Depending on active ingredients, it can be fast-acting or super fast-acting.”

Clorox, the national-brand benchmark, has a four-minute claim (the time it takes to kill potential bacteria, viruses, etc. after use), which sets the bar high for private label products. Most of the private

	Dollar Sales	Dollar Sales % Chg YAgg	Dollar Share	\$
	\$200,614,100	(1.76)	100.00	35.6
WIPERS	\$2,435,519	7.66	1.21	94
	\$180,637,600	(5.28)	100.00	48.7
	\$13,739,540	(18.40)	7.61	5.5
	\$689,002,900	(5.56)	100.00	154.2
FLOOR CARE	\$41,951,010	1.68	6.09	12.4
	\$3,204,674,000	1.79	100.00	1,040
	\$1,609,007	(31.38)	0.05	2.0
DISINFECTANT	\$45,645,900	(4.34)	1.42	27.0
	\$15,807,060	5.89	0.49	4.0
	\$52,178,130	(4.34)	1.63	33.9
	\$50,313	46.57	0.00	56
	\$18,088,750	(2.50)	0.56	10.2
WIPER	\$12,961,080	(1.69)	0.40	5.0
	\$683,454	105.08	0.02	10
	\$38,049,000	11.68	1.19	15.8
WIPER	\$22,325,300	2.76	0.70	12.9

labels in household wipes are national brand equivalents (NBEs). “The reason for this is you have very well-respected brands in this space,” said Rippin.

When it comes to floor wipes, Procter & Gamble’s Swiffer sets the pace.

“Because Procter & Gamble’s Swiffer has set such a high bar for quality, the real challenge there is for the private label product to be good enough, frankly, for consumers to want to buy it,” said Rippin.

So there’s an effort to close that quality gap. This is true throughout the competition in the private label floor-cleaning category. There’s a move to be better. In this category, products that are inferior to the national-brand leader do not lend themselves to repeat purchase.

Space is at a premium, so if a retailer is getting strong profit from Procter & Gamble, the retailer needs a truly solid private label product, with a better margin, in order to commit shelf space to it. And improvements beyond the benchmark set by the national-brand leader will draw attention. Retailers have grown increasingly savvy about NBEs, and often want national brand better (NBB) products, explained Rippin. Retailers are always looking for improvements in the floor wipes category in terms of substrates, lotions, packaging, etc.

Little touches can go a long way to differentiate a product. Canister wipes can, for example, be dispensed better so they don’t fall back inside the canister.

When it comes to packaging for disinfecting wipes, Rippin said there certainly are brands that have tried to get innovative with packaging, but the fact of the matter is Clorox, which is iconic to these types of wipes, has really trained the consumer that the canister is king. “The fact is, it’s just so practical,” she said. “It stores easily under the sink... It’s really easy to use....” She noted a distinct lack of motivation to move away from that packaging format.

Across every cloth-based household cleaner category, the “fresh” scent, or “open window” scent, is popular. Evergreen and citrus scents, such as lemon or orange, likewise remain favorites.

“We know from our research that a fresh, nice fragrance on a wet-floor product is extremely important, because after you mop up your floor, that nice fresh scent is left behind—it’s very pleasing,” said Rippin. “It’s also a strong cue to the consumer that their floor is clean.”

It makes sense that appearances motivate purchase in this category. People generally understand the premise of cleaning products, so as long as efficacy is up to snuff, it boils down to packaging and value. “A lot of it is just getting it into the right packaging format,” said Rippin, “which kind of segues into how can you promote it and make people aware.”

Rippin notes that this category sees a little bit of seasonality in terms of sales volume, but not very much. Disinfecting has really become a year-round product. However, antibacterial wipes tend to pick up during cold and flu season.

Although this category doesn’t see much use of social media yet, if something like another H1N1 hits, activity would likely pick up, suggested Rippin.

That said, Rippin noted that “there are certain retailers that will tell you they want to be a destination for household cleaning products.” She feels that Kroger and Dollar General take pride in positioning their stores as cleaning product destinations, and that they’re very good with promoting such products through displays.

Rippin believes that as long as quality is strong, and retailers are profiting and devoting space to the products, consumers will continue to enjoy a good selection, with some options, of these types of wipes—because demand is not going to drop. “We always keep saying, ‘Oh, you know, at some point this search for convenience will slow down,’” she said. “Well, it doesn’t. I mean, we all keep getting busier and we all continue to be time-starved, so I just think this is a really solid market that only gets better.”

While convenience items like disposable wipes remain extremely popular, some still prefer to still use sprays and cleaners. To this end, private label non-disposable gloves rose 29 percent to \$34 million with a 15 percent share, while private label disposable gloves rose 5 percent to \$104 million, both for the 52 weeks ending Sept. 8, 2013, per IRI data.

“We have seen private label glove sales grow as consumers are continuing to trade up from value-priced gloves to more-premium gloves as they become more aware of the features and benefits of different glove types and materials,” explained Kimberly Milstead, assistant product marketing manager at Clean Ones. “Consumers are looking for gloves that provide durable hand protection, plus added benefits that make wearing gloves more comfortable.”

Here’s another opportunity to step into NBB territory. “We have changed the private label glove experience so that consumers can expect more from their private label brands instead of only providing gloves that match the national brand product,” said Milstead. Options are important, including latex-free, gloves made with blended materials, a wide range of colors, etc.—all of which provide a higher value to the consumer.

“When the consumer experiences a private label product that exceeds their expectations, that consumer is more likely to buy additional private label products throughout the store, driving the retailers’ overall private label brand sales.”

Laundry Aisle

Bounded by a budget-driven mindset, sales of laundry detergent and fabric softeners remain unchanged of late, according to Mintel’s August 2013 “Laundry Detergents and Fabric Softeners—U.S.” report. Between 2008 and 2013, category sales slipped 1 percent to an estimated \$11 billion.

Private label liquid laundry detergent dropped 17 percent to more than \$149 million, according to IRI data from the 52 weeks ending Sept. 8, 2013. However, private label laundry prewash/additive rose 18 percent to \$8 million, and private label “other” laundry detergent (packet/bar) rose a whopping 604 percent to approximately \$7.5 million, even with a miniscule 0.10 percent unit share.

These extreme gains earned the other laundry detergent (packet/bar) category the No. 1 spot on our 2013 “Non-Food Hot List” (published in the May 2013 issue), which included private label non-food categories that saw dollar sales increase at least 10 percent across supermarkets, drugstores, mass market retailers, military commissaries and select club and dollar retail chains during the 52 weeks ending Dec. 30, 2012, according to IRI. At the time, the category cinched the No. 1 spot with sales of almost \$2 million, which demonstrates its steady growth since then.

Costco was one of the first retailers to offer a private label laundry packet with its new Kirkland Signature Ultra Clean laundry detergent packs. National brand Tide Pods rolled out in March 2012, finally bringing the laundry pod trend from Europe to busy Americans.

“The case here is simply a matter of the product category starting from a zero base,” said Jim Wisner, president of Wisner Marketing Group, Inc., back in May. “Laundry ‘pod’ products are relatively new to the market, and most private label entries were just hitting the shelves in the prior year. Although many private label products in this category are now of consistently high quality, private label detergents have struggled over the years to gain a substantial share of market. There are many reasons for this, but primarily it is a result of the entrenched strength and equity of the leading brands and their aggressive and constant promotional activity. I would anticipate that eventually the ‘pod’ subcategory will approach the market shares of the powders and liquids currently being marketed.”

Costco’s Kirkland Signature Ultra Clean laundry detergent packs were originally packaged so that shoppers could see the pod products inside. However, as the detergent pods can look appealing to young children (on September 13, for example, a 15-month-old bit into a Tide Pod thinking it was candy and ended up in the hospital for two nights as a result), Costco recently switched the clear plastic containers to an opaque orange.

Procter & Gamble announced changes to product packaging in July, and Tide prominently features warnings online about the products’ dangers.

According to the Mintel report, liquid laundry detergent remains by far the most widely used laundry product. Unit dose detergents, however, still have considerable upside for generating new trial and are likely to continue to cut into usage of liquids and powders. Adults ages 18–34 are especially likely to report currently using unit dose detergents, reflecting interest in convenience and simplicity in doing laundry.

In-wash scent boosters also appeal most strongly to men and women ages 18–34, who are especially likely to have tried, or to have interest in, this new laundry product. In addition, because current usage is still relatively low in this age group at just 17 percent of men and 12 percent of women, there is a significant opportunity to drive additional trial.

Creative promotion of new products can be accomplished in many different ways. H-E-B, for example, recently capitalized on social media by promoting its new H-E-B Bravo Plus detergent, which is billed as featuring four cleaning enzymes, with its “H-E-B Bravo Plus Tweet-To-Win Sweepstakes.”

In addition to promoting its store brand detergent, this promotion by H-E-B also serves to gather market perceptions on laundry practices. “We want to know your tried and true laundry tips!” the retailer wrote on its website. “Take the Bravo Plus challenge and compare the cleaning power of Bravo Plus to Tide.”

To enter, shoppers had to tweet @HEB with their own laundry tips and had to use the hash tag #HEBLaundryDay (the contest took place from September 16 to October 20).

The supermarket retailer didn’t skimp on incentives either. One grand prize winner received a year supply of the new store brand product and a \$3,000 Visa gift card. Four first prize winners received a year’s supply of Bravo Plus and a \$500 H-E-B Gift Card.

“Green” and “natural” can also drive interest. Walgreens launched Ology last November, a new household store brand formulated to be free of harmful chemicals. The line includes household cleaners, baby products, personal care products and laundry products.

Ology Spring Lavender & Vanilla laundry detergent is plant-based and compatible with high-efficiency (HE) and conventional machines. It also touts a lack of harmful chemicals (including no dyes, phosphates or artificial fragrances). The line also includes fabric softener.

Walmart has also stepped into formulation territory that espouses the “lack of harmful chemicals” philosophy, vowing to eliminate 10 “hazardous” chemicals from fragrances, cosmetics and household products. Johnson & Johnson and Procter & Gamble have made similar moves of late.

One customer review on Walgreens' website praised the Ology laundry detergent: “I was very pleased with how well this detergent cleaned our laundry, even dirty whites. It has a pleasant scent that makes the laundry room smell great, too! I also like that it is well priced compared to other natural laundry products I use. I will definitely buy this detergent again.” Ology Spring Lavender & Vanilla detergent retails for \$5.99 for 50 oz. (33 loads).

These “chemical-free” products from Walgreens might prove a good compromise for value-seeking shoppers who aren't looking to compromise quality.

Mintel's research shows that category shoppers are especially budget minded when choosing laundry detergent, the category's largest segment and by far the biggest laundry-product expenditure for most households. However, most laundry shoppers appear uninterested in compromising on performance, according to the report. Premium-priced laundry detergent Tide has extended its lead with the successful launch of Tide Pods, and private label remains a small and shrinking segment of the overall market.

The private label laundry detergent category will see additional competition if rumors are true that Procter & Gamble is planning on introducing a bargain version of its Tide laundry detergent.

Back in early September, an article from *The Wall Street Journal* reported, “A lower-priced Tide would compete against not just Arm & Hammer and other budget brands, such as Henkel AG's Purex, but also private-label detergents, which already ring up good margins for retailers” (“P&G to Test Waters Again on a Bargain Tide,” Sept. 3, 2013).

In order to gain further penetration into this category, private label lines will need to fire on all cylinders, often delivering quality, convenience, label and brand appeal, and value, and increasingly with a sensibility that better aligns with “natural” consumer desires.

Eye on the National Brands

The national brand benchmark for floor products is Swiffer, which has a new product out in partnership with Bissell called the Swiffer Bissell SteamBoost Mop. The steam mop floor cleaner combines the cleaning of Swiffer pads with Bissell steam. The steam activates the dirt-dissolving cleaner in the pad and, when done, the pad is disposable. The Swiffer Bissell SteamBoost Mop Starter Kit at Walmart contains one steam mop and two steam mopping cloths and retails for \$49.97. Swiffer Bissell SteamBoost Steampad Open Window Fresh Scent Refills (20 sheets) will cost the consumer \$9.97. Be on the lookout for a private label equivalent product to compete with these offerings.

While Procter & Gamble declined to comment, The Wall Street Journal reported in September that the company is talking to retailers about plans for a new bargain version of its flagship Tide laundry detergent. One person in the report said the product may be a liquid detergent called Tide Simple, a name Procter & Gamble considered when it tried a low-price Tide several years ago.