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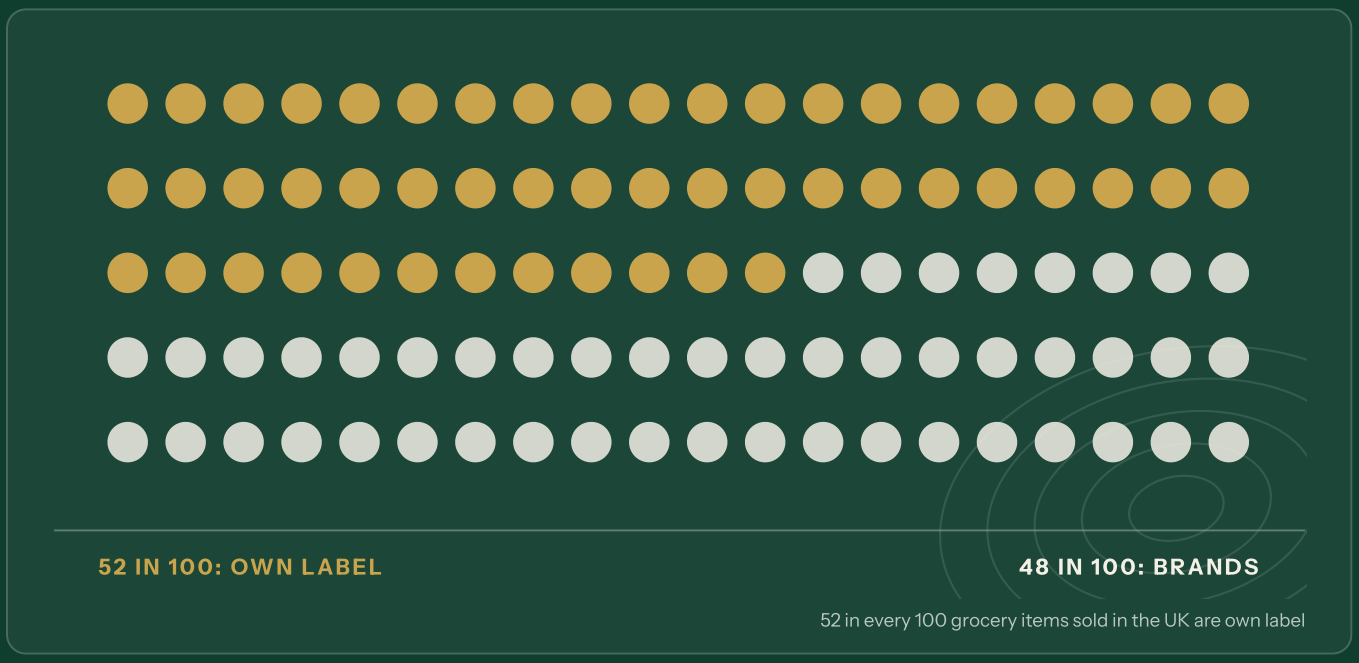
Your customer is also your competitor

Supermarket own label now outsells brands in the UK by volume, and premium own label is growing quickly. This guide sets out the four positions a food maker can take, and how to make each one pay.



52 in every 100 grocery items sold in the UK are own label

52%

of UK grocery volume is now supermarket own label, more than half for the first time.

Circana, 12 months to April 2026

INSIDE

2 Own label is now the majority
3 Four positions on own label
4 If you make it, make sure it pays
5 Five actions and a range review sheet

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Strategic consultancy for UK food and drink

Own label is now the majority

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Shoppers now buy more supermarket own label than brands. Much of it now competes on quality as well as price: premium own-label ranges grew 9% last Christmas.

OWN LABEL SHARE OF GROCERY VOLUME, LAST 12 MONTHS

CIRCANA, APRIL 2026



Share of units sold across 230 grocery categories. Own label was 42% of sales value across the six largest European markets.

7.5%

of Christmas grocery sales went on premium own label, up from 7.1%

Worldpanel, Dec 2025

£1bn+

of premium own label sold in December for the first time, in 92% of baskets

Worldpanel, Dec 2025

34% v 14%

of branded units sold on promotion, against own label, across Europe

Circana, Apr 2026

More than half of what UK shoppers put in the basket is now own label.

Brands rely on promotions far more than own label does. That makes it harder for brands to hold price, and easier for retailers to trade shoppers up within their own ranges.

YOUR CHOICES

Four positions on own label

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A food maker selling through supermarkets can take one of four positions on own label. Each can work. Many businesses hold a mix without having chosen it.

1 Stand out

Keep the brand, and give shoppers a reason to pay more

WORKS WHEN

A clear difference shoppers notice: taste, quality, provenance, new products.

WATCH FOR

Spending on promotions to hold volume that never pays back.

2 Make it

Supply the retailer's own label

WORKS WHEN

Fills capacity, steady volume, a closer relationship with the retailer.

WATCH FOR

Tenders every few years, open-book pricing, and depending on one customer.

3 Do both

Brand and own label from the same site

WORKS WHEN

Shares overheads, buys more ingredients and packaging at better prices.

WATCH FOR

Customers comparing your two prices; complexity in the factory.

4 Go where it can't

Foodservice, specialist retail, export, direct

WORKS WHEN

Less price pressure; customers who want what only you make.

WATCH FOR

Smaller volumes, new routes to market, slower to build.

Choose a position for each range, on purpose.

Then cost it properly and set pricing, capacity and investment to match.

Make sure it pays

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Own-label contracts can fill a factory and pay its overheads. They can also tie up capacity at a margin that never quite covers the true cost. Five questions to answer honestly.

IF YOU MAKE OWN LABEL: FIVE QUESTIONS

- [ ] **Do you know the true cost of each own-label line?**
  Including changeovers, waste, extra packaging formats and the overheads it uses.

- [ ] **How much of your sales come from one retailer?**
  The more you depend on one customer, the weaker your position when the contract is re-tendered.

- [ ] **When is the next tender, and what will it ask?**
  Know the date, the criteria and the price you can still make money at, before you are asked.

- [ ] **Is the volume worth the margin?**
  Filling a line at break-even can make sense for a while. Filling it at a loss does not.

- [ ] **Can you walk away?**
  A plan for where the volume could go instead makes every negotiation stronger.

WORTH CHECKING

An own-label line that looks profitable may simply be the one costed most roughly.

PREMIUM IS DIFFERENT

Premium own label grew 9% last Christmas. It needs better ingredients, tighter specifications and more development work. Price it as premium, not as standard own label with nicer packaging.

Worldpanel, four weeks to 28 Dec 2025

WHAT TO DO

Choose your position

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THIS MONTH: FIVE ACTIONS

1 Map your sales by position

For each range: branded, own label, both, or channels own label can't reach.

2 Cost each own-label line properly

Include changeovers, waste and overheads, not just materials and labour.

3 Check your dependence

Share of sales and profit by customer. Note every tender date.

4 Test the brand's reason to exist

Would shoppers notice if it disappeared? If not, what would make them?

5 Choose, then commit

Pick a position for each range and align pricing, capacity and investment to it.



Range review sheet

Seven facts for each product range.

- [ ] Volume and sales value
- [ ] Price per unit, and how it compares
- [ ] Full cost per unit, including overheads
- [ ] Margin after promotions and deductions
- [ ] Customer and contract end date
- [ ] Capacity it uses
- [ ] Position: stand out, make, both, elsewhere



Know what each own-label line earns before the next tender.

With full costs in front of you, you can decide what to bid, what to hold and what to let go.

SOURCES (opened 20 November 2026): Circana via The Grocer, Own-label sales exceed 50% of UK grocery volumes for the first time, 13 Apr 2026 (thegrocer.co.uk); Worldpanel by Numerator, Inside Britain's £13.8bn Christmas grocery shop, 6 Jan 2026 (kantar.com). Contains public sector information licensed under the Open Government Licence v3.0.

GET IN TOUCH

Talk to us. The first call is free.

We are Tom Baker and Amanda Wright. Between us we have 50 years in UK food and drink businesses, most recently at board level. If any of this guide sounds like your business, book a call.



FIRST CALL, FREE

An hour on Teams about your pressures and plans. We will tell you plainly whether we can help.



AN HONEST VIEW

Whether we can help, or more scoping, still free, if it isn't clear yet. We work from the data you already have.



THE WAY THAT FITS

Fixed fee, shared savings or a monthly retainer: we agree the way of working that suits you best.

Amanda Wright

CO-FOUNDER & COO

Hands-on food and drink director with 25 years across procurement, supply chain and operations, most recently at board level, managing up to £300m of direct spend.

Tom Baker

CO-FOUNDER & CFO

Board-level finance and strategy director with 25 years in food and drink. Turnarounds, acquisitions and investments delivered across the UK and Ireland, Asia, Africa and the Middle East.

WHAT YOU CAN EXPECT

- The two directors you meet are the two who do the work.
- No supplier commissions and no software to sell.
- We report what we find, including what you may not want to hear.

Our success is linked to yours.

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