

# Tiger Brands ramps up focus on private label as costs soar

By Nqobile Dlodla

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Tiger Brands is increasingly partnering with retailers to launch their own brand goods in products such as bread, flour, snacks and treats, South Africa's largest food producer said, as shoppers adjust to rapidly rising costs.



Source: Reuters/Siphiwe Sibeko

So-called private label sales have [long been on the rise](#), but the global cost of living crisis driven by soaring energy, fuel and food prices appears to be turbo-charging the trend.

"The consumer is really in a tough space and it's getting tougher," said Noel Doyle, chief executive of Tiger Brands, which makes Jungle Oats, Tastic rice and Purity baby products.

"The purchase patterns we're seeing, people are shopping less frequently, restricting the categories in which they shop and it's very much value," Doyle told investors.



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Doyle said he has noticed reduced demand for discretionary and premium products, with increased uptake of cheaper alternatives across the board such as maize meal. As a result, sales volumes are suffering, but falling demand is being offset by price increases. Consumer goods makers globally are raising prices to offset the impact of inflation.

## On the lookout for private label deals

Tiger Brands is increasingly partnering with retailers on private label brands thanks to excess capacity in its factories, chief growth officer Yokesh Maharaj said.

Doyle said the company is currently looking to secure a significant medium-term private label deal with a major retailer within the pasta business. "What we've recognised is that private label is here to stay," Doyle added.

In addition, the group will continue adding new value packs under its own brands.



## Tiger Brands earnings jump on strong second half

Nqobile Dlodla 2 Dec 2022



Tiger Brands reported a 51% jump in full-year headline earnings per share for the year ended Sept.30, benefiting from a strong second-half recovery and price hikes.

Total revenue rose by 10% to R34bn as shoppers paid 11% more for Tiger Brands products in the year. Overall volume declined 1%.

## ABOUT THE AUTHOR

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