



September 27-29, 2010 – Hotel Sax – Chicago

Hello and welcome to our Private Brand Movement 2010 podcast series. I'm Melissa Sundaram, Online Producer for the event and this year we've invited a few of our speakers to chat with us before we meet this year in Chicago. We do hope that you enjoy our series and that you'll join us at this year's event. We'll be in Chicago at the Hotel Sax from September 27-29, 2010. Visit www.privatebrandmovement.com for more information.

We had the pleasure of speaking with Melissa Smith-Hazen –Director Strategic Design, Corporate Brands, AHOLD USA. Melissa is part of the panel discussion, "Design & Packaging Roundtable: Stepping Out of Brand Name Shadows" on Monday, September 27 at 3:45pm.

Tell us about your background and how you got into the private brand development business.

Melissa: My experience started out on the design consultancy side of the business. Part of my experience was with packaging and then I moved into brand design consultancy firms. An opportunity came up to take my packaging and branding skills to a corporate position. In 2004, I joined Ahold USA to head up the strategic design for corporate brands. It was a very exciting time. Private label brand strategy was just beginning to mature at Ahold USA.

How have you seen private brands change since the recession? Where do you think the greatest opportunity exists?

Melissa: Consumers are looking for value. We've seen an increase of customers coming to our store to purchase private brands. What has been interesting is that the demographics have changed. You see more affluent and younger people coming into stores purchasing private brands. When I'm visiting our stores, what I see is that customers are putting a range of products in their baskets. We have multiple tiers within our store. I have seen them putting our value- branded items all the way up to our premium-branded products in their carts. The range of private label brands we offer allows our customers to stretch their dollars when making choices and at the same time provides them with the ability to reward themselves. And they feel that they are not missing out or having to sacrifice quality.

Your panel discusses how retailers are changing their focus on private brand strategy from diverse offerings to enhance product design. What is the first step that retailers must do when re-vamping their private brand strategy?

Melissa: Retailers need to start thinking like a brand and believing that they are a brand, especially in believing that their products can be equal to or better than the national brands. We've been working very hard to achieve this by conducting sensory testing in store with our customers to move our products into a higher quality. We also look for opportunities in terms of listening to our customers for product

development ideas. So, what we sell is not just a national brand equivalent, but new product offerings. For example, we develop Nature's Promise, which is our national, organic line of products in 2004 (which was way ahead of other grocery retailers). It has done extremely well for us and continues to grow.

How do you see customers changing their shopping habits? Will they continue to purchase private brands?

Melissa: With what is happening with the continued downturn in the economy, it is going to take a while for things to level out. I believe that based on that alone people will continue to purchase private brands. I've observed that more and more retailers are continuing to innovate. You see it not only with grocery retailers, but with Target and Costco, as well. Competition is fierce. Everyone will continue to work very hard to keep the customers they have gained during these times, as well as continue to attract new customers.

What aspect of the event are you most looking forward to? Networking activities, chatting with fellow speakers, attending other sessions, perhaps some keynotes?

Melissa: I was very excited to see that there was going to be a private brand event. I have been to past conferences where private brands might have been one or two topics on a much larger agenda. I look forward to talking to my fellow peers and seeing what they are working on and just enjoying myself.

Again, our thanks to Melissa Smith-Hazen for participating in this year's Private Brand Movement podcast series. We look forward to meeting her and you at the event. Don't forget, visit www.privatebrandmovement.com for more details. See you there!