

Baby Food and Drink - UK - March 2018

Report Price: £1995.00 | \$2693.85 | €2245.17

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“With the income squeeze likely to further boost the popularity of homemade food, it is imperative for manufacturers to convince consumers that their products are worth paying more for. Highlighting ingredient provenance would help to project an image of quality and transparency, much needed given parents’ low trust in brands.”

– **Alice Baker, Research Analyst**

This report looks at the following areas:

- Focus on ingredient provenance should help to build trust
- Products with ethical aspects have strong appeal
- Own-label is well-positioned to fly

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Focus on ingredient provenance should help to build trust

The facts

The implications

Products with ethical aspects have strong appeal

The facts

The implications

Own-label is well-positioned to fly

The facts

The implications

The Market – What You Need to Know

Inflation accelerates in 2017

Further decline for volume sales in 2017

Inflation and weak volume sales expected for 2018-22

Baby milk volume sales fall in 2017 for the second year running

Income squeeze threatens category growth

Societal changes impact baby food and drink

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Government immigration policies pivotal to volume sales growth

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Ageing population and rise in older mothers to hinder volume sales growth

Multiple economic and financial factors affect the category

Steep inflation hike in 2017

Income squeeze leaves category at risk of cutbacks and switching

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Breast feeding rate rises slightly in 2016/17

Unicef calls on Government to promote and support breastfeeding

Sugar concerns affect the category

Natural sugars are not held to 'absolve' high sugar content

PHE campaign puts the focus on calories in snacks

Lactalis product recall could put parents off formula milk

Companies and Brands – What You Need to Know

Ella's Kitchen remains in growth in declining baby food market

Own label gains ground

Danone brands continue to dominate milk, but lose sales

Growth in L/N/R sugar claims

Vegetarian claims become more prevalent

Advertising spend falls in 2017

Aptamil continues its focus on achievements

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Cow & Gate promotes its yogurts for on-the-go use

Annabel Karmel innovates with chilled snack range

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Rise in L/N/R sugar claims in 2017

Little Dish launches cooking sauces

....and fruity cereal bars

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Smaller brands continue to turn to on-trend ingredients

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For Aisha moves to highlight its health aspects more strongly

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Aptamil continues its focus on achievements

Multiple brands use social media to engage consumers

Major and smaller players run classes and events

Aptamil encourages women to stay active during pregnancy

Various brands offer mother-and-baby socials

Piccolo links with the Trussell Trust on charitable initiative

Nielsen Ad Intel coverage

The Consumer – What You Need to Know

Most parents use both homemade and manufactured products

In-store grouping by meal occasion is wanted by many parents

Sugar concerns affect the category

Parents have high trust in the medical profession, but little in brands

85% of parents switch between a small number of brands

Details on ingredient provenance appeal to many

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Few see own-label food as of lesser quality

Usage of Baby Food and Drink

Eight in ten parents use homemade food

Majority of parents use both homemade and manufactured baby food

Figure 24: Usage of baby food and drink, by type, December 2017

Time saving is a key motivation for using manufactured baby food

Younger parents are key users of manufactured baby food

Brands could push the 'family time' angle more strongly

Opportunities for baby food brands to extend into products for older children

Younger parents are the core users of baby/toddler snacks

Income squeeze threatens segment growth

Snacks retain users for longer than meals

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Younger and better-off parents are the main users of formula milk

Parents' trust in NHS advice limits usage of baby/toddler drinks

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Brands use various methods to promote usage occasions

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Sugar concerns affect the category

Naturally-occurring sugars are not seen to excuse high sugar content

Focus on sugar boosts the appeal of vegetable-based products

Strong interest in products made with 'wonky' fruit and vegetables

...but many parents will expect these to be cheaper than standard products

Trusted Sources of Advice

The NHS is the most widely trusted source of advice

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EU rules prohibit recommendations from individual doctors or health professionals

Brands use various methods to showcase their professional links

Advice from family/friends is as valued as advice from professional nutritionists

Peer influence makes it essential for brands to safeguard their social media profile

'Recommend' a friend' type schemes would help to harness the power of family/friend recommendations

Only 15% of parents trust baby food brands for advice

Baby Food and Drink Buying Behaviours

85% of parents switch between a small number of brands

Promotions serve to undermine brand loyalty

...and also encourage stockpiling of a favourite brand

Figure 28: Baby food and drink buying behaviours, December 2017

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Companies must find means to appeal other than price
 Focus on provenance would help to build trust and quality associations
 Charity pledges appeal to many
 Widespread label scrutiny gives opportunities to clean-label products
 Details on fruit/vegetable content are an enticement for many

Attitudes towards Baby Food and Drink

Income squeeze threatens category growth
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See-through pouches can help to build trust
 Only a minority have negative views about own-label food
 Endorsements from parenting groups would help to boost sales of own-label

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