

# Infant Milk Formula - China - April 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Faced with upcoming tougher regulations and increasingly intense market competition, companies and brands need to find new approaches to communicate with consumers as well as drive sales.”

– Yujing Li, Senior Research Analyst

## This report looks at the following areas:

- Have IMF products been over-marketed in China?
- How to promote organic IMF products to Chinese consumers?
- “Mimic breast milk” is a future trend for IMF products

The IMF (Infant Milk Formula) industry in China is going through changes. The upcoming tougher regulations will pose challenges for both international and domestic brands. Companies and brands need to find new approaches to communicate with consumers as well as sell products.

This Report provides analysis on the behaviour of current IMF product consumers. It goes into detail to understand which factors will drive consumers to purchase one product over another and what reasons will push consumers to switch products. In the meantime, Chinese mums’ awareness towards IMF product ingredients and their functions are also investigated in this Report.

BUY THIS  
REPORT NOW

VISIT:  
[store.mintel.com](http://store.mintel.com)

CALL:  
EMEA  
+44 (0) 20 7606 4533

Brazil  
0800 095 9094

Americas  
+1 (312) 943 5250

China  
+86 (21) 6032 7300

APAC  
+61 (0) 2 8284 8100

EMAIL:  
[reports@mintel.com](mailto:reports@mintel.com)

## DID YOU KNOW?

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

# Infant Milk Formula - China - April 2016

**Report Price:** £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### Overview

What you need to know

Products/ themes covered in this Report

### Executive Summary

#### The Market

Figure 1: Total China retail volume sales of infant milk formula, 2010-20

Figure 2: Total China retail value sales of infant milk formula, 2010-20

#### Companies and Brands

Figure 3: Value share of leading companies in infant milk formula market, 2013-15

#### The Consumer

Mums show stronger preference for international brands

Figure 4: Purchased brands, January 2016

34% of mums only buy one IMF brand

Figure 5: Repertoire analysis of purchased brands, January 2016

Mums like IMF products which are easier to absorb and similar to breast milk

Figure 6: Product preference, January 2016

Quality-related reasons are top drivers for product switch behaviour

Figure 7: Product switch, January 2016

Significant differences exist regarding ingredient awareness

Figure 8: Ingredient awareness, January 2016

More education is needed for Chinese mums

Figure 9: Ingredient function, January 2016

Health benefits and nutritional values are perceived as most attractive advantages of organic IMF products

Figure 10: Advantage of organic infant milk formula, January 2016

What we think

### Issues and Insights

Have IMF products been over-marketed in China?

The facts

The implications

Figure 11: Selected product claims in the China IMF product launch, 2012-15

How to promote organic IMF products to Chinese consumers?

The facts

The implications

Figure 12: Organic infant milk formula launched by Plum, US, 2016

Figure 13: Organic infant milk formula launched by Modilac Bio, France, 2015

"Mimic breast milk" is a future trend for IMF products

The facts

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

# Infant Milk Formula - China - April 2016

**Report Price:** £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## The Implications

Figure 14: Baby personal care product and infant milk formula which use "Ingredients found in breast milk" as selling point, Thailand and US, 2013-16

Figure 15: IMF product which emphasises OPO's benefits on its packaging, China, 2015

## The Market – What You Need to Know

The value growth rate of IMF market keeps slowing down

The pending regulations may reshuffle the IMF industry

## Market Size and Forecast

Market growth rate keeps slowing down

Figure 16: Total China retail market value of infant milk formula, 2010-15

Flat growth rate in the next five years

Figure 17: Total China retail volume sales of infant milk formula, 2010-20

Figure 18: Total China retail value sales of infant milk formula, 2010-20

## Market Factors

The relaxation of the one-child policy and urbanisation save IMF market

Online retailing offers more choices for mums living in low tier cities

Negative news of IMF products destroys consumers' confidence

New import tax sets barrier for imported IMF products

The upcoming regulations will reshuffle the IMF industry

## Key Players – What You Need to Know

International companies still lead the market

More players enter super-premium segment

OPO ingredient is ready to take off

## Market Share

International companies still lead the market

Figure 19: Value share of leading companies in infant milk formula market, 2013-15

## Competitive Strategies

Danone stops selling IMF products under Karicare brand in China

More players tap into super-premium segment

Figure 20: Super-premium product introduced by Yashili and Arla, 2016

## Who's Innovating?

OPO ingredient is rising

Figure 21: Newly launched infant milk formula with the OPO ingredient, China, 2011-15

Nestlé promotes its BabyNes machine in China

New technologies may bring a revolution for IMF industry

## The Consumer – What You Need to Know

34% of mums only buy one IMF brand

Mums like IMF products which are easier to absorb and similar to breast milk

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

# Infant Milk Formula - China - April 2016

**Report Price:** £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Quality-related reasons are key drivers for consumers' product switch behaviour

Consumers have limited knowledge about IMF ingredients

Health benefits and nutritional values are perceived as most attractive factors of organic IMF products

## Purchased Brands

International brands tend to attract more consumers

Figure 22: Purchased brands, January 2016

A third of mums only buy one IMF brand

Figure 23: Repertoire analysis of purchased brands, January 2016

Mums with higher income and education background are more likely to purchase different brands

## Product Preference

Mums show strong preference for products which are easier to absorb and similar to breast milk

Figure 24: Product preference, January 2016

International certifications win more trust

Appealing product features for high earners

Figure 25: Product preference, by household income, January 2016

## Product Switch

Quality-related reasons are top drivers for product switch behaviour

Figure 26: Product switch, January 2016

Word of mouth matters

Multi-brand users are most likely to be influenced by word of mouth

Figure 27: Product switch, by repertoire of purchased brands, January 2016

Price has limited influence for consumers' product switch behaviour

Leverage free tasting to enter growing up milk segment

Figure 28: Product switch, by age of youngest baby, January 2016

## Ingredient Awareness

Significant differences exist regarding ingredient knowledge

Figure 29: Ingredient awareness, January 2016

Older mums have better knowledge about ingredients

Figure 30: Mums who have not heard of selected ingredients, by age, January 2016

Mums' knowledge changes with babies' age

Figure 31: Mums who have heard of selected ingredients and know about their functions, by age of youngest baby, January 2016

## Ingredient Function

Chinese mums need more education about ingredient benefits

Figure 32: Ingredient function, January 2016

Figure 33: Newly launched infant milk formula with selected ingredients, China, 2011-15

Highlight ingredient benefits depending on mum's actual needs

Figure 34: Ingredient function, by age of youngest baby, January 2016

**BUY THIS  
REPORT NOW**

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)

# Infant Milk Formula - China - April 2016

Report Price: £2463.80 | \$3990.00 | €3129.79

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Advantage of Organic Infant Milk Formula

Health benefits and nutritional values are perceived as the most attractive product advantages

Figure 35: Advantage of organic infant milk formula, January 2016

Organic claim gives safety assurance

High earners believe that organic products are more premium

## Appendix – Market Size and Forecast

Figure 36: Retail value sales of infant milk formula, 2010-20

Figure 37: Retail volume sales of infant milk formula, 2010-20

## Appendix – Methodology and Definitions

Methodology

Fan chart forecast

Abbreviations

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: [reports@mintel.com](mailto:reports@mintel.com)