

Baby Food and Drink - UK - March 2018

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

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



“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

**BUY THIS
REPORT NOW**

VISIT:
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

DID YOU KNOW?

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

Baby Food and Drink - UK - March 2018

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

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 covered in this Report

Executive Summary

The market
Inflation accelerates in 2017
Further decline for volume sales in 2017
Inflation and weak volume sales expected for 2018-22
Figure 1: UK retail value sales of baby food, drink and milk, 2012-22
Baby milk volume sales fall in 2017 for the second year running
Income squeeze threatens category growth
Societal changes impact baby food and drink
Companies and brands
Ella's Kitchen remains in growth in declining baby food market
Own label gains ground
Figure 2: Leading brands' shares in the UK wet and dry baby food market, by value, 2016/17*
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
The consumer
Most parents use both homemade and manufactured products
Figure 3: Usage of baby food and drink, by type, December 2017
In-store grouping by meal occasion is wanted by many parents
Sugar concerns affect the category
Figure 4: Behaviours relating to feeding babies/toddlers, December 2017
Parents have high trust in the medical profession, but little in brands
Figure 5: Trusted sources of advice on feeding babies and toddlers, December 2017
85% of parents switch between a small number of brands
Details on ingredient provenance appeal to many
Figure 6: Baby food and drink buying behaviours, December 2017
Few see own-label food as of lesser quality
Figure 7: Attitudes towards baby food and drink, December 2017
What we think

Issues and Insights

BUY THIS
REPORT NOW

VISIT: 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

Baby Food and Drink - UK - March 2018

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

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

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

Market Size and Forecast

Inflation rises sharply in 2017

Further decline in volume sales in 2017

Rising prices and decreased promotional activity help to curb sales

Societal changes act as further hindrance

Lower inflation expected for 2018-22

Income squeeze leaves category exposed

Ageing population to diminish volume sales 2018-22

Figure 8: UK retail sales of baby food, drink and milk, by value and volume, 2012-22

Figure 9: UK retail value sales of baby food, drink and milk, 2012-22

Forecast methodology

Market Segmentation

Further volume sales decline for baby milk in 2017

Figure 10: Retail value and volume sales of baby food, drink and milk, by segment, 2015-17

Weakness of wet baby food overshadows growth in dry

Consumer health concerns and lack of innovation hit baby drinks

Market Drivers

Decline in live births hits baby food and drink volume sales

Government immigration policies pivotal to volume sales growth

Figure 11: Live births in England and Wales, 2012-16

Various demographic factors influence volume sales

Falling fertility rates could have divergent effects

BUY THIS
REPORT NOW

VISIT: 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

Baby Food and Drink - UK - March 2018

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

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

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

Figure 12: Annual percentage change in CPI and AWE (regular pay), by month, 2014-17

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

Market Share

Ella's Kitchen holds its own in declining baby food market

Figure 13: Leading brands' sales and shares in the UK wet and dry baby food market, by value and volume, 2014/15-2016/17

Figure 14: Leading brand owners' sales and shares in the UK wet and dry baby food market, by value and volume, 2014/15-2016/17

Lack of innovation hinders Hipp

Own label gains ground thanks in part to increased NPD

Organix retains its lead in snacks but volume sales remain flat

Figure 15: Leading brands' sales and shares in the UK baby snacks market, by value and volume, 2014/15-2016/17

Figure 16: Leading brand owners' sales and shares in the UK baby snacks market, by value and volume, 2014/15-2016/17

Strong performances from Kiddylicious and Ella's Kitchen

Danone brands continue to dominate baby milk but lose volume sales

Figure 17: Leading brands' sales and shares in the UK baby milk market, by value and volume, 2014/15-2016/17

Figure 18: Leading brand owners' sales and shares in the UK baby milk market, by value and volume, 2014/15-2016/17

New entrants heat up competition within the category

Growth in free-from market boosts Alpro's baby range

Further decline for baby drinks

Figure 19: Leading brands' sales and shares in the UK baby milk market, by value and volume, 2014/15-2016/17

Launch Activity and Innovation

No additives/preservatives remains the primary health claim

**BUY THIS
REPORT NOW**

VISIT: 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

Baby Food and Drink - UK - March 2018

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

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

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

Annabel Karmel innovates with chilled snack range

Figure 20: New product launches in the UK baby food, drink and milk market, by top twenty claims (sorted by 2017), 2013-17

Rise in L/N/R sugar claims in 2017

Little Dish launches cooking sauces

....and fruity cereal bars

Further growth in vegetable-based snacks

Smaller brands continue to turn to on-trend ingredients

Piccolo adds split-pot baby meals

Further growth in fortified claims

Baby milk and food brands relaunch and redesign in 2017

Brands use packaging redesigns to push health expertise message

For Aisha moves to highlight its health aspects more strongly

Figure 21: New product launches in the UK baby food, drink and milk market, by top ten brands (sorted by 2017), 2013-17

Heinz pushes its natural credentials in revamp of wet baby food range

Discounters remain the principal drivers of own-label NPD in 2017

Lidl rebrands its baby products range

Figure 22: New product launches in the UK baby food, drink and milk market, by branded and private label, 2013-17

Adult brands enter the baby food market, and heat up competition

Savsé claims European first with cold-pressed baby food

Organic brand launches pasta sauce for toddlers

Ella's Kitchen pledges to make its pouches recyclable by 2024

Advertising and Marketing Activity

Advertising spend falls in 2017

Figure 23: Total above-the line, online display and direct mail advertising expenditure on baby food, drink and milk (sorted by 2017), 2013-17

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

**BUY THIS
REPORT NOW**

VISIT: 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

Baby Food and Drink - UK - March 2018

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

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

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

Figure 25: Usage frequency for baby/toddler food and drink, by type, December 2017

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

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

Behaviours relating to Feeding Babies and Toddlers

More detailed in-store grouping is wanted by eight in ten parents

Brands use various methods to promote usage occasions

Figure 26: Behaviours relating to feeding babies/toddlers, December 2017

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

Figure 27: Trusted sources of advice on feeding babies and toddlers, December 2017

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

BUY THIS
REPORT NOW

VISIT: 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

Baby Food and Drink - UK - March 2018

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

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

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
Figure 29: Attitudes towards baby food and drink, December 2017
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

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations
Consumer research methodology

Appendix – Market Size and Forecast

Figure 30: Forecast of UK sales of baby food and drink, by value, best- and worst-case, 2017-22
Figure 31: Forecast of UK sales of baby food and drink, by volume, best- and worst-case, 2017-22
Figure 32: UK retail volume sales of baby food and drink, 2012-22

Forecast methodology

Appendix – Market Drivers

Figure 33: Live births to non-UK born mothers, by percentage of total births, 2012-16
Figure 34: Total fertility rate in England and Wales, 2012-16
Figure 35: Live births in England and Wales, by age of mother, 2012-16
Figure 36: Mean age of mother at childbirth in England and Wales, 2012-16

BUY THIS
REPORT NOW

VISIT: 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