



Market Report

A Snapshot of your Market Sector

Maternity and Baby Products

This pack has been designed to provide information on setting up a business in the **maternity and baby products** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **March 2021**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the maternity and baby products market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The babies' and children's personal care products, nappies and wipes category continues to see value decline year-on-year, largely due to declining birth rates as well as parents streamlining their routines. The category saw a **4.8% decline in 2019 to reach £657.5 million**, however the COVID-19 outbreak will slow down the decline in 2020 largely due to stockpiling behaviours. Eco-conscious behaviours impacted choice of purchase in 2019, with the **wipes segment in particular seeing a 7% decline in value**. (Mintel, *Babies' and Children's Personal Care Products, Nappies and Wipes: Inc Impact of COVID-19 - UK*, April 2020).
- ◆ The nursery and baby equipment market entered a period of decline in 2018 and is expected to have declined further in 2019, with **sales down by approximately 2.8%, from £916 million to £890 million**. This means that **on average £231 is spent per child aged 0-4 in the UK**, down from £234 in 2018. (Mintel, *Nursery & Baby Equipment Retailing*, UK, February 2020).
- ◆ Some panic buying of baby food during initial stages of lockdown encouraged consumers to switch to private label and move online to place orders. Baby food records **4% current value growth in 2020 to reach £961 million**, and **3% retail volume growth to reach 109,000 tonnes**. **Cow & Gate Nutricia Ltd** retains convincing leadership of baby food in 2020 with a **41% value share**. The decreasing birth rate in the UK is also likely to have a longer-term impact on demand for baby food with the category set to experience a further slowing in retail volume terms towards 2025. (EuroMonitor, *Baby Food in the United Kingdom*, September 2020).
- ◆ The revenue from the global maternity wear market was valued at **\$11.78 billion** in 2014 and was forecast to reach **\$13.01 billion by 2019, growing at a CAGR of 2.01%**. Europe dominated the maternity wear market with 65% share of the global market. Tops dominated the market with a share of 47%. This category included casual wear and business wear tops. (Technavio, *Global Maternity Wear Market, 2015-2019*).
- ◆ The national organisation for this industry is the [Baby Products Association](http://www.b-p-a.org) (www.b-p-a.org). Other relevant trade organisations are [National Childrenswear Association](http://www.ncwa.co.uk) (www.ncwa.co.uk) and the [Absorbent Hygiene Product Manufacturers Association \(AHPMA\)](http://www.ahpma.co.uk) (www.ahpma.co.uk).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel - *Babies' and Children's Personal Care Products, Nappies and Wipes: Inc Impact of COVID-19 - UK (April 2020)***. 64% of parents of 0-4s who buy babies' and children's personal care products purchase products that only use a few ingredients. 42% of parents of 0-4s who buy babies' and children's personal care products prioritise how 'healthy' the formula is (e.g. chemical-free, natural) when buying. 46% of parents who buy nappies and wipes agree that there are not enough natural/organic options. Mass-market brands are facing pressure from both ends of the market now. Own-label brands are offering good quality products for cheaper prices, and on the other end of the spectrum are premium eco-ethical brands tapping into key market trends enabling them to charge higher prices.
- ◆ **Mintel - *Nursery and Baby Equipment Retailing – UK (February 2020)***. Almost all parents (95%) purchased at least some nursery and baby equipment items from new but nearly three in five (57%) purchased some items second-hand. Mintel reports that furniture is the category most likely to be bought second-hand, followed by travel items such as pushchairs. Nearly two thirds (66%) of parents with young children went in-store to buy nursery and baby equipment. However, over three quarters (78%) went online to buy at least one nursery and baby item.
- ◆ **EuroMonitor – *Baby Food in the United Kingdom (September 2020)***. During 2020 there has been a strong performance by more niche brands, or those which offer an organic positioning, as parents place greater trust in products that claim to offer reduced sugar, no preservatives and the finest ingredients. Despite increasing price sensitivity amongst consumers during the lockdown, affluent parents are more likely to be attracted to organic products. Increasing demand for plant-based food has extended from an adult demographic to baby food with leading prepared baby food brand Ella's Kitchen launching new dairy-free pouches using coconut milk in March 2020.
- ◆ **Technavio** publishes reports on various baby products (including **soothers, teethingers, bottles, food, travel bags** etc), equipment (including **strollers, prams, baby carriers, car seats, cribs, monitors, thermometers, walkers** etc) and maternity products (including **bump support, breast pads and apparel**). Let us know if you would like extracts from any of these reports.

There are also a number of online resources you may find helpful:

- ◆ **National Records of Scotland – Births, deaths and other vital events Third quarter 2020** (tinyurl.com/e3fs3p95) - There were **21,309 births registered in 2020 quarter 3**, however, in mid-March registration offices closed due to the COVID-19 pandemic, and registration of births was postponed. Birth registration restarted in late June.
- ◆ **European Child Safety Alliance** (tinyurl.com/we96bk5) have published **Child Product Safety Guide** which details of the safety standards that have been approved by CEN, the European standards organisation.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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