



# Market Report

A Snapshot of your Market Sector

## Maternity and Baby Products

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **May 2023**. 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:

- ◆ Following a temporary uplift in sales in 2020, driven by COVID-19 disruption, the **babies' and children's personal care products, nappies and wipes market declined 0.3% to £687.9 million in 2021**. This decline indicates that while the bulk buying and strict hygiene practises that temporarily bolstered the market are still practised by some parents, they have been abandoned by many. (Mintel, *Babies' and Children's Personal Care Products, Nappies and Wipes - UK, 2022*).
- ◆ Revenue in the Durable Baby Goods Retailing industry is forecast to **decline at a compound annual rate of 0.4% to £789.3 million over the five years through 2027-28**. The average profit margin will remain flat at 2.4%. Tightening household finances have prompted people to turn to the second-hand market and save where they can. (IBISWorld, *Durable Baby Goods Retailing in the UK, March 2023*).
- ◆ Estimated at **£706 million in 2022**, the baby food, milk and drink retail market **declined by 3.2% over 2018-22**. Due to inflation, this was significantly shallower than the **18.7% decline in volume sales** over the period. The cost-of-living crisis will continue to erode category volume sales in 2023 by depressing birth rates and continuing to favour scratch-cooking and longer breastfeeding. (Mintel, *Baby Food and Drink - UK, 2023*).
- ◆ UK was the **4th-largest country in the Global maternity intimate wear market in 2021** and will continue to be the 4th-largest segment in 2026. It will grow at a compounded annual **growth rate of 1.6% between 2021 and 2026**, which is lower than that of the overall market. Among the key countries, **UK will be the slowest growing country and will grow from \$232.21 million in 2021 to \$251.35 million in 2026**. It will contribute 7.52% to the incremental growth of the overall market between 2021 and 2026. (Technavio, *Global Maternity Intimate Wear Market 2022-2026*)
- ◆ Europe contributed **29.11% to the overall Global maternity wear market in 2020** and would decrease its contribution to 28.47% of the global maternity wear market in 2025. Europe would be the fourth-fastest growing region within the overall market and would **grow from \$4,934.15 million in 2020 to \$5,655.23 million in 2025**. The demand for maternity wear is mainly generated from developed countries, such as the UK, Germany, and France, owing to high disposable incomes and a significant number of fashion-conscious people (Technavio, *Global Maternity Wear Market 2021-2025*).
- ◆ The national organisation for this industry is the [Baby Products Association](#). Other relevant trade organisations are [National Childrenswear Association](#) and the [Absorbent Hygiene Product Manufacturers Association \(AHPMA\)](#).

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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](mailto:info@bgateway.com).

- ◆ **Mintel – Baby Food and Drink – UK (2023):** Formula milk made using a mixture of cow's milk and plant-based milk appeals to 60% of baby/toddler food/milk/drinks users/buyers, rising to 67% among formula milk buyers. These blends have strong potential to appeal on ethical grounds as a more environmentally friendly option than conventional cow's milk-based formula milks. Some 71% of people who are interested in dairy/plant-based blends see ethically sourced ingredients as essential or preferred when buying baby/toddler food.
- ◆ **Mintel – Nursery and Baby Equipment Retailing – UK (2023):** There is a high level of purchasing activity for nursery goods, with only 3% of parents saying they did not buy any items. While 95% of parents have bought new products for their kids, 62% have bought items second-hand, up 3 percentage points from 2021/2022. Younger Millennial parents aged 26-32 are the most active second-hand buyers, with 67% of them having bought products second-hand for their kids. While the proportion of Gen X parents (42-57) purchasing drops slightly, it remains high, with over half of them having made second-hand purchases (53%).
- ◆ **Mintel – Babies' and Children's Personal Care Products, Nappies and Wipes – UK (2022):** In line with Mintel Trend, Moral Brands, 37% of parents are interested in seeing innovations in biodegradable nappies/wipes, while 37% are also interested in recyclable packaging.
- ◆ **IBISWorld – Durable Baby Goods Retailing in the UK (December 2021):** The ability to personalise items – be it by product colour, materials used, or even etching names onto products - will help shield retailers from second-hand competition.
- ◆ **Technavio – Global Maternity Personal Care Products Market 2021-2025:** The increasing awareness of the harmful effects of chemicals found in most personal care products for regular use leads to a growing demand for natural and organic maternity personal care products such as facial cleansers and skin moisturizers. This trend is likely to continue in the coming years. Many vendors are launching natural and organic maternity personal care products to cater to the growing demand and gain more market share.

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

- ◆ **National Records of Scotland – Births, Deaths and Other Vital Events Quarterly Figures** ([tinyurl.com/ywutnejb](https://tinyurl.com/ywutnejb)) - There were 11,899 births registered in Scotland between 1 October and 31 December 2022. This is 4.9 per cent lower than the quarter four average of 12,508.
- ◆ **European Child Safety Alliance** ([tinyurl.com/we96bk5](https://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](mailto: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](mailto: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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