BABY FOOD – GERMANY – 2020

Brands need to prove their worth over homemade options with enhanced nutritional benefits. Competition among brands and private labels is keeping prices in check.

Heidi Lanschützer, Deputy Research Director, Germany

MINTEL

Report Content

EXECUTIVE SUMMARY

- Mintel's perspective

Market context

- Germany's birthrate is trending upwards
  - Graph 1: number of live births (000s), 2010-18
- Trust is vital in the baby food category
- Environmental impact of convenience in baby food
- Sugar remains in the spotlight as a health foe
- Sugar remains in the spotlight as a health foe

Mintel predicts

- Intense competition will put pressure on sales
- Value fluctuates due to intense price competition and will see modest rise from 2023

What consumers want, and why

- Consumers want: homemade baby food in top spot
- Consumers want: health-boosting and functional ingredients
- Consumers want: health-boosting and functional ingredients
- Consumers want: no added sugar baby foods
- Consumers want: organic ingredients

Opportunities

- Create excitement with new variants and added health benefits
- Globally inspired flavours of baby food
- Ongoing concerns about sugar illustrate the importance of reformulating
- Limiting the environmental impact of baby food packaging is vital

The competitive landscape

- HiPP and Danone are the market leaders
- HiPP retains strong lead in the baby food market, taking two out of every five Euros
  - Graph 2: company retail market shares of baby food by value and volume, 2019

Marketing mix

- A snapshot of the baby food category in Germany
- Quick download resources

MARKET DRIVERS

- Germany's birthrate is trending upwards
  - Graph 3: number of live births (000s), 2010-18
- Quality issues can weaken consumer trust
- Quality issues can weaken consumer trust
- Environmental impact of convenience
- Environmental impact of convenience
- Mintel Trend: Rethink Plastic
- Sugar remains in the spotlight as a health foe

WHAT CONSUMERS WANT, AND WHY

Usage of baby food and drink

- Homemade food is most popular for babies
  - Graph 4: Types of baby food fed/given to the youngest child
- Homemade food is fed most often
  - Graph 5: frequency of feeding/giving the following types of food/drink to the youngest child, October 2019
- Convenience benefits of manufactured baby food appeal
- Opportunity for products that help parents cook baby food from scratch
- Foods for older children have potential

Factors most important for infant milk and awareness of ingredients in infant formula

- Health boosting and functional ingredients are the most important factor for infant milk
  - Graph 6: Most important factors when buying infant formula, October 2019
- Trendy superfoods or "simple", nutritious ingredients to elevate the health image and/or add benefits
- International inspiration for superfoods and 'simple' nutritious/beneficial ingredients in baby foods
- International inspiration for superfoods and 'simple' nutritious/beneficial ingredients in baby foods
- Infant milk formulas in the low-/medium-priced segment are challenging brands
- Parents would benefit from more information about ingredients' health properties
  - Graph 7: familiarity with certain ingredients in infant formula and knowledge about their function, October 2019
- To benefit from specialised ingredients manufacturers have to inform parents
- Baby food for the best possible development
- Brain food for babies
- International inspiration: brain food for babies

Most important factors when buying baby/toddler food and snacks

- No added sugar is the top factor considered by parents when buying food and snacks

- Graph 8: most important factors when buying baby/toddler food and snacks, October 2019

- Sugar remains in the spotlight
- Sugar remains in the spotlight
- Reformulating is reducing the amount of sugars in baby food
  - Graph 9: average sugar content of baby food (excluding milk), 2015-19
- Add vegetables to reduce the amount of naturally occurring sugars
- Organic certifications have lost their uniqueness
  - Graph 10: baby food launches with organic claim, 2015-19
- Processing techniques for preserving nutrients
- Pressure on brands to prove their worth over private labels

Behaviours related to baby food and drink

- Parents are worried about product quality
  - Graph 11: agreement with selected statements about baby food and drink, October 2019
- Brands can reassure parents about the quality of their foods
- Brands can reassure parents about the quality of their foods
- Interest in fresh/refrigerated and frozen baby/toddler food is high
- Frozen and refrigerated baby food is rather rare in Germany
- Subscription and delivery services for baby food gain some interest

Attitudes towards baby food and drink

- Organic certifications have lost their uniqueness but still increase the value of baby/toddler food
  - Graph 12: attitudes towards baby food and drink, October 2019
- Diverse meal plans for allergy prevention
- International inspiration: introduction of allergens made easy
- German parents can be encouraged to swap dairy milk for plant-based milk
- International inspiration: green protein can help position baby foods as superfoods
- Explore plant-based proteins
- Limit the environmental impact of baby food production
- HiPP plans to only use recyclable packaging by 2025
- TerraCycle and Gerber launch baby food packaging recycling program

LAUNCH ACTIVITY AND INNOVATION

- Share of launch activity for milk vs other baby food stays stable since 2016
  - Graph 13: baby food launches, milk vs other food*, 2015-19
- Fruit products, desserts & yogurts were a key focus of NPD in 2019
  - Graph 14: baby food and milk launches, by type, 2019
- Fruity baby purees launched 2019

- HiPP, dm and Bebivita are behind much of the NPD in baby food
  - Graph 15: leading companies for baby food launches, 2019
- New baby food products from HiPP, dm and Bebivita
- Range expansions need to become more exciting
  - Graph 16: baby food launches by type of launch, 2019
- Interesting ingredients used for range extension
- Big rise in 'minus', 'plus' and 'free from' baby food NPD
  - Graph 17: top 10 claims for baby food launches, 2015 and 2019
- Abundance of organic products makes it vital to stand out
- Abundance of organic products makes it vital to stand out
- Gourmet recipes add value to the organic claim
- Use sweeteners as a way to reduce sugar content
- Use sweeteners as a way to reduce sugar content
- Sweeteners offer a way to reduce sugar content
- Dairy-free milk alternatives to reach a broader target group
- Use of familiar ingredients for functional benefits

Advertising and marketing activity

- Brands need to prove their worth
- "Welcome to the future"
- "Where organic stops, HiPP goes further"

MARKET SHARE

- HiPP and Danone are the two major players in the baby food market
- HiPP retains top position in the baby food market both in value…
- …and volume terms in 2019

MARKET SEGMENTATION, SIZE AND FORECAST

- Value fluctuates due to intense price competition and will see modest rise from 2023
- Value fluctuates due to intense price competition and will see modest rise from 2023
- Intense competition will put pressure on sales
- Baby milk sales decline while other baby food sales see a rise
- Wet baby foods maintain market share lead in terms of value…
- …and volume

APPENDIX

Appendix – products covered, abbreviations and consumer research methodology

- Products covered in this Report
- Consumer research methodology
- Abbreviations

Appendix - market size and forecast

- Forecast methodology
- Forecast methodology – fan chart

Germany: value retail sales of baby food, 2014-24

- Market size and forecast – value

Germany: volume retail sales of baby food, 2014-24

- Market size and forecast – volume

Germany: retail value sales of baby food, best- and worst-case forecast, 2019-24

- Market size and forecast – value – best- and worst-case

Germany: retail volume sales of baby food, best- and worst-case forecast, 2019-24

- Market size and forecast – volume – best- and worst-case

About Mintel Reports: Germany

Access our reports now and get the most accurate, credible and powerful data, insights and analysis. Mintel Reports Germany gives you everything you need to know about what German consumers want and why.

In each report, we're analysing the market, new product innovations and the competitive landscape, as well as consumer behaviours across Germany. Our local analysts, supported by our team of global experts then translate it into what it means for you.

What makes us unique?

- A 360-degree view of German markets
- Experienced analysts based in Germany
- Expert-led support from global category experts

How Mintel Reports Germany will help your business grow:

01

Identify future opportunities by understanding what German consumers want and why

02

Make better decisions faster by keeping informed on what's happening across your market

03

See the trends and innovations impacting Germany both on a local and global level

Disclaimer
This is marketing intelligence published by Mintel. The consumer research exclusively commissioned by Mintel was conducted by a German licensed market survey agent (see Research Methodology Europe for more information).

Terms and Conditions of use
Any use and/or copying of this document is subject to Mintel‘s standard terms and conditions, which are available at http://www.mintel.com/terms

If you have any questions regarding usage of this document please contact your account manager or call your local helpdesk.

Published by Mintel Group Ltd
www.mintel.com
email: store@mintel.com

Help desk

UK	+44 (0)20 7778 7155
US	+1 (312) 932 0600
Australia	+61 (0)2 8284 8100
China	+86 (21) 6386 6609
Germany	+49 211 2409023
India	+91 22 4090 7217
Japan	+81 (3) 6228 6595
Singapore	+65 (0)6 818 9850

MINTEL