SA's baby care sector booming, study finds

South African parents are deeply invested in their families and therefore want the very best for their children - from the food they put in their mouths to the nappies they put on their bottoms - and they're willing to pay for it.

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To understand the resultant trends within baby care categories such as baby food and nappies better, and why consumers choose one brand over another, Nielsen recently polled online respondents in 60 countries, including South Africa, who have made a baby-care purchase in the past five years.

The value of the study is clear, given that Nielsen estimates that nappy sales in South Africa are currently worth R4.1 billion rand, having grown by 11.5% over the past year. Globally, the nappy market is estimated to exceed $29 billion[i] while baby food and formula sales will reach nearly $30 billion in 2015[ii]. In addition to these figures, the Nielsen Baby Care study also reveals important local insights about the path to purchase and identifies the online and offline sources most influential in the process.

Looking at the local results of the survey in the baby food category, value sales grew by 10.8% over the previous year in South Africa, with both the baby formula and the baby cereals categories' sales increasing by double digits. There has also been significant growth locally in food products such as pouches due to their ease and flexibility, convenience and portability, which, in turn, promotes self-feeding and independence.

Sources of information

When it comes to the sources of information used by parents to buy baby food for the first time for their youngest child, 48% of South African respondents said they rely on recommendations from family and friends, followed by parenting magazines (42%) and products on shelf/in store (41%). When the question shifted to factors that influence them; recommendations from family and friends remain key, but the role of baby health experts comes to the fore, with 33% of respondents citing this as a key source of influence.

The most important factor for South African parents when deciding on the brand and type of baby food to purchase is that it's from a trusted brand (46%), while 46% also said it should provide good overall nutrition and 38% said good price/value. Nielsen Africa's Marketing and Communication Director, Ailsa Wingfield, commented: "These findings show that trusted brand names are most important in developing markets where incomes are lower and brands often provide an assurance of quality."

When it comes to switching baby food brands, a huge decision in any parent's life, 37% of South African respondents based it on the recommendation of a health care specialist, 34% on positive feedback on the brand from family and friends and 33% said it was because the brand was less expensive.

In terms of sources of information used by parents when purchasing nappies for the first time; once again recommendations from family and friends are top of the list for South African parents (57%) followed by TV advertising (46%) and products being on shelf/in store. In terms of influencing factors, recommendations from family and friends remains top of the list, but recommendations from a baby health expert comes in third, with 23% of respondents citing this as a source of reference.

Brand switching

When it comes to brand switching within the category despite 38% of local respondents stating they have not switched brands, of the remaining 62% who do claim to have switched brands price and promotion are the most important reasons.

Their top reason for switching nappy brands, is because the brand was less expensive, which indicates that nappies are a less price sensitive purchase than many others. Promotion also has a big role to play, with 39% of respondents citing it as their reason to switch brands, while 35% of respondents indicated it was as a result of lack of stock. "Nappy purchases are a large monetary outlay, so promotion is really important in the nappy category, with parents trading up and shopping around for larger value sizes when packs are on promo and then stock piling to get the best deal," explained Wingfield.

When it comes to product characteristics, 44% of parents said they chose a particular nappy brand because it offered no leakage. This was followed by skin protection/good for sensitive skin (43%) and 34% chose a nappy pack because it was from a trusted brand. "Based on the research, price does not feature the top-four drivers for nappies, where price is usually the number-one reason in most other categories. However, promotion is really important given that 38% buy the brand they want regardless of price, which is a big number. In addition, only 16% think store brands are as good as named brands, which is low compared to other food and home care categories," added Wingfield.

Online shopping

Looking at the effect of online shopping on baby categories, South African consumers are most likely to have bought baby toys (36%) followed by clothes (18%). Sixteen percent said a car seat and 14% a pram. When it comes to in-store purchases in specialist baby stores, baby bottles are the most frequently purchased by South African parents (53%) followed by baby clothes (50%) and nappies at 46%.

Overall, baby care consumers are more likely to purchase baby supplies in a physical store rather than online, but this trend is changing as more consumers are switching to online channels. E-commerce retailers are also able to compete on price and convenience, due to reduced capital investment in physical infrastructure and, in some cases, the elimination of links in the supply chain. It also offers a compelling proposition for busy parents: the convenience of shopping whenever, wherever they desire, often with free delivery to their front door. A true case of what, where and when a consumer wants during one of the most demanding times of their lives.

[i] Based on Nielsen sales data for baby nappies and wipes in 63 countries, which account for an estimated 90% of global value sales.

[ii] Based on Nielsen retail sales data for infant nutrition, infant cereal and infant formula categories in selected countries, which cover an estimated 95% of global baby food and formula sales.