



## Trend Report of the Association of the German Nursery Products Industry (BDKH) for the Cologne trade fair Kind + Jugend 2021

18th August 2021

### Online, Second Hand & Sustainability

**The industry association for prams, child car seats & co. reports on the current situation in the industry, the changes brought about by Covid and which new product features are becoming important.**

The second pandemic year 2021 is marked by hope for an end to the crisis. Many things have improved, most adjustments have been made and some things are already normal. Communication, marketing and sales are predominantly taking place in the virtual realm, trade fairs are offering digital and hybrid formats and consumers are helping online retail to set new records. At the beginning of the year, the children's nursery products industry is pleased about the highest birth rate in Germany in 20 years.

#### **Record Births in March**

While the number of newborns in 2020 was around 5,000 lower than in the previous year – at 773,000 – an announcement by the Federal Statistical Office in spring made people sit up and take notice. From February and March 2021, a small baby boom was observed in Germany and other European countries with plus 6 and 10 percent more births year-on-year. The "cocooning effect" after the first lockdown subsided contrasts with the economic concerns in the countries particularly affected by the pandemic. In Spain, France or Belgium, birth rates therefore tended to decline.

Another trend is the rising average age of women at the birth of their first child - in Germany, mothers are on average 30 years old. The proportion of over-40 mothers is also rising. The higher age of mothers and the growing use of fertility treatments are also seen as causes for the increasing number of multiple births. In Germany in 2019, according to the Federal Statistical Office, as many as one in 27 newborns was a multiple child, mostly a twin. This corresponds to a share of 3.7 percent.

#### **Economic Development in Germany**

While 2020 was a rollercoaster ride economically, also due to the pandemic-related interruption of supply chains, with the strongest slump in the spring quarter since the end of the war, 2021 has been stable so far. Industrial production, which accounts for a quarter of value added in Germany, has remained largely unaffected despite high incidence figures in the first third of the year. According to the economic barometer of the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung), gross domestic product made a strong leap of around two and a half percent from April to June. The continuing recovery is also making itself felt on the labour market, where more and more people are returning from short-time work to regular employment. Nevertheless, the consequences of the pandemic have not yet been overcome. The increasing shortage of raw materials is burdening the industry and the risk of insolvency is rising.

"The supply chains that were permanently affected by the pandemic are in the process of returning to normal," reports BDKH Managing Director Michael Neumann. "What continues to be very difficult for most manufacturers are the container prices from Asia to Europe. The



costs for this have virtually exploded compared to pre-Covid levels. This is driving up the cost of many products significantly and forcing manufacturers to pass that on in their prices."

### **How our Children live**

Not to be lost sight of is the fact that about every fifth child in Germany lives in relative poverty. Around 2.8 million children and young people are at risk of poverty in this country - and thus often also educationally disadvantaged. Unfortunately, this proportion has remained constant at just over 20 percent for years.

Parents' spending on their children in Germany varies accordingly and is strongly dependent on disposable income. According to the recently published study "Konsumausgaben von Familien für Kinder" (Consumer Expenditure of Families on Children) by the Federal Statistical Office, the lowest-income ten percent of the population spend 424 euros a month on an individual child, while the highest-income ten percent spend 1,212 euros, almost three times as much. The figures refer to surveys from 2018. On average, the monthly expenditure for a single child is 763 euros, for two children 1,276 euros and three children 1,770 euros. An only child consumes around 21 per cent of their parents' consumption expenditure. Compared to 2013 (average 660 euros), the expenditure for an only child has thus increased by 16 percent.

### **The Market for Baby and Children's Products**

Hansjürgen Heinick, Senior Consultant at IFH Cologne, describes the various developments in the market for baby and children's products in 2020: "Turnover here fell by around 8 percent. Among the segments, the main contributors to this were clothing, shoes and accessories, including school bags and satchels. And this was especially the case with minis and kids, while the declines in babies were less pronounced." Last year, the product groups around children's mobility - i.e. children's vehicles and children's bicycles - developed particularly positively.

### **Child Car Seats in Lockdown**

Pauline Fleischer, Junior Consultant Market Intelligence at GfK in Nuremberg, reports that in the crisis-ridden first half of 2020, the child car seat category in Germany suffered sharp sales losses of minus 13 percent due to shop closures. In April 2020, when brick-and-mortar baby and toy retailers remained closed, this product category even recorded a decline of 46 percent (in value), as measured by the GfK Panel Market. "Compared to the weak first half of 2020, sales for the first half of 2021 turned out positive with a plus of 15 percent," Fleischer states. The majority of the growth took place in online retail (20 percent). The stationary shops were able to record an increase of 9 percent. While the turnover in the stationary trade resulted predominantly from sales of i-Size seats or child seats for the smallest age groups (0/0+, 0+/1), the seat groups 1/2/3 and 2/3 continued to achieve the largest share of turnover on the Internet.

### **Discovery Gap and Pull Effect**

A discovery gap is now emerging in stationary retail, observes Ulrica Griffiths, owner of the communications agency Griffiths Consulting in Munich-Haar: "Retailers are now demanding a pull effect from their suppliers. This means that if customers do not ask for a brand directly in the shop, it has less chance of being listed at all. In the past, retailers used to present the different brands themselves during the shopping process, but today it is common for customers to ask directly for certain brands. Online, we have known this effect for a long time. This has made it even more important for companies to invest in end consumer communication."



## **Second Hand not only for Fashion**

A change in consumer behaviour as a reaction to the climate change is particularly noticeable in clothing in addition to pandemic-related circumstances - lower demand due to school closures and fewer sporting events - says Hansjürgen Heinick from IFH Cologne. "Second hand is likely to gain more or less significantly in importance in the future and also radiate to other segments, such as prams." The catalysts of the second-hand boom are digitalisation in addition to more conscious consumption, according to one of the findings of the IFH Cologne study "Sustainability in the Amazonised World". With the help of various apps and services, the trade in used clothing is becoming a relevant sales factor.

## **Sustainability - a perennial Issue**

For good reason, the Innovation Awards at the Kind + Jugend trade fair in Cologne will include a "Sustainability" category for the first time this year. Triggered by the Covid pandemic and the increasingly obvious climate crisis, younger consumers in particular are increasingly questioning their purchasing decisions. This is also accompanied by more frequent regional purchasing - both online and offline. "Sustainability is mandatory," Ulrica Griffiths also confirms. "Sustainability is now obligatory if a manufacturer wants to be presentable with retailers, consumers and opinion leaders. As a result, more and more companies that have focused on completely different benefits in their messages and offers are implementing and also communicating sustainability."

## **Expansion of digital Formats**

For BDKH member company LÄSSIG from Babenhausen, sustainable children's outfitting has been on the agenda since its foundation. The Covid-related challenges were also tackled sustainably and as a team. "We have expanded digital formats and the activities around the online shop. We show more of a face behind LÄSSIG, not only want to be perceived as a cool, innovative and sustainable product world and brand, but also to be felt and understood much more with all our thoughts and emotions," tells Claudia Lässig, who shares the management of Lässig GmbH with Stefan Lässig and Karin Heinrich. "We will continue to drive the activities and investments around the online shop, but also in supporting the stationary trade," says Stefan Lässig. They are pleased that Kind + Jugend can take place again this year and that they will be present as an exhibitor in Cologne.

## **Corona as Catalyst**

"The Covid pandemic has reinforced the shift towards online retail and we are trying to support this development as best as possible with our retailers and partners," reports Ergobaby Senior Brand Marketing Manager Robin Homolac. "However, besides the many negative effects, the Covid pandemic has also acted as a catalyst for us to open up new formats." Ergobaby continues to focus on developing new touchpoints and channels, such as new live formats tailored and redeveloped for end customers, B2B customers, but also health professionals in the form of webinars or live sessions. "The increasing need of customers for a sustainable option in their assortment is motivating and we try to support this demand in every way possible. Not only with the development of new, sustainable baby carriers, but also with our just launched Everlove programme: easy buyback, qualified refurbishment, resale including a guarantee promise of one year. No other baby carrier manufacturer in Europe currently offers this green service," Homolac reports.

## **Bathing, Breastfeeding and Feeding**

Products for babies and those that are used close to the skin are tested particularly critically by consumers. Rotho Babydesign's new products include textile accessories for the baby bath in an ecologically sustainable bamboo/cotton quality, as Marketing Director Silvia Emge reports. These include bath ponchos, hooded towels and muslin cloths. The new colours in



the bathroom are also borrowed from nature: the warm Langoustino and the delicate Shale Green. Heidi Schäfer, Vice President of the German Lansinoh Laboratories Inc., has observed that consumers are increasingly choosing the sustainable product variants in the range: washable reusable nursing pads instead of disposable nursing pads or baby bottles made of glass instead of polypropylene.

### **Made from the plastic waste of the ocean**

Even the classic hardware nursery products are now made sustainably. The Peg Perego novelties, the Veloce pram and the Lounge carrycot, are both also available in the 500 design, which is made from a very special yarn: It stems from plastic bottles that previously polluted the oceans as rubbish. Barbara Haussmann, responsible for Marketing & PR at the German sales partner PEG Kinderwagenvertriebs- und Service GmbH in Dachau, reports on the great interest of young parents in sustainable products made in Europe. "Especially against the background of the drastically increased container prices from the Far East, we can consider ourselves lucky as a supplier and manufacturer from Italy."

### **Safety and Comfort on the Road**

When it comes to safety for their little ones, parents make no compromises. "Child car seats are still about maximum safety. Reboarding for as long as possible is an important aspect when buying a child seat," says Barbara Haussmann from PEG. But comfort should not be neglected either, as seen for example in the quick change to the back-friendly recline function of the Primo Viaggio Lounge baby car seat. In the latest Stiftung Warentest child seat test 06/2021, it was rated the best reclining baby car seat with a mark 1.7. Larger children from three and a half to twelve years of age ride safely in the new Graco EverSure i-Size seat. The seat can adapt to the growth spurts of the passengers with a flick of the wrist and with over ten different levels. Here, too, the focus is on comfort with additional features: pull-out cup holders, a particularly soft seat surface and extra padded armrests.

### **Recycled premium Products**

In the new season, the manufacturer Artsana is responding to developments such as housing densification, car-free cities and climate change with space-saving indoor products and innovations for transporting babies in increasingly bicycle-friendly cities. In addition, there are multifunctional products and recycled materials, reports Caroline Meißner, Senior Product Manager DACH. The elegant Black Re\_Lux Capsule Collection made of 100 percent recycled polyester, which is certified according to the Global Recycled Standard, marks the beginning. The elegant black colour, combined with precious golden details, gives the material a luxurious sheen. The chic Capsule Collection is realised in the Chicco Best Friend Pro combi pram, the goody Plus self-closing pram and the OHLalà 3 city buggy and shows that sustainable and trendy are not opposites.

[www.bdkh.eu](http://www.bdkh.eu) and [www.kleineheldenlebensicher.de](http://www.kleineheldenlebensicher.de)



### **Association of the German Nursery Products Industry e. V. (BDKH)**

The BDKH is the mouthpiece of German-speaking manufacturers of nursery products that are produced in a socially responsible manner and according to the highest quality standards. As a member of the umbrella organisation ENPC (European Nursery Products Confederation), the association actively promotes the quality and safety of nursery products at European level. The member companies cover the entire range of high-quality hard goods: Prams, Car Seats, High Chairs, Furniture, Textile Equipment, Changing Bags, Breastfeeding, Hygiene & Bathing Products, Food & Drink, Baby Toys, Sleeping Environments, Outdoor & Travel, Bicycle Accessories, Baby Carriers, Baby Monitors. BDKH members comprise the big names of this industry such as Britax Römer, Alvi, LÄSSIG, Rotho Babydesign, tfk Trends for Kids, Chicco, Recaro, Moon, Dorel (Maxi-Cosi, Quinny), Peg Perego, Ergobaby, Joie, Nuna, Lansinoh or start-ups like Solwi. The end consumer initiative of the BDKH "Little Heroes Living Safely" contributes to accident prevention and the safe upbringing of our children with information campaigns.

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