



Business of Baby 2019

Understanding modern parents, gift givers, and the winning strategy for baby products.

For baby products, the journey from the registry to the gift bag can be complicated, competitive, and often surprising. Expecting parents constantly add and delete items from their registries. They consult new sources of information. They consider both practical and emotional factors. Gift givers bring entirely different criteria to the equation, influenced by everything from family relationships to budget to baby shower etiquette.

Babylist has the inside view of the \$30 billion baby products industry. We see how and when registrants select over 2 million baby products, as well as the purchasing patterns of more than 300,000 gift givers. By distilling this data—and surveying thousands of registrants and gifters—Babylist has uncovered key trends for everyone in the business of baby.

Classic Celebrations

Baby showers are still a big deal

Baby showers are a major social event for millennials, second only to their weddings. The majority have more than one shower ahead of baby's arrival date, reflecting their multifaceted lives and the desire of family members, friends, and co-workers to mark this important life transition.

Most of these celebrations are large affairs, with 26 to 50 attendees at the majority of showers. The guest list often extends beyond the parents' immediate social circles to include long-distance family members and friends from back home. While these guests don't always attend the shower, many still send gifts from the registry.

Though modern parents conduct much of their lives online, 64% of Babylist registrants report sending out traditional paper invites for their baby showers. Gift-giving remains the focus of the event, and **87% of all invitations mention the registry.**

BABY SHOWERS BY THE NUMBERS



72%

of registrants have more than one shower



64%

of registrants send paper invites



87%

mention their registry in the invitation



26–50

attendees is the most common party size



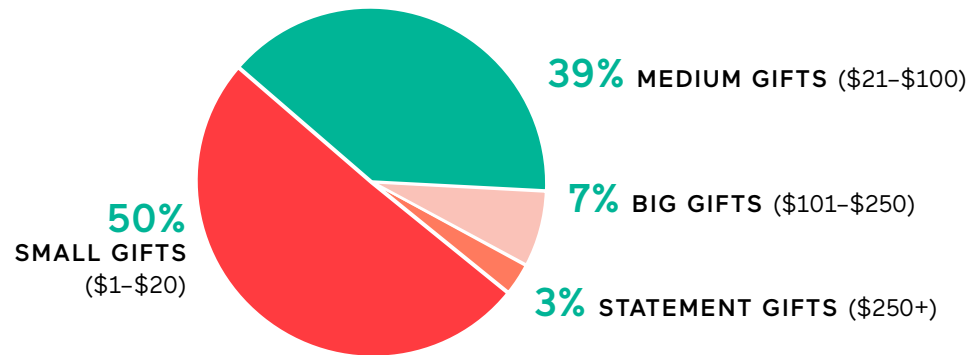
THE RISE OF “THE SPRINKLE”

Creating a registry for a second or third baby was once considered bad form. Today that etiquette is falling away. Second baby showers—known as “sprinkles”—are on the rise: 27% of Babylist registrants already have children and Pinterest recently reported an **180% increase in saves for “sprinkle baby shower.”**

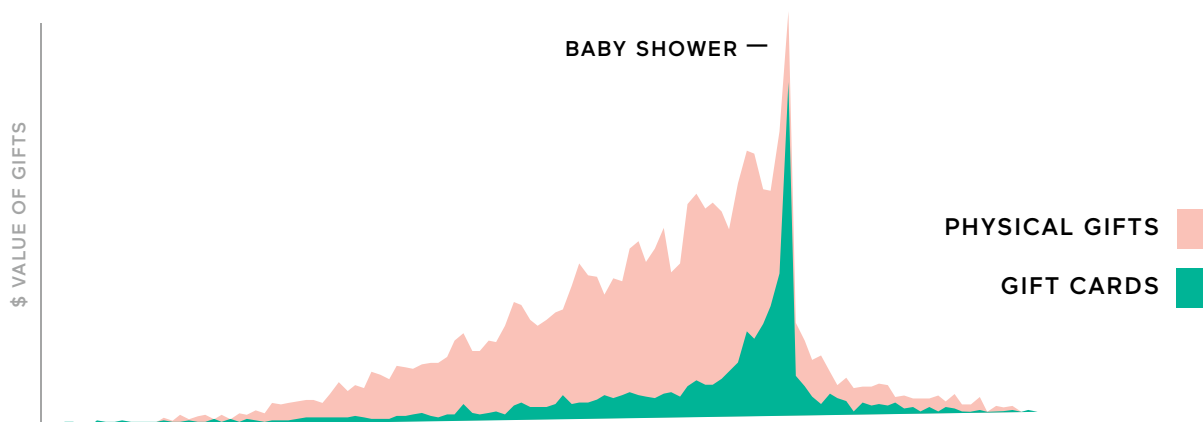
Baby showers drive purchasing patterns

As parents build their registries, baby shower etiquette influences their product selections. Many Babylist registrants report wanting to make gift-giving easy for shower guests, and in deference to guests' budgets will often select a number of inexpensive items. Case-in-point: Despite the purchasing power of modern parents, **half of all items on the average registry cost \$20 or less.**

REGISTRY ITEMS BY PRICE CATEGORY



Baby showers also drive the gift-buying timeline, with 90% of gifts purchased before the shower, compared to 10% purchased after. That said, many guests wait until the last minute to buy a present: **18% of all gifts are bought the week of the baby shower.** This pattern of procrastination is especially true when it comes to gift cards, which see a sudden peak in sales just before the shower.



INSIGHTS

Showers drive the timeline for purchasing gifts. The majority of gifts are bought the month leading up to the shower—a key consideration for timing marketing efforts. While early engagement is essential, opportunities for courting gift givers also extend after the event.

Gift cards are the go-to option for last-minute gifters. The dramatic purchasing spike that occurs the week of the baby shower provides retailers with a clear timeframe for targeting consumers.

Second-time parents present an additional opportunity for brands, particularly in the consumables space. Big-ticket durables such as cribs and strollers are a harder sell, and brands must convince veteran parents that new features and innovations are worth the additional investment.

Nursery Newcomers

First-time parents are overwhelmed and hungry for guidance

Nearly three-quarters of Babylist registry owners are first-time parents setting off into uncharted waters. As they prep their nurseries and build their registries, these newcomers are often engaging with **completely unfamiliar baby products**. Confronted with a sea of wipe warmers, swaddle wraps, and nursing pillows, many struggle to determine which items they'll actually use and love.

73% of
registry owners
are first-time parents

How do expecting parents feel about this process? While 39% say they're excited to create a baby registry, **43% feel overwhelmed by the number of decisions they face**. They're actively seeking information and inspiration to guide their choices—whether that's shopping guides, trial products, or first-person recommendations.

HOW BABYLIST PARENTS BUILD THEIR REGISTRIES



70%
sample products via
the free Babylist
Hello Baby Box



49%
visit a brick-and-mortar
store to view and test
products



27%
invite their partner to
help select items



10%
use the Babylist
checklist feature

INSIGHTS

Overwhelmed parents need support and guidance in selecting baby products. Brands can meet this demand—and win the sale—with product information that's simple, reassuring, and actionable.

First-time parents may not fully understand the problem a baby product solves. To win these consumers, brands must clearly communicate the value of key product features and innovations.

Lacking brand exposure, first-time parents are a highly receptive audience. Emerging brands that capture their attention have a unique opportunity to gain market share. For established brands, the challenge lies in continually winning over the latest wave of customers.

Choice vs. Price

Baby registries reveal what modern parents prioritize

Modern parents are accustomed to curating their lives to reflect their personal tastes and values. This curation mindset extends to their baby registries and is a key reason why they choose to use a universal registry like Babylist. When asked what attracted them to Babylist, **34% of registrants cited the ability to add items not found at major retailers.** Case in point: Etsy is among the top 10 retailers added to Babylist registries.

With choice and selection as their primary priorities, **millennial parents show little allegiance to specific retailers.** In the same way

Parents add from
13
stores on average

that few people exclusively shop at a single store for daily purchases, expecting parents visit multiple online retailers as they build their registries. On average, registry owners add from 13 different stores.

Brand affinity is also low for expectant parents, who often lack exposure to baby brands prior to building their registries. As they explore potential products on Babylist, **they're not thinking in terms of brand.** Registrants search for generic categories twice as often as they search for specific brands.

While most parents mix and match brands across product categories, those brands that can capture a registry owner's attention early on have a high chance of staying on the list. Of the top 10 brands first added to Babylist registries, seven remain in the final 10 added.

BRAND A



16%

AFFINITY

BRAND B



69%

AFFINITY

THE TRAVEL SYSTEM MYTH

In the baby world, much has been made of the ability to snap a car seat into a stroller to form a single interlocking “travel system.” Despite this convenience, **brand affinity between car seat and stroller isn't a slam dunk.**

In 2018, Babylist observed that Brand A—one of the top infant car seat brands—had less than a 16% chance of its strollers also being on the registry. By contrast, Brand B—a more expensive brand—had a greater than 69% chance of winning both the stroller and car seat categories.

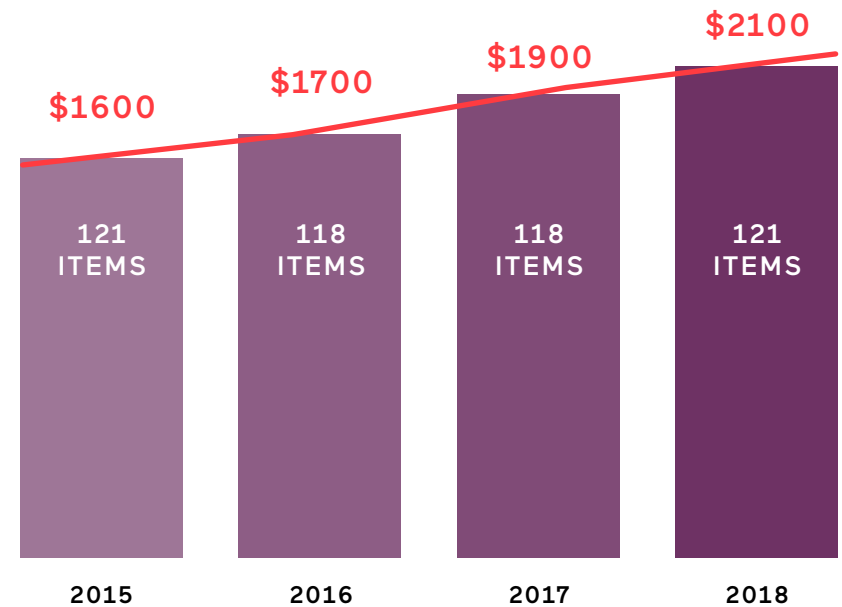
For modern consumers, convenience wins out over cost

When it comes to building a baby registry, **modern parents aren't particularly price sensitive**. If a higher-priced product can solve their problems or make their lives more convenient, Babylist registrants are more than willing to add it to their wish list.

From 2015 to 2018,
average item price
increased by
24%

One result of this mindset? A steady increase in average Babylist registry value. Given that the number of registry items remained steady, this jump translates to a **24% increase in the average item price**.

ANNUAL INCREASES IN REGISTRY VALUE



THINKING OUTSIDE THE GIFTBOX

Baby registries often reflect the values of millennial parents, whether that means a commitment to sustainability or an emphasis on community. Of Babylist users, **15% put nontraditional requests or favors on their lists**. The top three unconventional requests:

- Home-cooked meals
- Preloved baby clothes
- Preloved baby books

Parents have mixed reactions to new features

Do innovation and new features automatically translate to higher prices? Not necessarily. In many categories, prices have remained flat despite the release of new products. At the same time, we've observed **significant price increases** in certain categories year over year. Between 2017 and 2018, the largest of these gains occurred in strollers, monitors, and bottles.

THREE RISING CATEGORIES, 2017 TO 2018



BOTTLES INCREASED 11%

In 2010, the FDA banned the use of BPA in plastic baby bottles, but parents remained concerned about the possible risks of plastic exposure. As bottle manufacturers have introduced alternatives such as silicone and glass, parents are willing to pay more for these expensive materials.



MONITORS INCREASED 9%

As nurseries enter the digital age, baby monitors have expanded from simple audio and video into wearable smart devices that track breathing and other vitals. Parents are also willing to pay more for advanced features such as remote pan/tilt/zoom and two-way talk.



STROLLERS INCREASED 8%

Strollers are no longer just a way to wheel baby around—they're daily command centers for on-the-go parents. This makes life-enhancing new features and conveniences—lighter frames, adjustable handlebars, non-toxic fabrics, one-handed folding—worth every penny to parents.

INSIGHTS

Registrants are retailer and brand agnostic. Brands seeking to be a one-stop solution for the modern parent's needs must communicate their value proposition beyond single products.

Success in one category doesn't necessarily translate to success in another. Even travel system affinity isn't a given: Some brands have convinced parents that their features merit cross-brand loyalty; other brands still have work to do.

Modern registries include bespoke products, values-based gifts, and nonmaterial requests. Brands that tap into this nontraditional ecosystem can better engage consumers.

When it comes to price, new products and innovation have a mixed impact. Features that solve critical problems or deliver convenience and safety are most likely to produce gains.

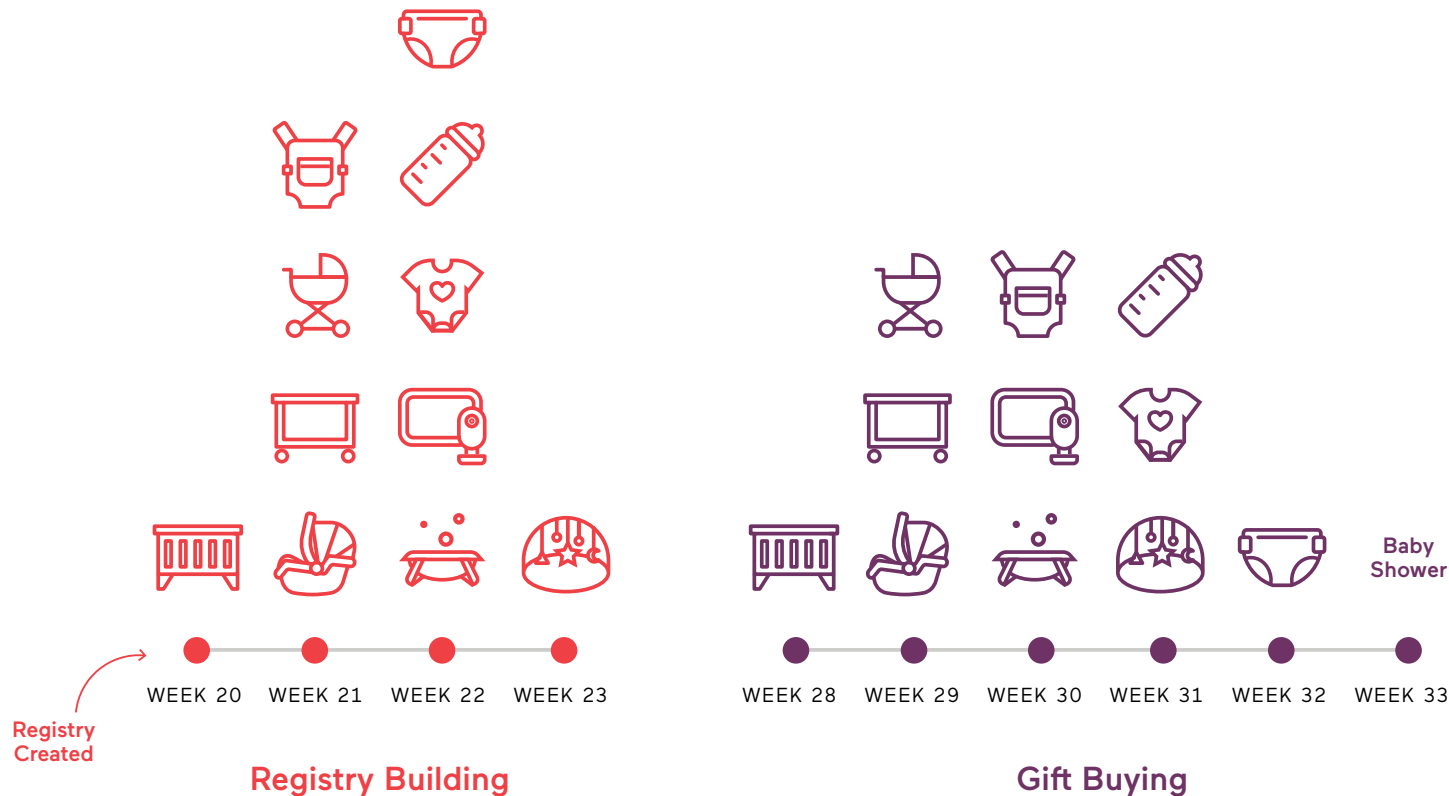
Building the Registry

Parents invest multiple days into curating their lists

Most baby registries are created in the second trimester of pregnancy, at week 20 on average. At this point, only 11% of registrants have already done their product research and say they feel “prepared.” For the rest, registry building entails an extended process of product discovery and decision making. On average, Babylist users spend a total of **40 hours building and tweaking their registries**.

This selection process starts immediately: Of an average 121 products selected by registrants, 14% are added the first day and 36% have been added by day 10. Cribs, car seats, strollers, and other “must-have” gear are often the earliest products to earn spots on the registry. They’re also among the first items purchased.

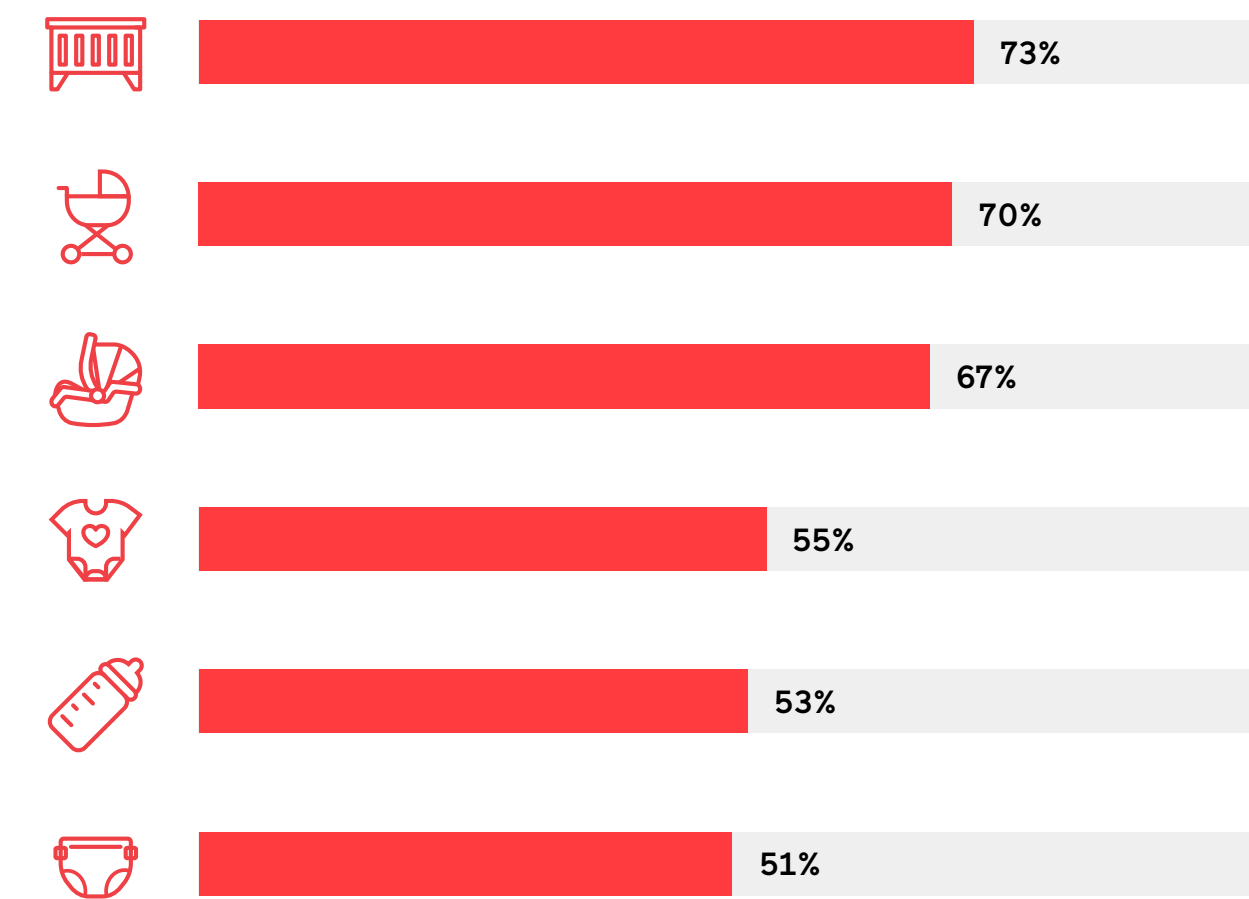
ADD AND PURCHASE DATES BY PRODUCT CATEGORY



Parents eliminate more than half the items they add

Just because a product makes it onto a registry doesn't mean it stays there. On average, **registry owners delete 52% of all items** between registry sign-up and baby's arrival date. Deletion rates vary significantly across product categories. They're highest for expensive, "high consideration" items such as strollers and cribs, which parents typically narrow down from a few favorites to a single winner.

DELETION RATES BY PRODUCT CATEGORY



INSIGHTS

Registrants start adding items right away, selecting over a quarter of products in the first week alone. Brands that gain top-of-mind awareness early on will increase their chances of being included in the consideration funnel.

Registrants are constantly considering new products and deleting unwanted items. To stay in the mix, brands must continue to convey their value and relevance against competitors.

Dates for adding and purchasing items vary widely across categories. Once brands understand where their products land on the timeline, they can direct marketing efforts toward key decision points.

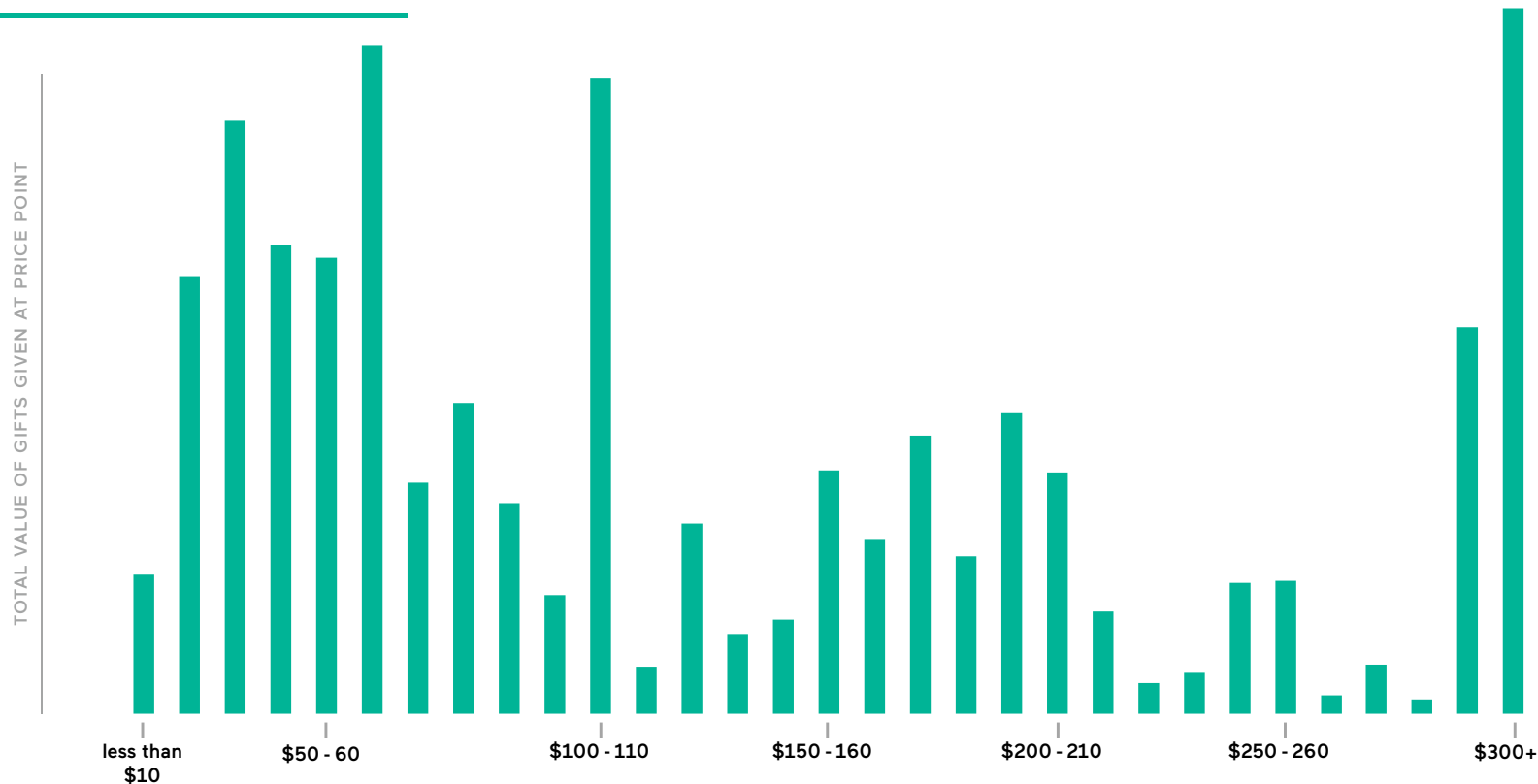
The Perfect Present

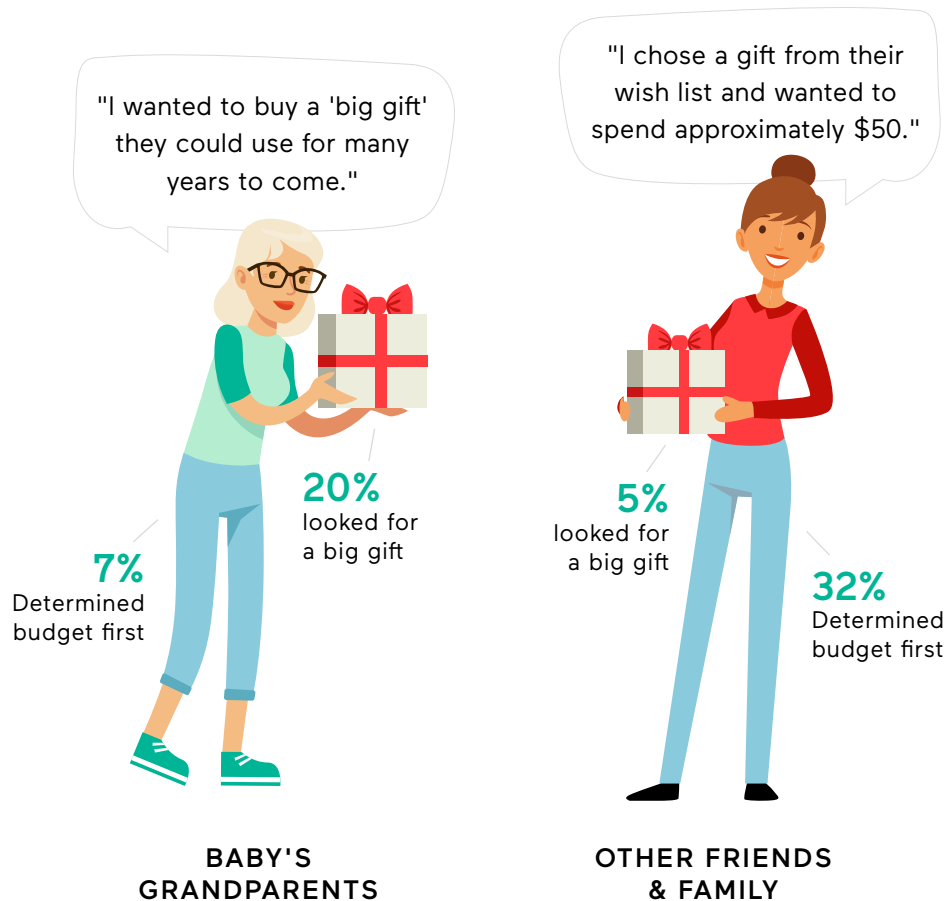
Gift givers have their own criteria and goals

While expecting parents may build the baby registry, **gift givers decide which items actually make it to the gift table**. Understanding who these consumers are, how they make product decisions, and how they purchase and present gifts is crucial information for vendors and retailers seeking to win the final sale.

At the end of the day, how much do gift givers actually spend? **The value of the average baby gift is \$130**. In looking at price categories, we've also observed spending spikes around "sweet spot" amounts such as \$100, \$150, and \$200, with a significant spike for gifts over \$300.

GIFTS GIVEN BY PRICE POINT





Gift givers' priorities often reflect their relationship to baby

When selecting a baby present, **most gift givers focus on practicality over sentimentality**. Of surveyed gifters, 44% wanted to give something they believed was “important for new parents to have,” compared to 14% who sought out items that felt “personal and thoughtful.”

Budget considerations are also a factor, with more than a quarter of gift givers—28%—setting a budget before starting to shop, then looking for items that add up. By contrast, 8% of gift givers aren't thinking about their wallets: Their primary goal is to buy a “big gift.”

These priorities often reflect the gift givers' relationship to the expecting parents. Grandparents are most likely to splurge on big-ticket items for their future grandchildren, while other family members and friends tend to be more price conscious.



WHO BUYS BABY GIFTS

The overwhelming majority of gift givers are women and they tend to skew older than the registry owners. The registrant's own **friends and co-workers edge out family 53% to 48%**—reflecting the importance of social and work circles in the lives of today's more established parents.

95% of Babylist gifters are women.

The outlier? Performance gifters

While the average amount spent on baby presents is \$130, nearly **one in 10 gift givers say they actively seek out statement gifts of \$250 or more**. These “performance gifters” tend to buy big-ticket items off the registry early on: The first gift purchased off the registry costs 83% more than the second gift.



Who is buying the pricey strollers and cutting-edge monitors? Often it's baby's grandparents looking to show their support and excitement over their newest family member. As one grandparent-to-be explained, “We wanted to buy the crib for my first grandchild!”

Gift givers shop on their own terms

Gifters see the registry as a guide—not the gospel. A quarter of those who bought something from the registry also added off-registry items to their gift. Bundling items together to meet their budget or create a cute package is also fairly common, with 47% of gift givers buying multiple products compared to 53% purchasing stand-alone gifts.

Gift givers show a **strong preference for specific retailers**. When prices were equal, 59% of gifters said their decision to buy a product was “somewhat” or “very much” influenced by which store listed the item. Shipping, return policies, and quality were often mentioned as key factors.

Once they have purchased items, **most gift givers prefer to deliver these presents in person**. Of those who purchased their gifts online, 56% shipped the items to themselves and then brought them to the baby shower, versus the 44% who shipped items directly to the registry owner.

INSIGHTS

Purchasing behavior reflects the gift giver's relationship to baby. By understanding whether their products appeal to an excited grandmother or a budget-conscious co-worker, brands can better tailor messaging toward likely buyers.

Almost half of gifts are a curated combo of two or more products.

Brands that can fill this curation gap with ready-to-gift sets have an opportunity to win the full sale.

Gift givers want to give something useful. Brands that emphasize the practical value their products bring to new parents' lives are more likely to entice consumers.

Methodology

This report is primarily based on data from more than **72,000 registries** created on Babylist between January and June 2018. The Babylist research team has also analyzed more than **300,000 gifts given** off Babylist registries during the January to June 2018 period. All percentages from these sources have been rounded to the nearest whole number.

To provide the most comprehensive view of consumer behavior, Babylist has also included findings from three qualitative user surveys. The ongoing **Exit Survey** is sent to all Babylist registrants two weeks after their due date, and it was completed by more than 3,500 registrants between January and June 2018. A custom **Gift Giver Survey** was emailed to those who had given a gift from a Babylist registry in 2017, and was completed by more than 4,500 gift givers in November and December 2017. A custom **User Survey** was emailed to those who had signed up for a Babylist registry in 2017, and was completed by more than 2,300 registrants in November and December 2017.

Additional sources: Baby industry market size was drawn from the Tab Analytics 2018 Baby Products Study. The number of Pinterest “sprinkle baby shower” saves was reported in the 2018 Pinterest 100.

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ABOUT BABYLIST

Babylist is rapidly transforming the baby landscape and has become the go-to solution for modern parents. Babylist offers a universal baby registry with the benefits of both a specialty retailer and an everything-store marketplace, along with expert editorial guides and content. In 2018, over 1.8 million people gave more than \$200 million in gifts on the Babylist platform.



12 million

MONTHLY
PAGEVIEWS



1.2 million

ACTIVE EMAIL
SUBSCRIBERS



500,000+

ACTIVE SOCIAL
COMMUNITY
MEMBERS