

Baby Food Category Feasibility & Optimization

An anonymised, data-led assessment of category, asset, and inventory performance



Where Innovation Meets Growth

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Preface



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Introduction



The global baby food market is growing steadily, increasing from USD 78.31 billion in 2024 to USD 82.43 billion in 2025, at a CAGR of approximately 5.3% [1]. Reflecting this trend, the UAE baby food market is expected to grow faster, expanding from USD 3.20 billion in 2024 to USD 5.38 billion by 2033, at a CAGR of 5.99% [2].

Common drivers of this growth, observed across global and regional markets including the UAE, include the rising participation of women in the workforce, evolving urban lifestyles, and increasing nutritional awareness among parents seeking to meet the dietary and developmental needs of their children [1][3][4].

As the baby food market expands, sustaining a reliable supply and effective supplier partnerships becomes increasingly important. This presentation evaluates supplier performance and category structure and offers pragmatic recommendations to strengthen operational, inventory, and supplier management practices.

Dataset Summary

1.

Original dataset, **which contained 3,176 records across 49 fields**, sourced from a retailer/distributor in the GCC region, has been split into 2 sub-datasets.



2.

Dataset A contains 3162 values across 38 fields
Dataset B contains 968 values across 35 fields

- 18 fields removed and 4 new fields added to support meaningful business analysis

3.

The dataset(s) are primarily numerical, enabling performance-driven evaluation.

The analysis uses two complementary datasets: one to establish overall market patterns and category behaviour, and a second to evaluate top-performing sub-families using consistent, high-quality data. This is because data completeness and integrity were consistently violated during data cleaning, due to a bug in the upstream collection process. **Hence, clear distinctions will be made throughout the analysis to ensure no confusion between overall market patterns and sub-family performance.**

Data Field Definitions

The dataset includes several retail-specific fields; the following definitions are provided to ensure clarity and consistency for all audiences.



1. **Rebate:** A payment from a supplier to a retailer after sales or performance targets are met.
2. **Gross Sales:** A commercial adjustment reflecting supplier support or contractual sales terms.
3. **Product Group Name (PG Name):** A grouping of products based on brand, contract, or commercial agreement.
4. **Sub-Family:** A product category that groups items by usage or stage in the baby feeding lifecycle.
5. **Asset Name:** A label describing a product's in-store role or lifecycle status (e.g., Basic, Organic, End-of-Life).
6. **Purchase:** The quantity or value of products bought by the retailer from suppliers.
7. **Quantity Sold (Qty Sold):** The number of units actually sold to customers.

Dataset A:- KPI Insights and Implications



1. Top 10 Supplier Metrics

- Quantity Sold
- E-commerce Sales
- Profitability
- Sales

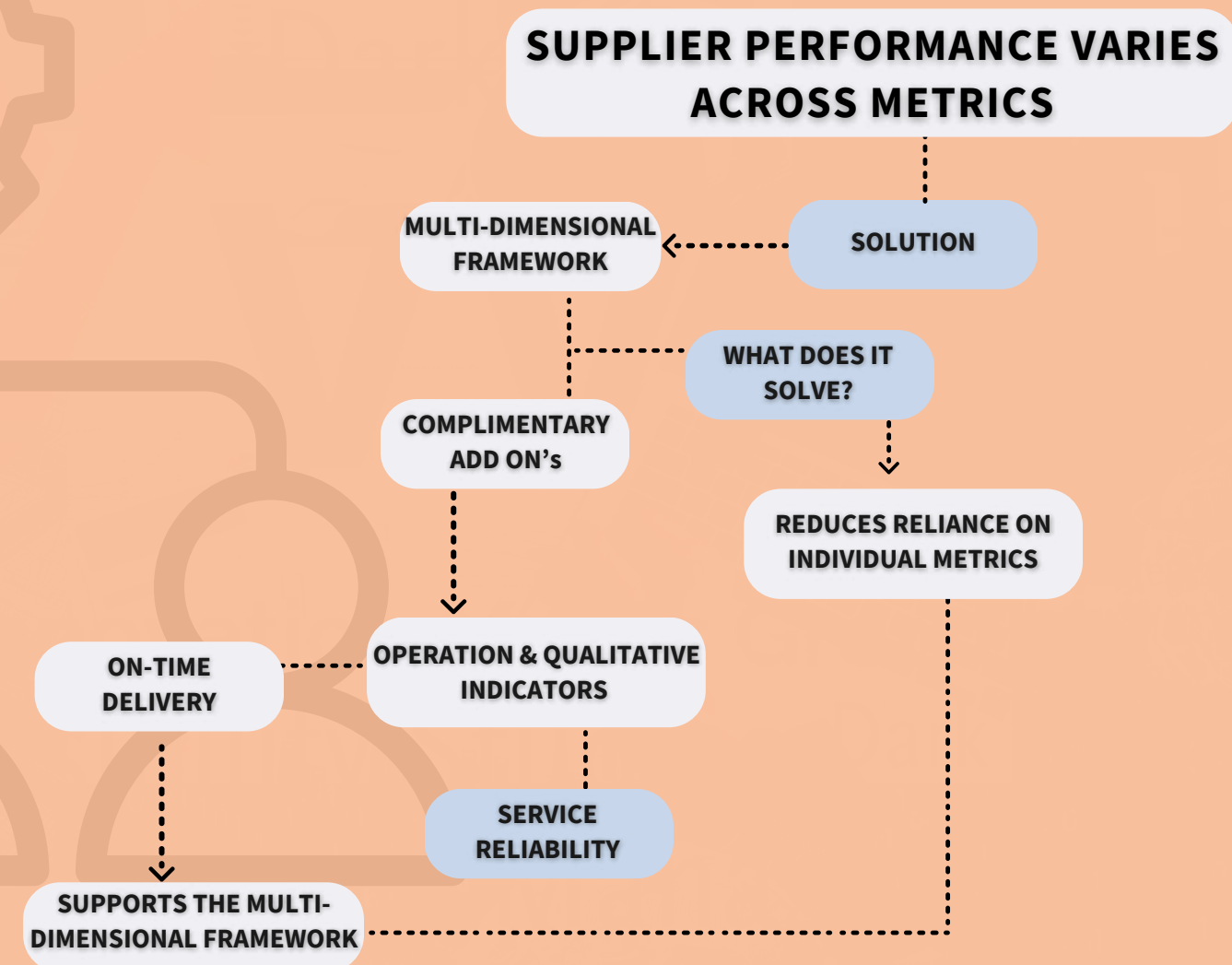
Dataset A is used selectively to support targeted supplier and item-level performance insights. Given its broader coverage across sub-families and transactional records, analysis is deliberately focused on a limited number of high-impact charts to avoid over-aggregation and ensure clarity of interpretation. This approach prioritises decision-relevant insights over excessive visualisation while preserving analytical accuracy.

Top 10 Suppliers:-Insights & Implications

Insights

- Two leading suppliers consistently ranked in the top 10 across Sales, Quantity Sold, E-commerce Sales, and Profitability.**
 - Both of them are equal across these four metrics.
- High volume does not translate into profitability or e-commerce strength**
 - Several suppliers appear in the Top 10 by Quantity Sold or Sales but rank lower in Profitability or E-commerce Sales.
 - Variation in margin structures and channel effectiveness across suppliers.

Implications



Supplier names have been anonymised under confidentiality and NDA agreements.

Dataset B:- KPI Insights and Implications



1. Sum of Sales by Sub-Family

- Shows the overall sales contribution of each top-performing baby food sub-family.

2. Fees, Rebate, & GSF Comparison

- Compare Store Fees, HO Fees, GSF, and Rebate across top-performing sub-families

3. Sub-Family Mix by Supplier

- Displays total sales contribution of each product group, split across the four baby food sub-families.

4. Count of Sub-Family by Asset Name

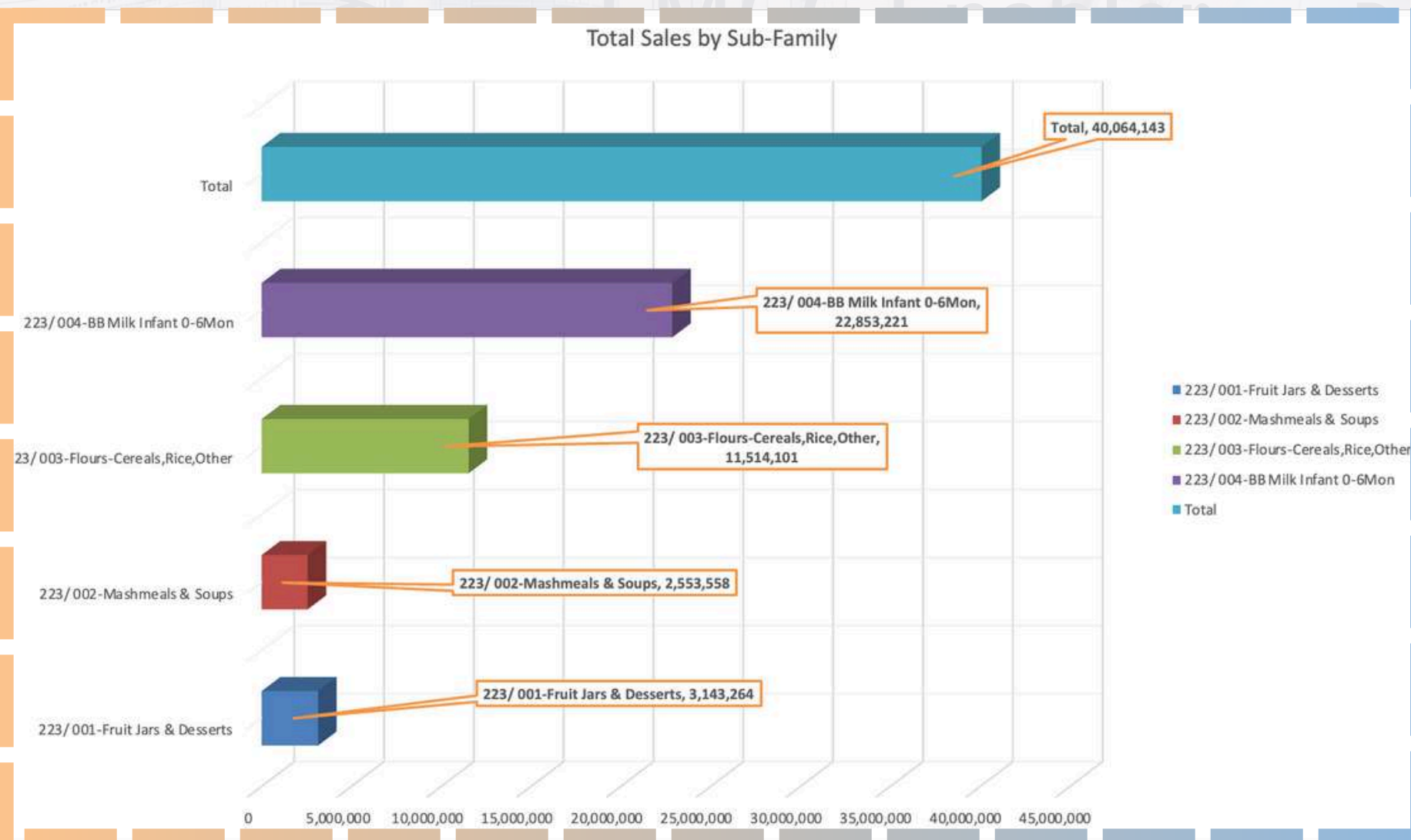
- SKUs from each top-performing sub-family associated with different asset types/ merchandising groups (e.g., basic shelves, health sections, end-of-life, premium zones).

5. Comparison between Purchase & Quantity Sold

Dataset B is designed to provide a high-level, structural view of the baby food market by analysing SKU coverage, category mix, and broad commercial patterns. Given its role as a directional dataset, analysis focuses on charts that highlight overall trends and relationships rather than granular performance diagnostics. This ensures a clear understanding of what is happening across sub-families without over-interpreting item-level detail.

Sum of Sales by Sub-Family:- Insights

AED 22, 853, 221



1. Infant Milk Formula (0-6 months) is the clear revenue anchor

- High reliance on a single sub-family for category performance

2. Flours, Cereals & Rice form the second-largest revenue base

3. Sales are highly concentrated

- Infant Formula + Flours/Cereals together account for the majority of category revenue

4. Fruit Jars & Desserts and Mash Meals & Soups are marginal contributors

- Together they contribute less than 25% of total sub-family sales

Indicates a top-heavy portfolio structure

50%

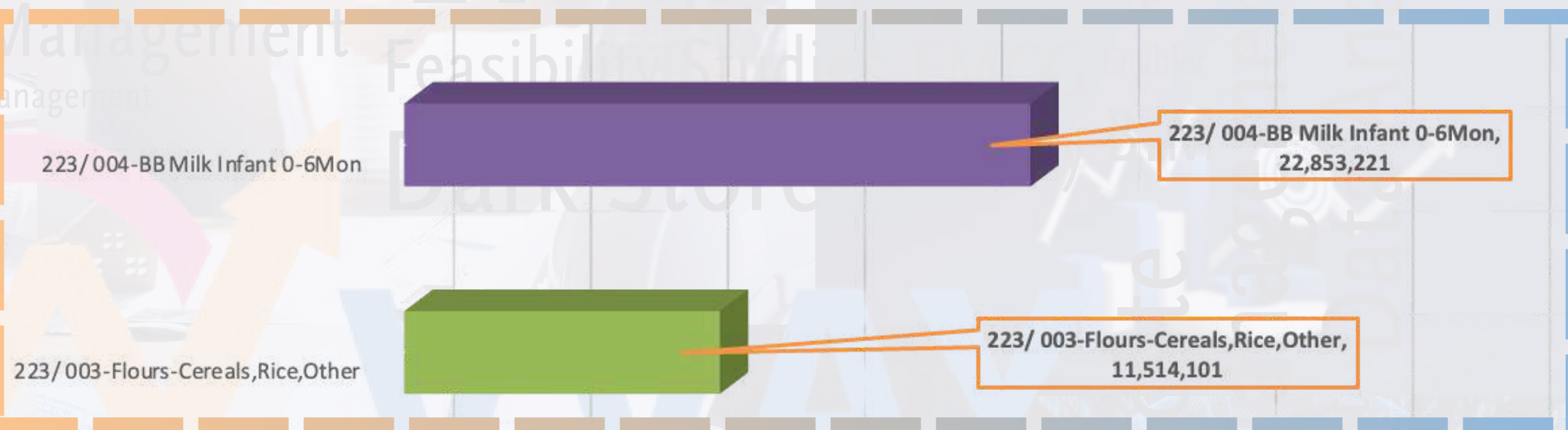
Sum of Sales by Sub-Family:- Implications

Clear Investment Opportunity & Strategic Focus

- Prioritise Infant Formula & Flours & Cereals as core revenue drivers
- Refine strategy for Fruit Jars & Desserts & Mash Meals & Soups
- Align investment with **infant feeding lifecycle**, not uniform allocation

Strengthened Supply Chain & Supplier Relationships

- Concentration justifies deeper supplier partnerships
- Optimise procurement & inventory for availability assurance
- Higher commercial cost acceptable to protect core revenue



Mitigate Concentration

Fees, GSF, & Rebate Comparison:- Insights

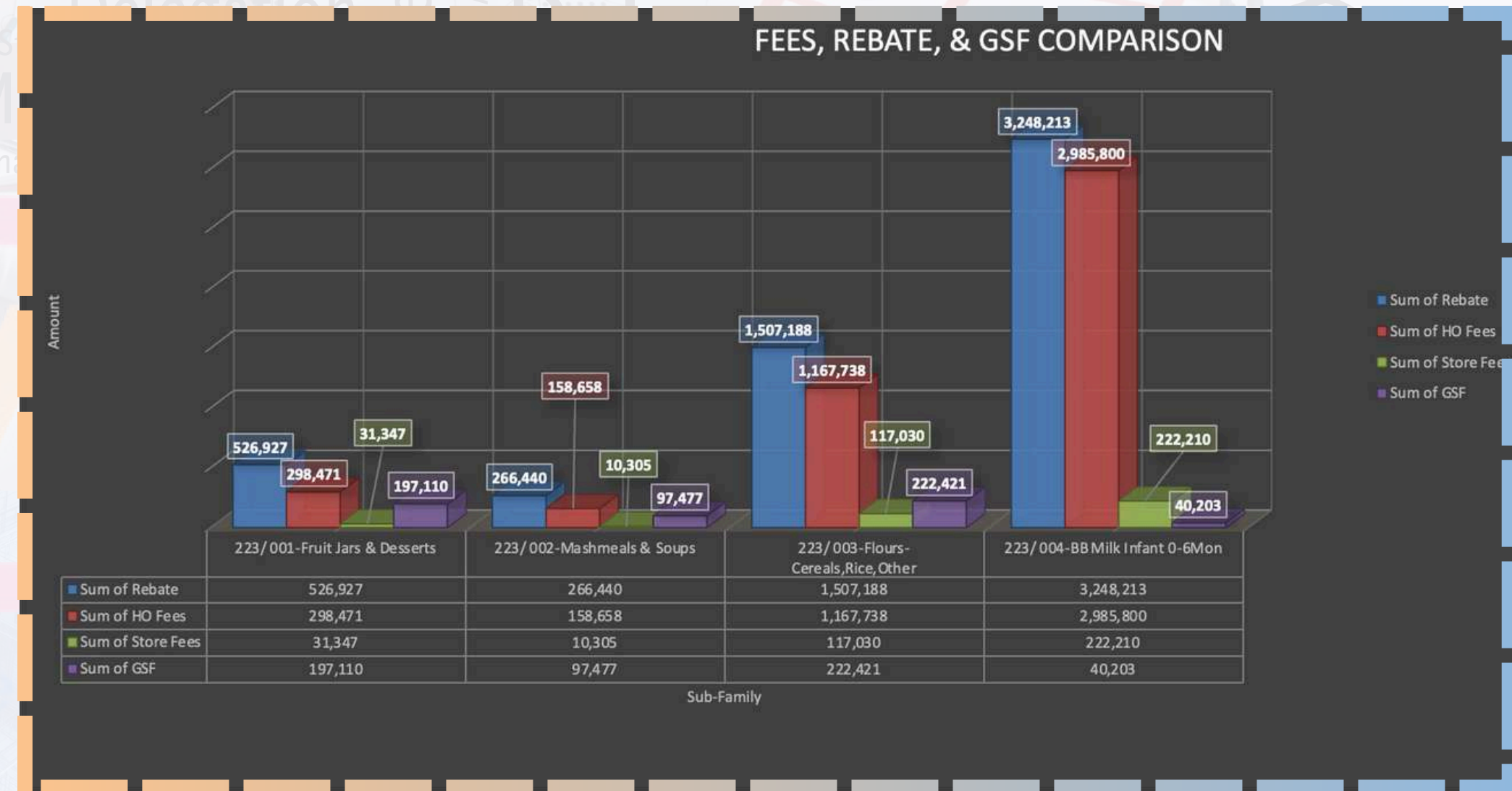
1. Infant Milk Formula carries the heaviest commercial load

- Infant Formula has the highest metrics across the sub-families.

2. Rebate values, across all four sub-families, are the highest compared to fees

3. GSF plays a secondary role relative to rebates

- GSF values are:
 - Consistently lower than rebates
 - Relatively stable across sub-families
- Not the dominant commercial lever



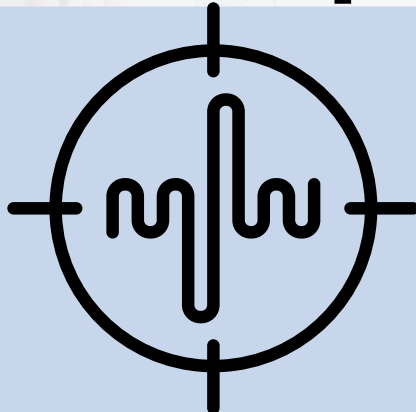
Total Rebate: AED 5,548,768

Fees, GSF, & Rebate Comparison:- Implications

04

Sub-Family Variance

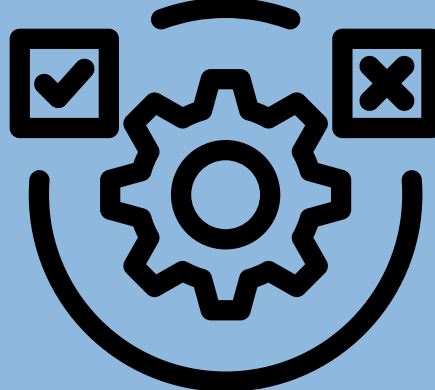
- Rebates, fees, and GSF differ across sub-families due to demand and category importance.
- While common in retail, concentration risk increases as demographic and demand patterns evolve.



03

Rebate as the Primary Lever

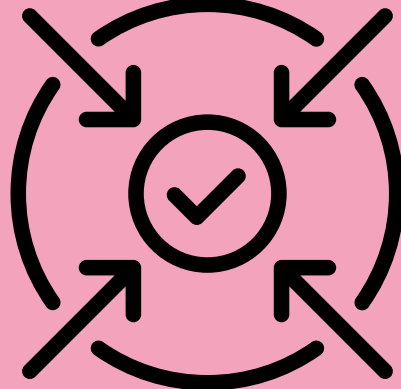
- Rebates are more effective than upfront discounts, rewarding volume, growth, and long-term supplier alignment.
- Negotiation efforts should focus on sub-families with lower commercial exposure, where gains are more achievable.



02

Focus on Infant Formula

- Infant Formula anchors early-stage infant nutrition and complements flours and cereals.
- Negotiations should prioritise supply stability and risk management over aggressive pricing.

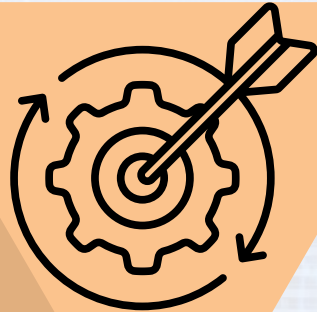


Not all sub-families should be negotiated equally.

01

Outcome

- A rebate-led, differentiated approach enables stronger supplier partnerships and more resilient commercial outcomes.



Push where upside exists; protect where strategic and supply risk is highest.

Sub-Family Mix by Product Group:- Insights

1. Strong PG-level concentration by sub-family

- Infant Formula dominates PGs such as Danone Baby Food, Primalac, and Default Agreements

2. Infant Formula is structurally isolated within specific PGs

- PGs like Danone Baby Food, Primalac, and Infant Formula show near-exclusive dependence on Infant Formula sales.

3. Smaller PGs show narrow but focused exposure

- Annabel Karmel, Heinz, HIPP & Organic Larder contribute modest sales but are clearly positioned:
 - Organic
 - Early-stage complementary feeding

UNEQUAL DIVERSIFICATION

NICHE POSITIONING

REVENUE FROM ONE SUB-FAMILY

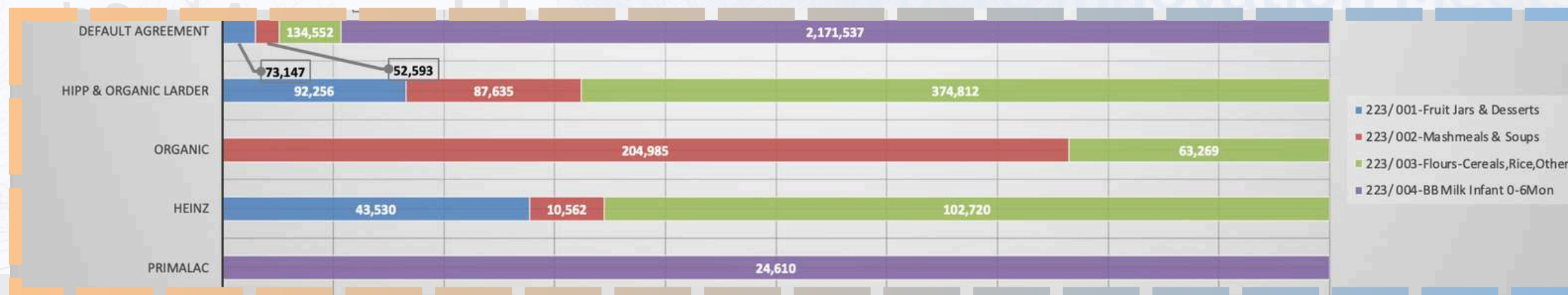


Image Cropped for Visualisation

Sub-Family Mix by Product Group:- Implications

Lead with Depth

Focus on category depth- then bring in portfolio breadth selectively

Category Depth Driven By Outside Factors

Category depth is driven by regulation and supply-chain oversight

INFANT FORMULA FOCUS

Category Depth Focus

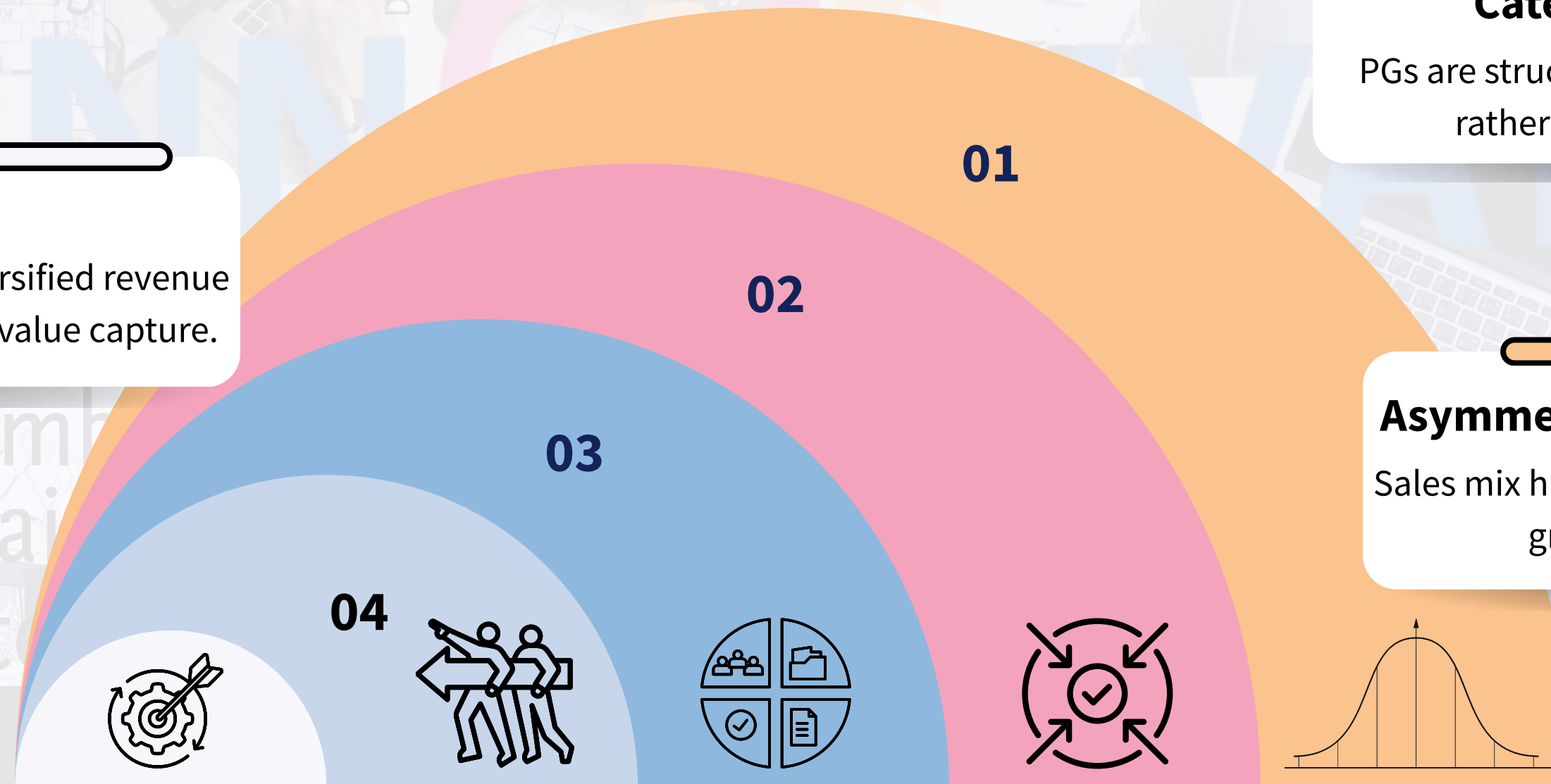
PGs are structured around category depth rather than portfolio breadth.

Outcome

Balanced sub-family mix-diversified revenue and stronger lifecycle-based value capture.

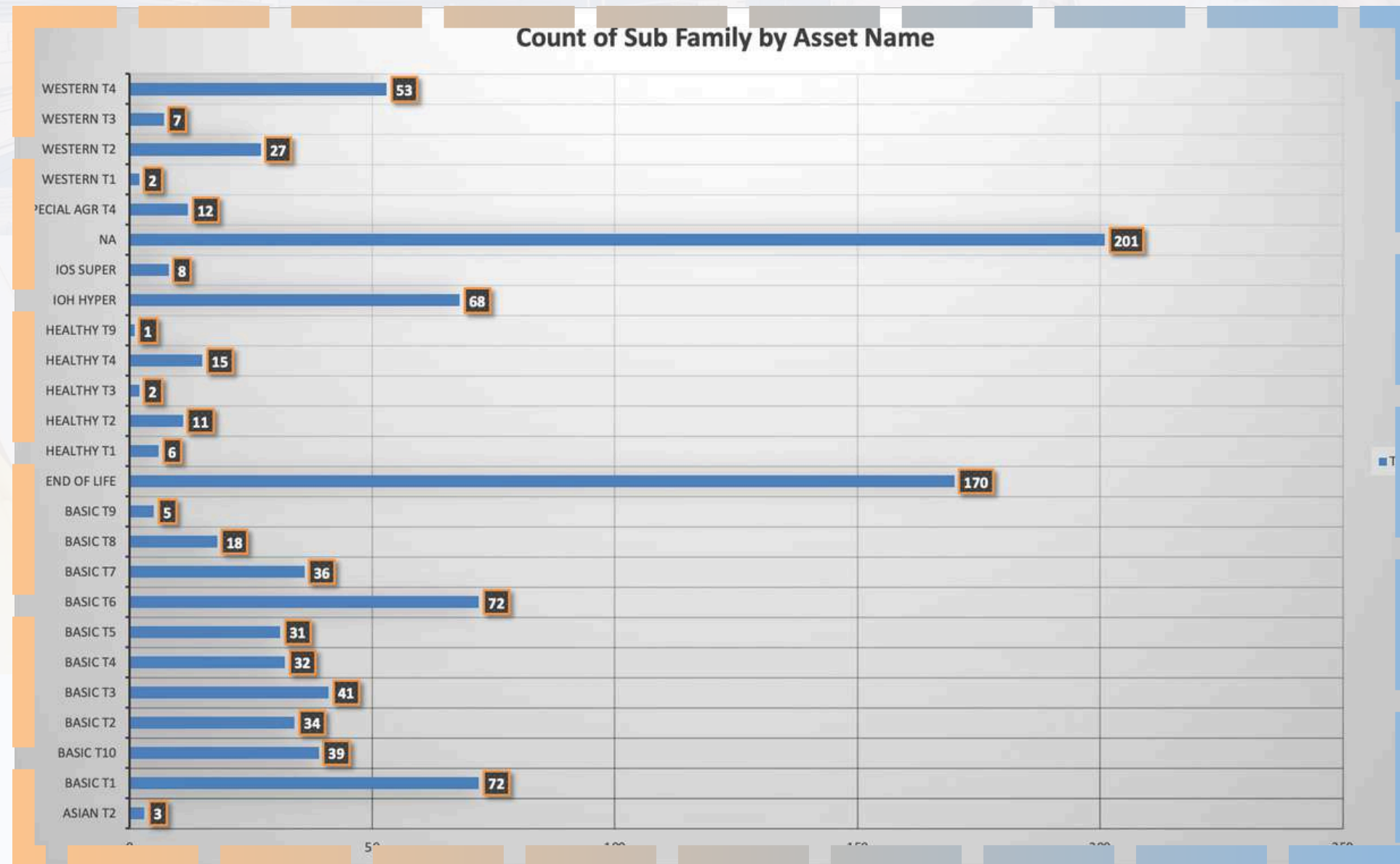
Asymmetric revenue contribution

Sales mix highlights a high degree of product-group (PG) specialisation.



Prioritise category depth over indiscriminate portfolio breadth

Count of Sub Family by Asset Name:- Insights



1. Assortment is heavily skewed toward “Basic” asset types

- Multiple Basic tiers (T1–T10) dominate the chart, but there is no domination across any of the “Basic” asset types.

2. Premium and health-led assets are underrepresented

3. A significant share of records fall under NA / Not Found asset classifications

- The high NA share is primarily driven by data extraction and sourcing limitations, where asset names were missing and standardised as N/A during data cleaning

4. End-of-Life and Basic asset types still represent large portions of the assortment

- Limited visibility

50%

170

Count of Sub Family by Asset Name:- Implications

Strengthening Data Capture & Governance

- Gaps in asset classification point to weaknesses in data capture and ingestion at source
- Inconsistent tagging limits the quality and reliability of analytics and decision-making
- Strengthening data governance enables more accurate classification, comparability, and scalable insights over time

Asset Utilisation & Category Differentiation Challenges

- High “End of Life” tagging signals inefficiencies in assortment and inventory management, driving waste and higher costs
- Dominance of ‘Basic’ assets signals limited differentiation, calling for stronger core execution and review of non-core categories.

Purchase vs Quantity Sold:- Insights



Purchase is filtered to be in Descending Order

Specific item details have been excluded to comply with confidentiality obligations under the NDA.

1. **Over-Purchasing among the Top Items**

2. **Demand is concentrated in a few items, but purchasing is broadly spread**

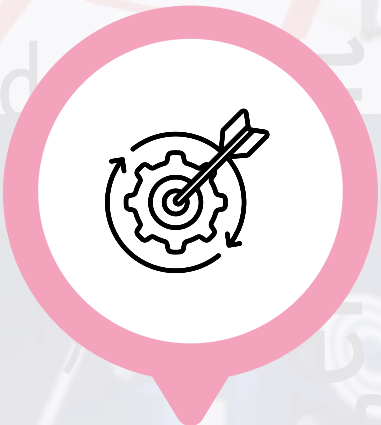
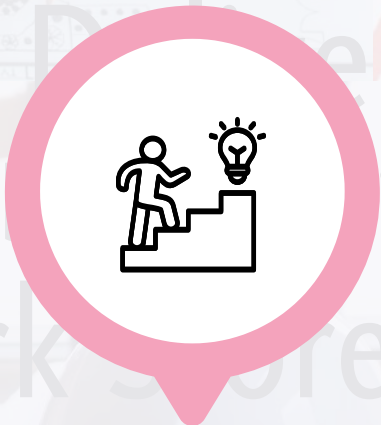
- While some items (e.g., cereals and fruit-based products) show relatively higher sales, purchase volumes remain high even for lower-selling items.

3. **Mashmeals & Soups show the largest purchase–sale gaps**

4. **Fruit Jars & Desserts perform relatively better, but still show inefficiency**

- Fruit-based items appear closer to demand alignment than Mashmeals, but over-purchasing is still evident.

Purchase vs Quantity Sold:- Implications



01

Problem

High purchase volumes and low quantities sold indicate misalignment between ordering and realised demand.

02

Reason

Reflects a deliberate mix of established brands + emerging players to maintain category breadth and optionality.

03

Consequence

Unmanaged diversification increases inventory risk and working capital exposure, particularly for low-selling items.

04

Solution

Stronger supplier collaboration with flexible contracts focused on core demand and selective growth.

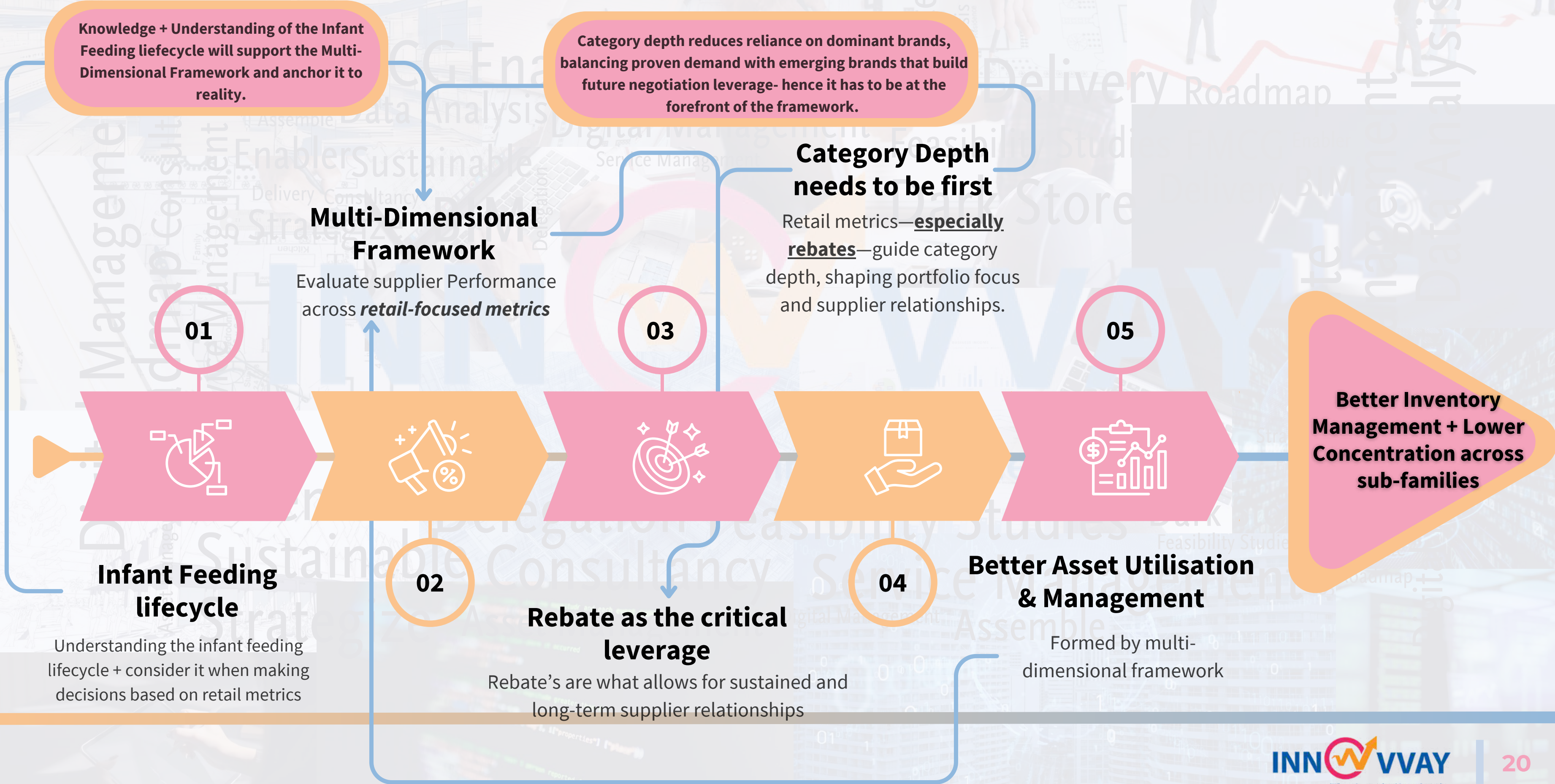
05

Outcome

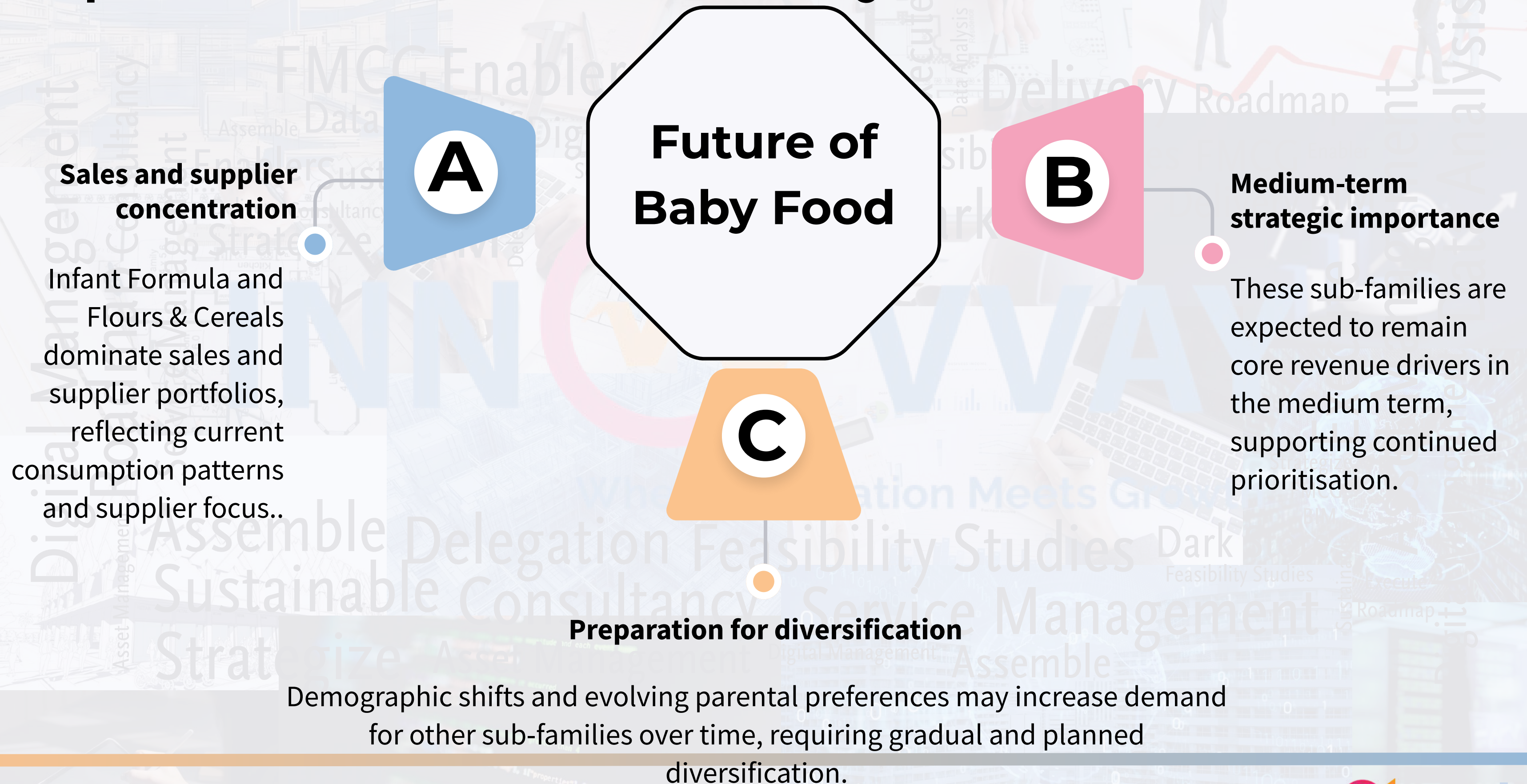
Balanced diversification aligned to demand, reduced risk, and improved capital efficiency.

SMART PORTFOLIO DIVERSIFICATION

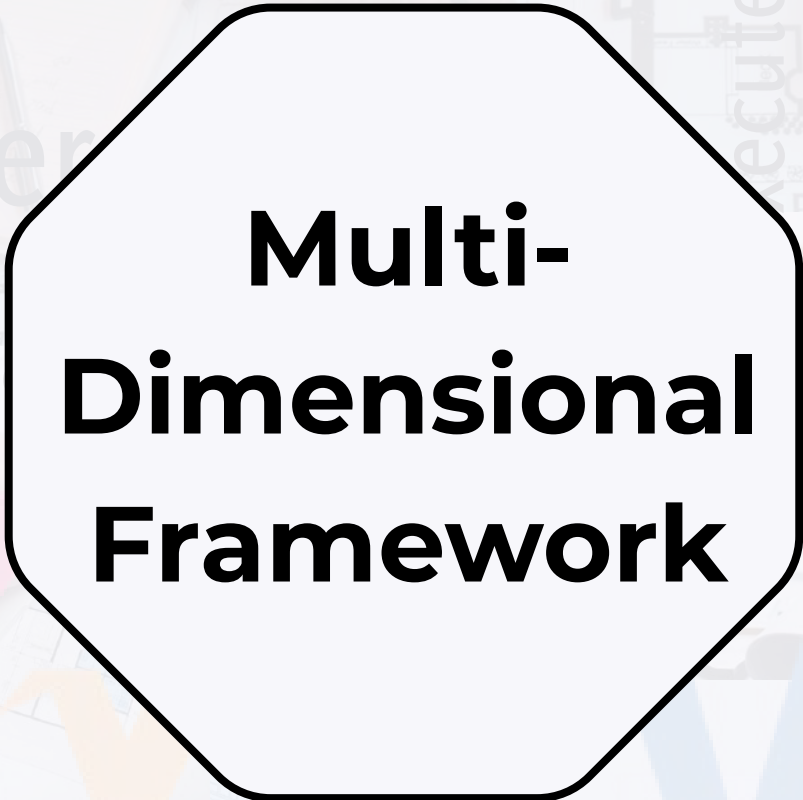
Solution Process Overview



Implication 1:- Future of Baby Food



Implication 2:- Multi-Dimensional Framework



Framework foundation

Core solution: rebate-led supplier negotiations with a focus on category depth across sub-families, guided by key retail performance metrics.



Scalable Framework

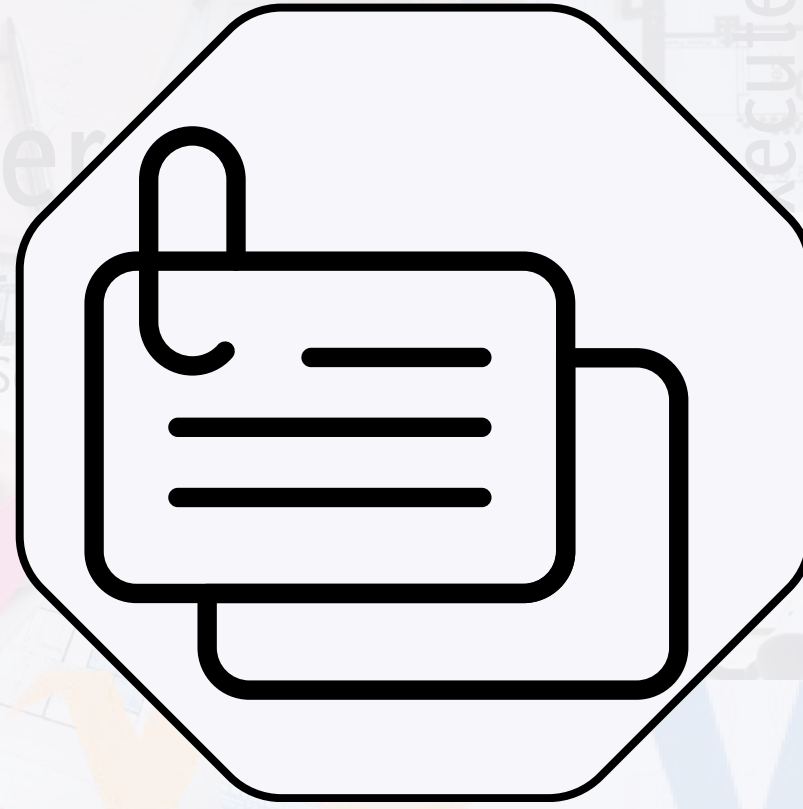
Designed to expand by incorporating stronger data governance and ingestion processes to support better-informed decisions.



Preparation for diversification

Anchored in the infant feeding lifecycle, prioritising top-performing sub-families while gradually integrating less-penetrated categories to capture future demand

Supplementary Implications



A

Transparency in Baby Food

Alongside demographic shifts, growing parental focus on nutritional needs [6][5] reinforces the importance of strengthening QA/QC processes, which—supported by the scalability of the Multi-Dimensional Framework—can enable more effective inventory and category management.

References

1. [1] Research and Markets. Baby Food Global Market Report. Available at: ([Link](#))
2. [2] Deep Market Insights. United Arab Emirates Baby Food Market Insights. Available at: ([Link](#))
3. [3] Ken Research. UAE Baby Food Market Analysis. Available at: ([Link](#))
4. [4] Fortune Business Insights. Baby Food Market Size, Share & Growth. Available at: ([Link](#))
5. [5] SIG Group. Key Factors in Baby Food Production. Available at: ([Link](#))
6. [6] Ken Research. UAE Baby Food & Infant Nutrition Market. Available at: ([Link](#))

Thank you

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