

Identifying Market Gap and Possible Market Opportunity for a New Product Launch in the Field of Infant Formula in the Indian Market

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INTRODUCTION

Infant Formula refers to the soft and easy-to-consume food products manufactured for infants. They consist of milk protein-based ingredients and act as a substitute for breast milk. They are a rich source of various nutrients, vitamins, carbohydrates and fats. Infant formula aid in the overall development and provide adequate nourishment to the child.

Revenue in the Baby Milk & Infant Formula market in 2024:

- The revenue in the Baby Milk & Infant Formula market amounts to **US\$0.81 billion** in 2024. CAGR 4.61

Market growth and revenue generation in China:

- In global comparison, most revenue is generated in **China**, with **US\$16,850 million** in 2024.

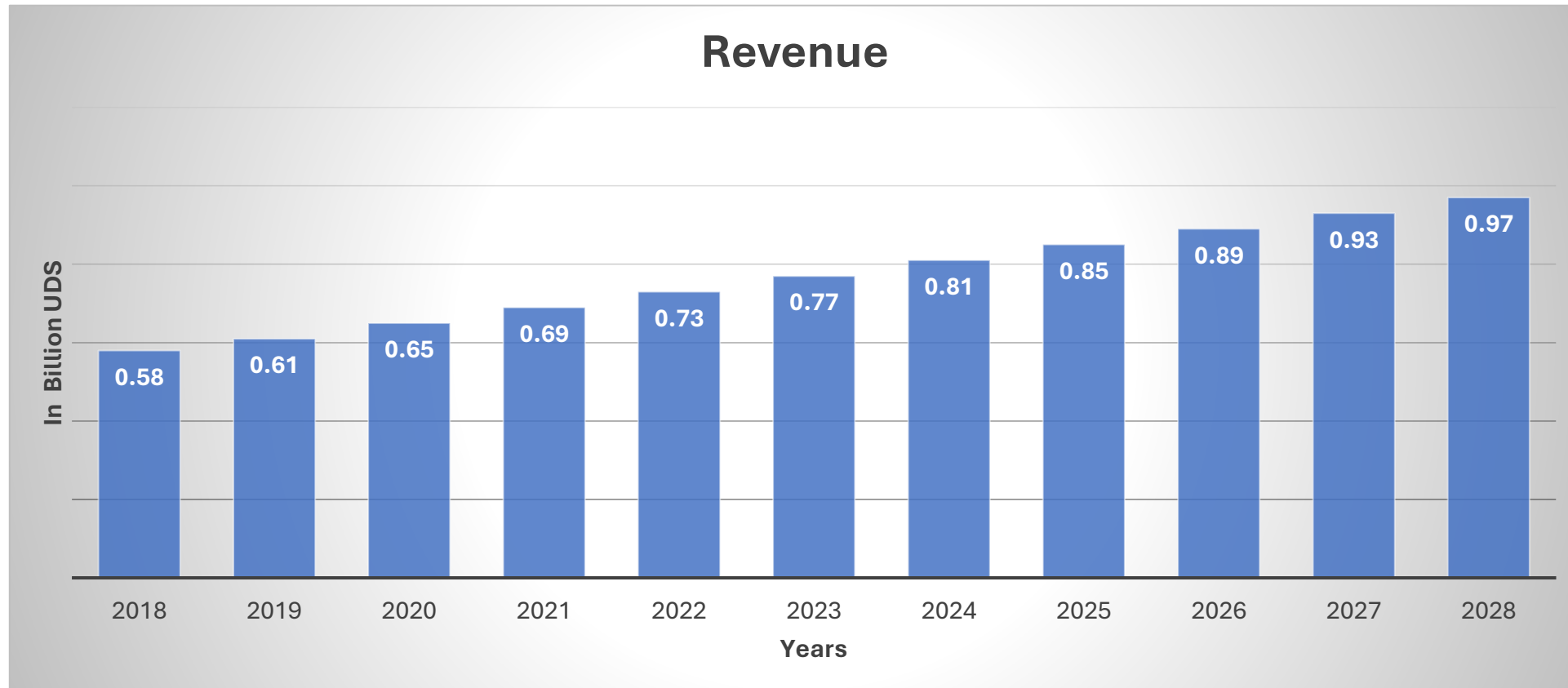
Per person revenues in 2024:

- In relation to total population figures, per person revenues of **US\$0.56** are generated in 2024.

Volume growth and market volume by 2028:

- The Baby Milk & Infant Formula market is expected to show a **volume growth of 3.6%** in 2025, and the volume is expected to amount to **72.23 million kilograms** by 2028

MARKET SIZE AND GROWTH



CAGR 4.61

2. <https://www.imarcgroup.com/india-baby-food-infant-formula-market>

3. <https://www.knowledge-sourcing.com/report/india-baby-food-market>

4. <https://www.statista.com/outlook/cmo/food/baby-food/baby-milk-infant-formula/india>

TYPES OF INFANT FORMULA



Types of Infant formula

1. Cow Milk Based :Most infant formula is made with cow's milk that has been altered to resemble breast milk. This gives the formula the right balance of nutrients and makes it easier for babies to digest. While cow's milk-based formula is recommended for most babies, some infants, such as those with a cow's milk allergy, may require other types of formula.
2. Soy Based: Soy-based infant formulas are a crucial dairy-free option for infants who are intolerant or allergic to cow's milk proteins or lactose. These formulas are particularly useful for families who choose to avoid animal proteins in their child's diet
3. A hypoallergenic formula, also known as a hydrolyzed protein-based formula, is a type of infant formula designed to alleviate symptoms associated with cow's milk protein allergy (CMPA). These formulas contain proteins that have been broken down into smaller, more easily digestible fragments to reduce the likelihood of an allergic reaction

5. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4882692/#:~:text=Infant%20formula%20attempts%20to%20mimic,milk%2Dbased%20formula%20also%20exist.>

6. Koletzko B., Beyer J., Brands B., Demmelmair H., Grote V., Haile G., Gruszfeld D., Rzehak P., Socha P., Weber M. European Childhood Obesity trial Study. Early influences of nutrition on postnatal growth. *Nestle Nutr. Inst. Workshop Ser.* 2013;71:11–27

Problem Statement and Objective

- Problem Statement:
 - 1. How to launch a new product in the market of infant formula and what should be the strategy and how to find the gaps
- Objective :
 - 1. Assess potential market opportunities for new infant formula products based on identified gaps
 - 2. Identify key consumer segments within the Indian market with unmet needs regarding infant formula.

Literature Review

In India, the structure of the infant formula market battles with large human poverty and also has significant gaps in the marketplace related to low-cost complementary foods for infants from poor families which inhibits optimal feeding practices ,Child malnutrition disproportion In the gaps of health services that have lead to high rates of stunting, wasting, and underweight children in the country, The overdiagnosis of allergies in young infants resulted in a significant increase in the use of hypoallergenic formula, which could displace breastfeeding practices. Elucidation of these challenges requires optimal infant formula development strategies from bio-mimicry of human milk, process fruits and systemic approach in multi-disciplinary settings

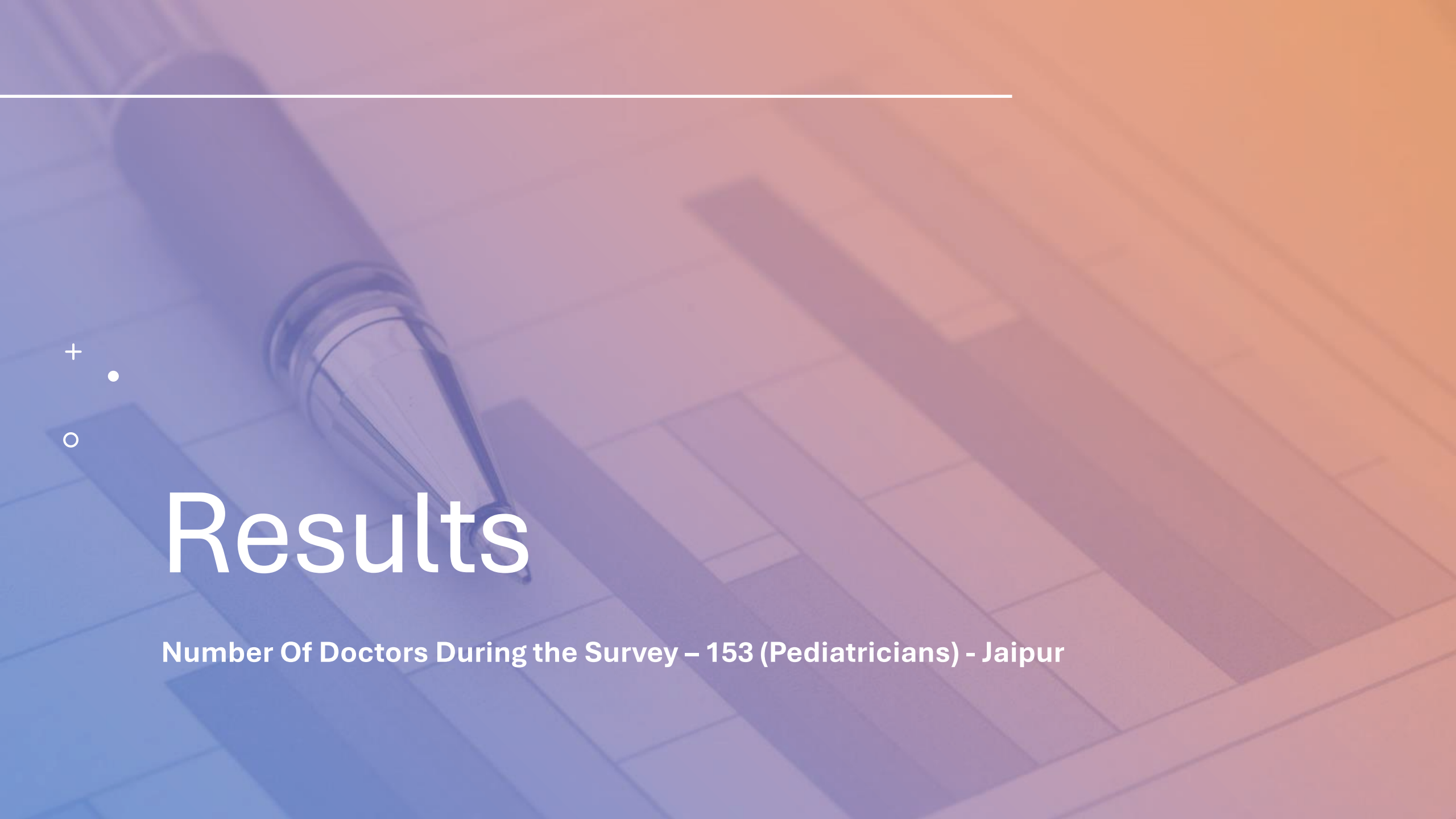
There is a large void in the affordable complementary foods for infants from lower income families and this leads to acute undernutrition especially in the Indian market .Further, there is increasing apprehension regarding the potential overdiagnosis of allergies and the inappropriate usage of specialized formula products, which may interfere with breastfeeding

Understanding socio-economic status (SES) inequalities in infant and young child feeding practices in India is crucial for identifying market opportunities and ensuring equitable access to nutrition for all segments of the population

It is important to regulate the market as the marketing of these products so be take care of as it's a matter of health . However, the United States has not implemented this Code, leading to widespread marketing of formula milk, negatively impacting breastfeeding rates. The lack of regulation in the U.S. allows for emotional marketing techniques targeting parents, especially mothers, through various channels, including social media, perpetuating the success of formula marketing despite policy intentions

Research Methodology

- Study Type : Exploratory
- Population : Sample Size : 153 (Paediatricians)
- Sampling Technique : Purposive
- Tools for the data collection : Structured Questionnaire

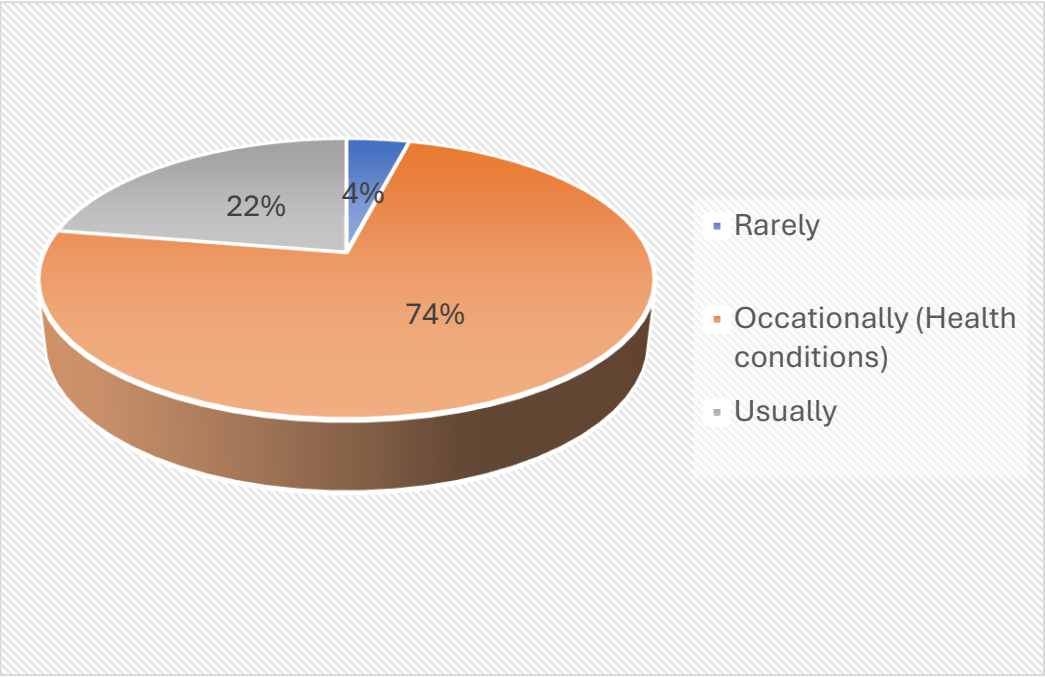


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Results

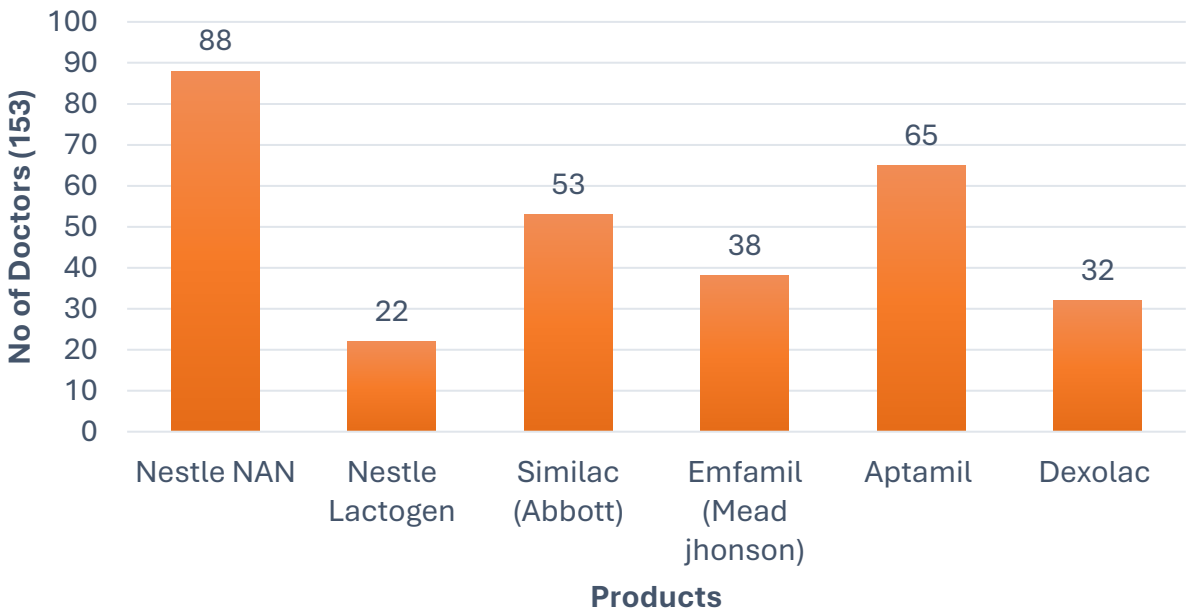
Number Of Doctors During the Survey – 153 (Pediatricians) - Jaipur

1. How often do you prescribe the infant formula



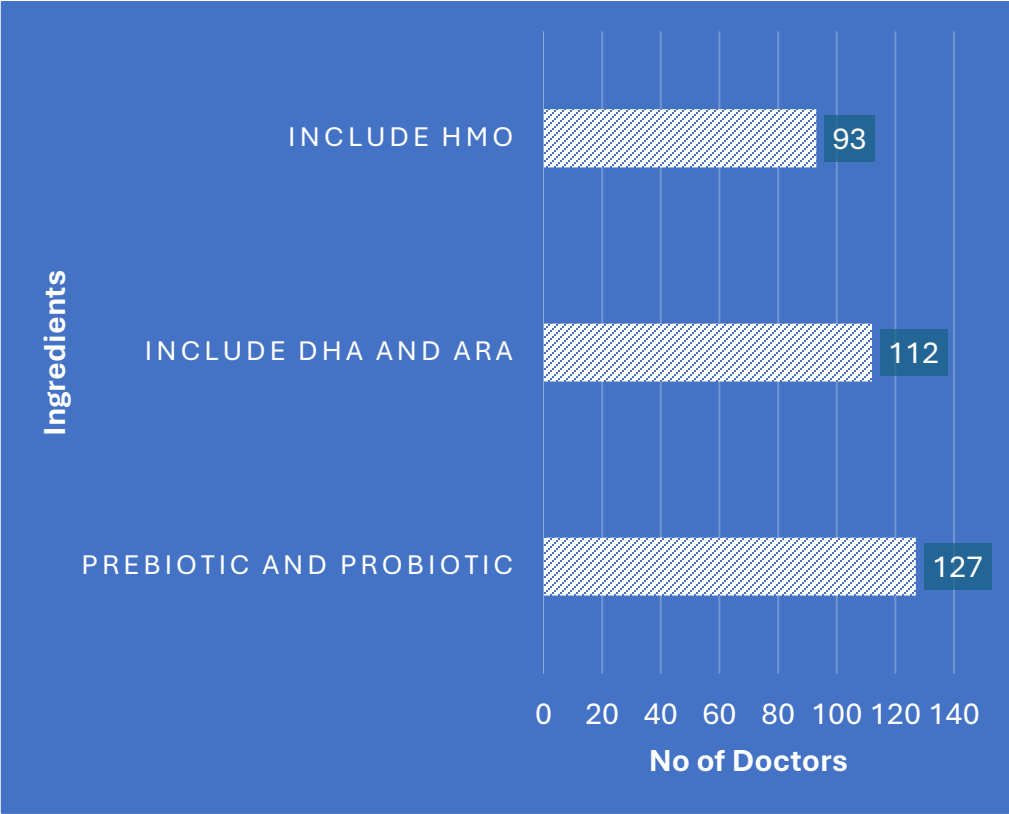
Around 74% of 153 doctors prefer to prescribe the Formula under certain Health conditions (loss of appetite, FTT Case, less weight, illness due to disease etc).
22% of the doctors prescribe formula usually as added supplement for the infant diet and for essential nutrition

2. Which Brand you Usually prefer while prescribing the infant formula



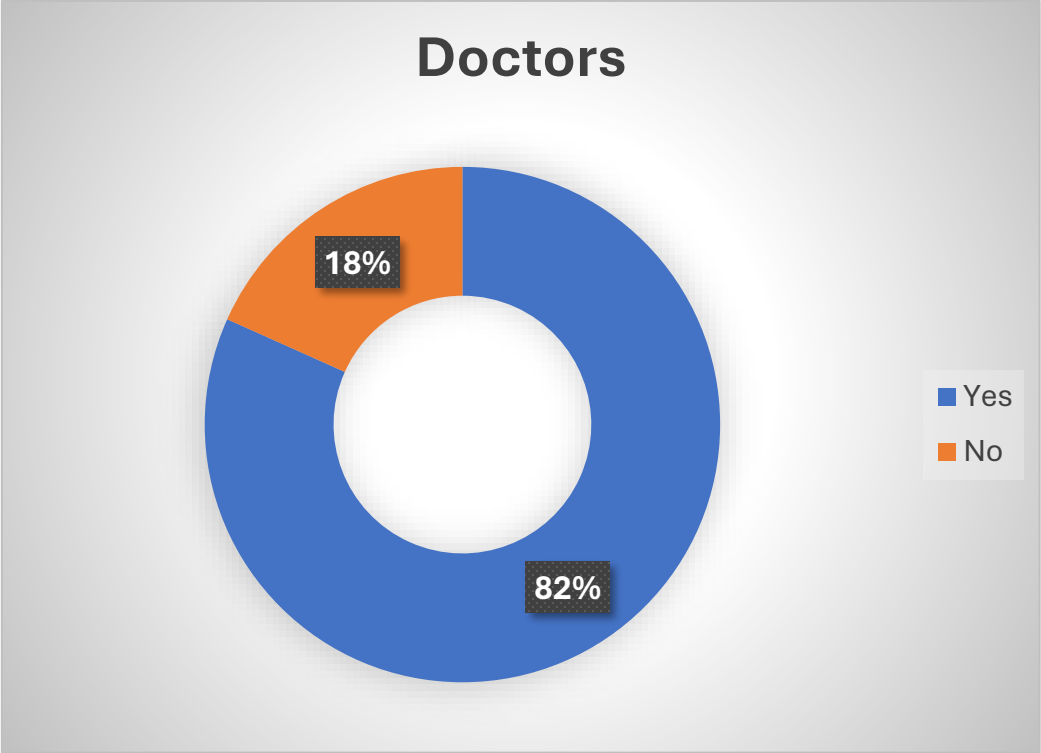
57 % of the doctors are prescribing the nestle products as they feel trusted and safe
42% of the doctors prefer Aptamil as its composition is close to mothers milk, followed by similac at 34%

3. Which all factors among these you consider while prescribing the Infant formula



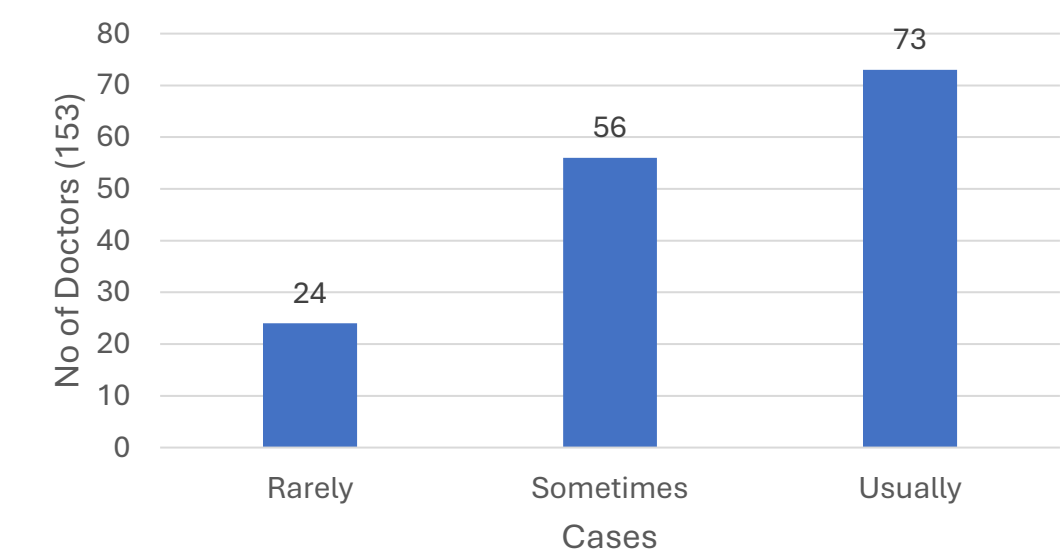
89% of the doctors supports that the formula should have pre and probiotic as its anti colic effect for the infant and secondly it should have DHA and ARA and 64% of the doctors supports the presence of HMO in formula

4. Do you agree that the composition of formula should be close to mother milk ?



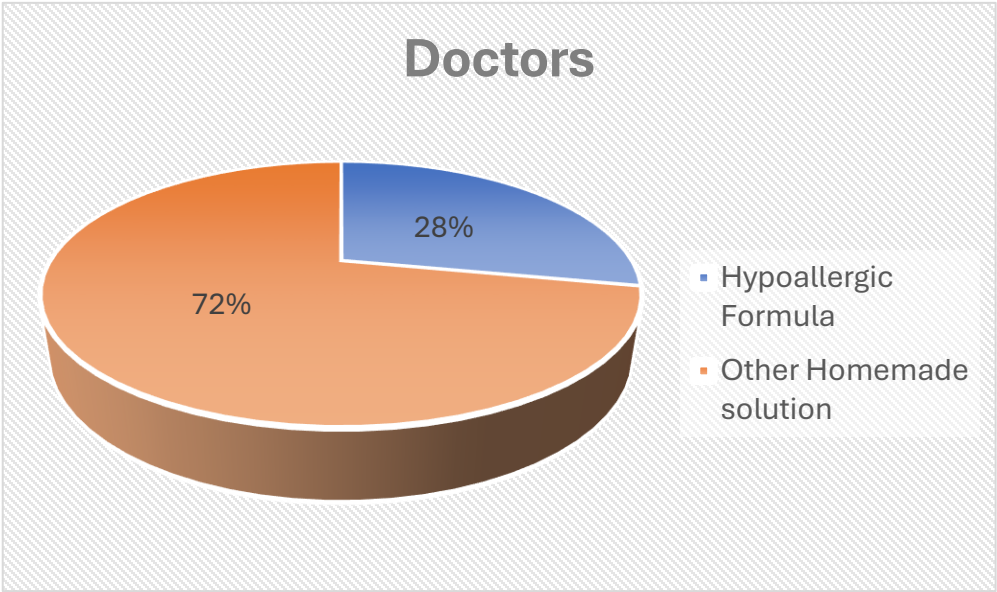
Around 82% of the doctors supports the statement that the composition of the formula should be close to the composition of the mother milk which included (Pre and Probiotic,DHA,ARA and HMO etc) so, formula should be made on this basis as well

5.How often do you encounter lactose intolerance cases in infants



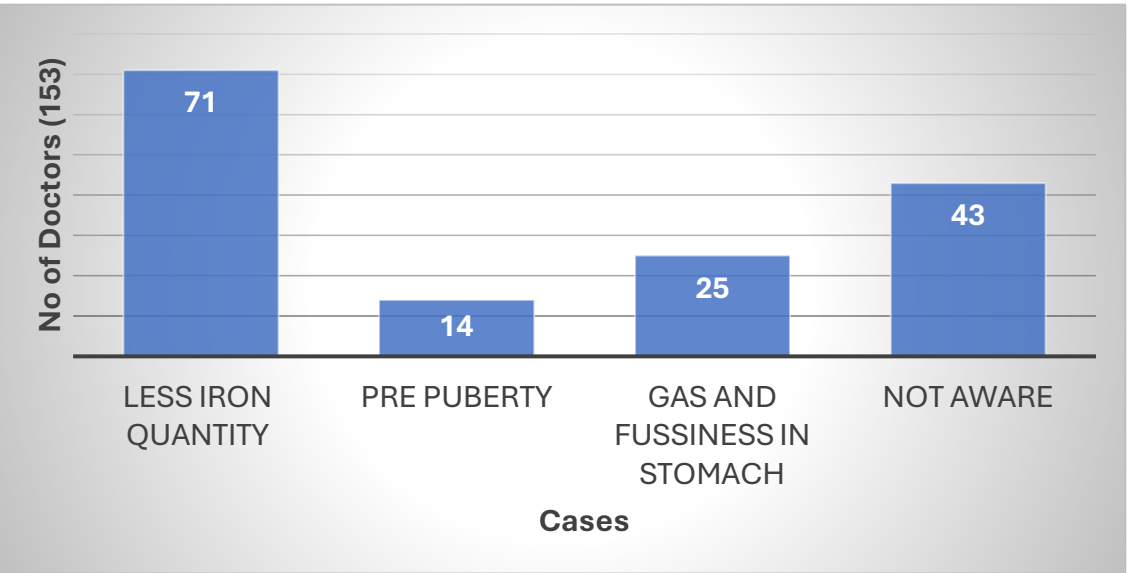
Around 47% of the times doctors encounter the lactose intolerance cases including both Transient and long term so this implies that the apart from traditional formula, lactose free formula should be made available as it has good market to cater

6. What steps do you take when you encounter the milk allergies cases in infants



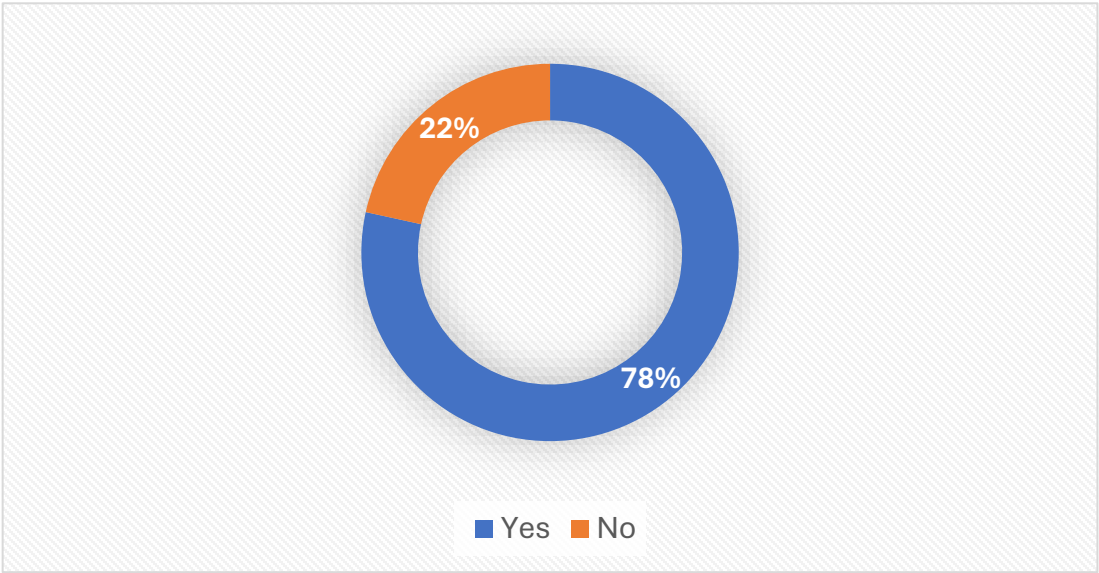
In milk allergies cases the doctors also prescribe the Hypoallergic formula which implies that doctors support the HAF as they left with no other option in such cases and 28% of doc prescribe that means there is a decent number of audience that are ready to buy this so these kind of formula should also be made available to cater the demand

7. According to you what all issues are related with soy based formula.



As shown around 71 doctors are concerned about Iron deficiency can occur in infants fed soy-based formulas due to phytates and fibers binding iron. While prescribing the soy-based formula and they suggest to include the good amount of iron supplements to overcome

8. According to you whey: casein ratio of 60:40 is good ?

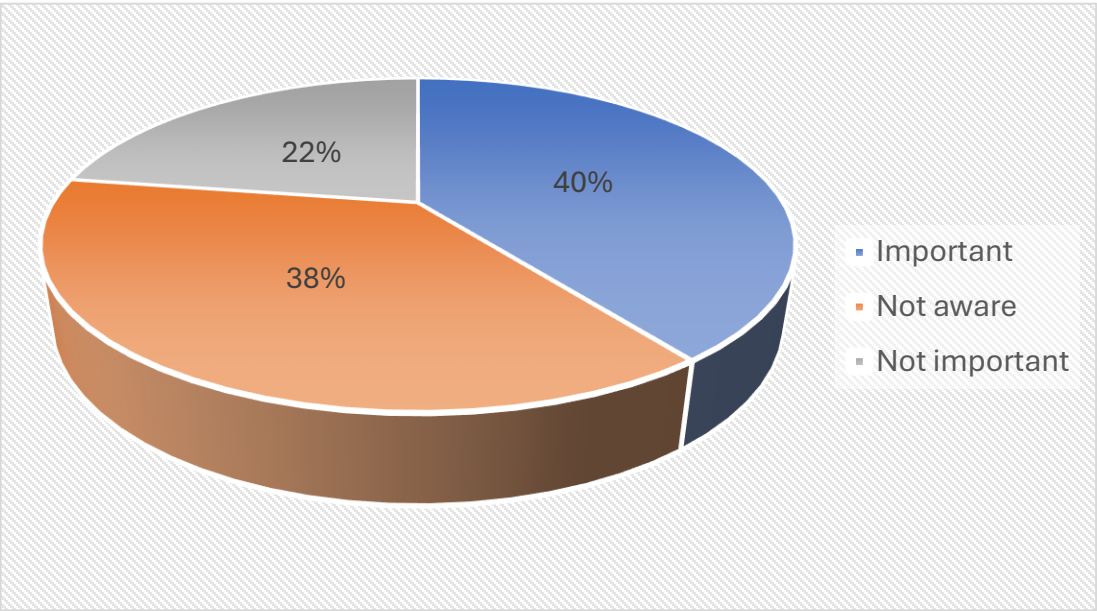


Around 78% of 153 of the doctors supports that whey:casein ratio of 60:40 is good in a formula and some companies also come up with 70:30 ratio as well but not popular among the doctors.

11. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8003661/#:~:text=Unlike%20the%2060%3A40%20whey,commonly%20infant%20formulas%E2%80%94are%20often>

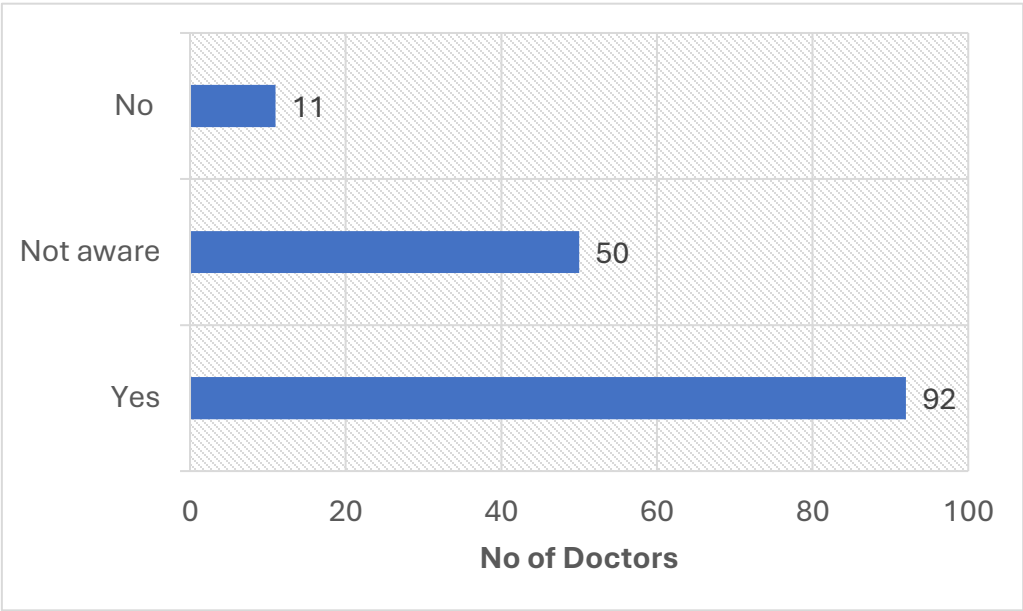
12. <https://www.sciencedirect.com/science/article/abs/pii/S0958694621000364>

9. How important is the PDCAAS (Protein digestibility corrected amino acid) score for you in a formula



PDCAAS score helps to identify the digestibility of the protein and around 40% of the doctors agreed that its important and many other competitors does not focus on this area and 38% of doctors are unaware so this can become an edge for a new product to communicate to the doctors

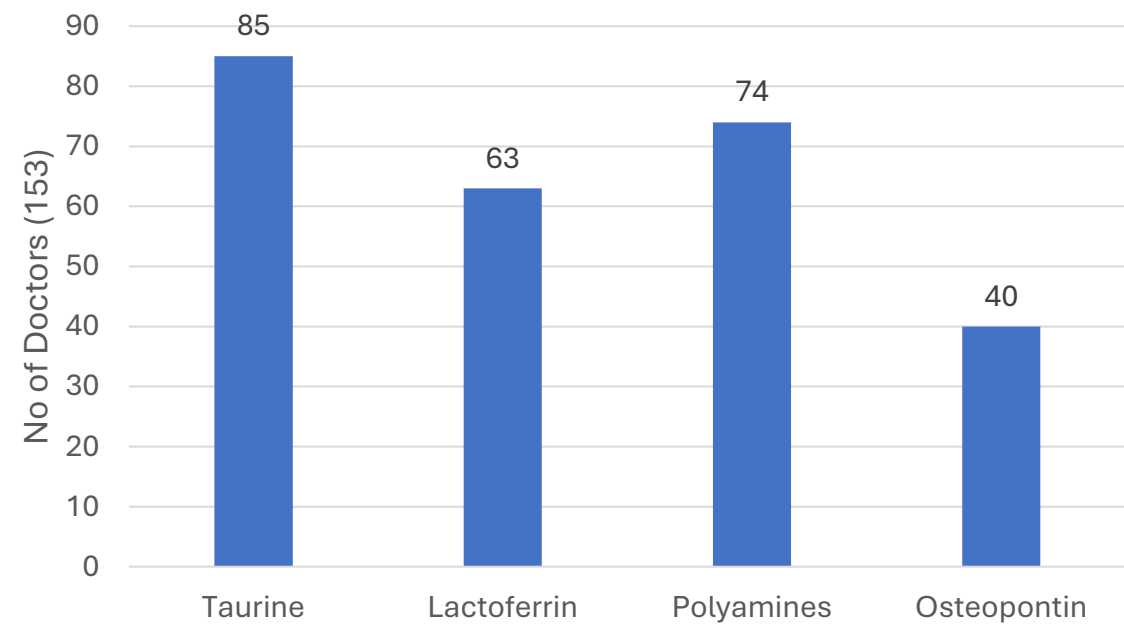
10. Do you think PDCASS score of 0.96 or 1.00 is good ?



As 60% of the doctors agreed that the PDCAAS score of 0.96 or 1.0 is good for the infant formula but also many of are unaware about it, so this should be consider in a formula and this point can be use for the communication of product

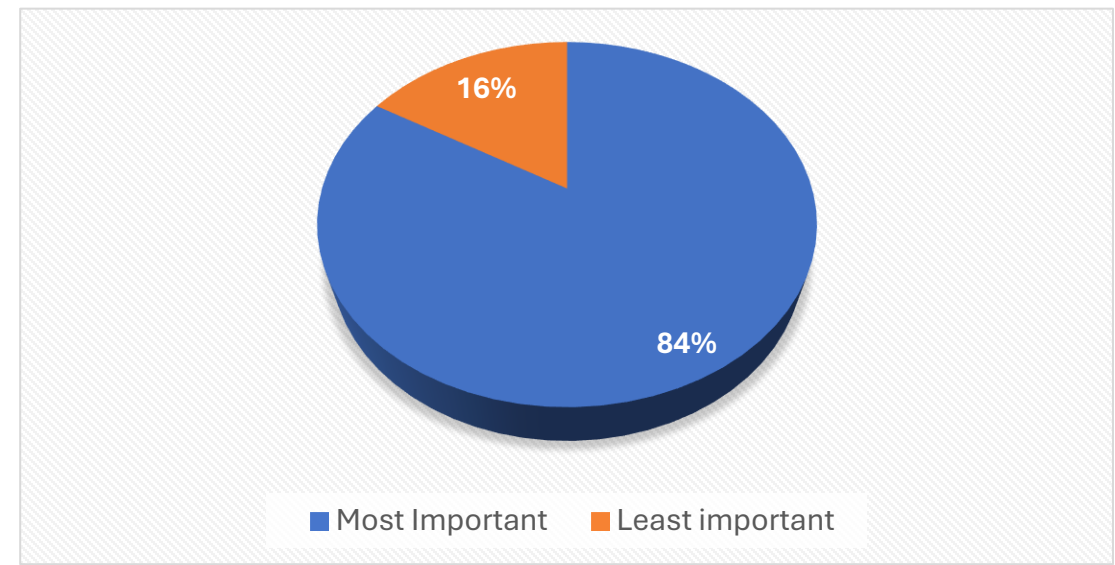
13. <https://www.agropur.com/us/news/pdcaas-to-diaas-a-new-way-to-look-at-protein-quality>
14. <https://www.sciencedirect.com/science/article/pii/S0022316622141507>
15. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10334145/>

11. According to you which all among these should be present in formula ?



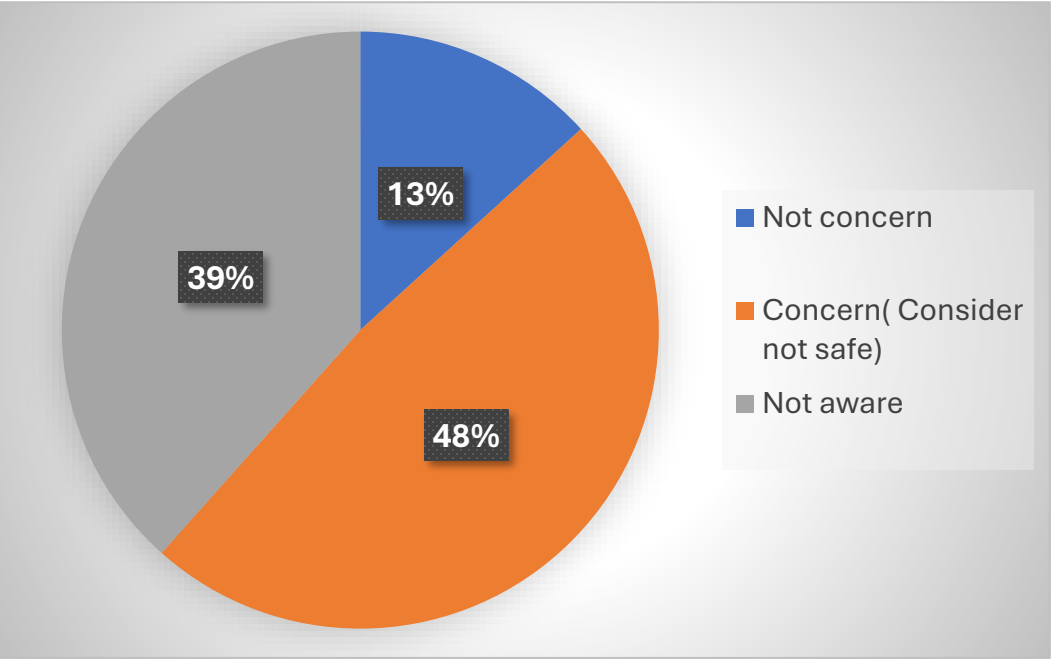
As the doctors support the statement that these compounds support infant growth, neurological development, immune function, and overall health (Taurine, lactoferrin, polyamines) so presence of these will be beneficial.

12. How much Taste and flavor is important for you while prescribing the infant formula ?



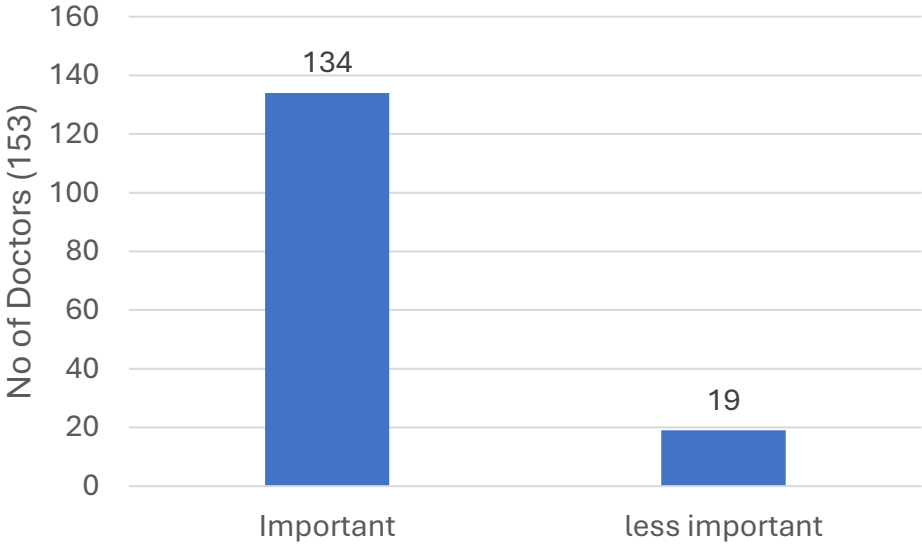
As formula is prescribed for the infant so the taste and flavour becomes important and around 84% of the doctors also support this. The doctor provided insights about the taste that According to them Infants have a preference for sweet tastes during the first 6 months. So acceptance of the formula depends on this.

13. According to you the use of trans fat in formula is safe and if alternative like other oil as a base is used will it be preferred



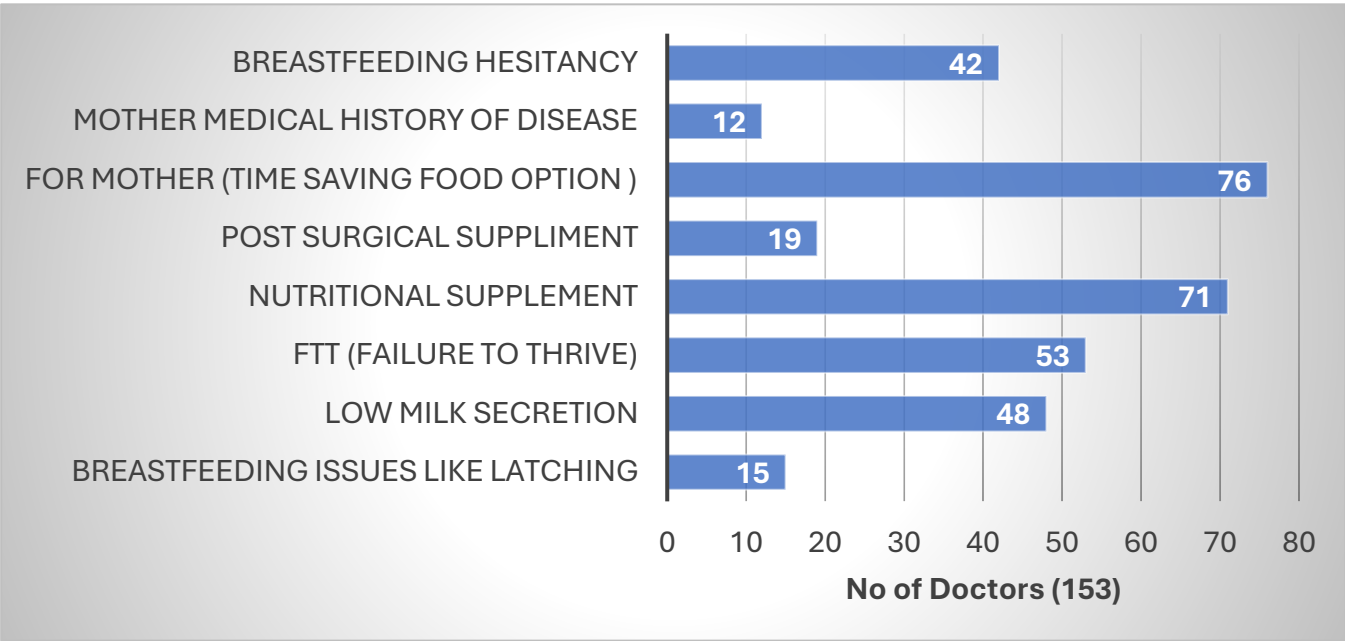
As 48% of the doctors are concerned about the used of trans fat in the formula and agreed that its unsafe and many lawsuits are there on big companies and out of which 63 doctors shown interest in using other oil as a base in the place of trans fat

14. How much important is the product affordability and availability for you when you prescribe the formula



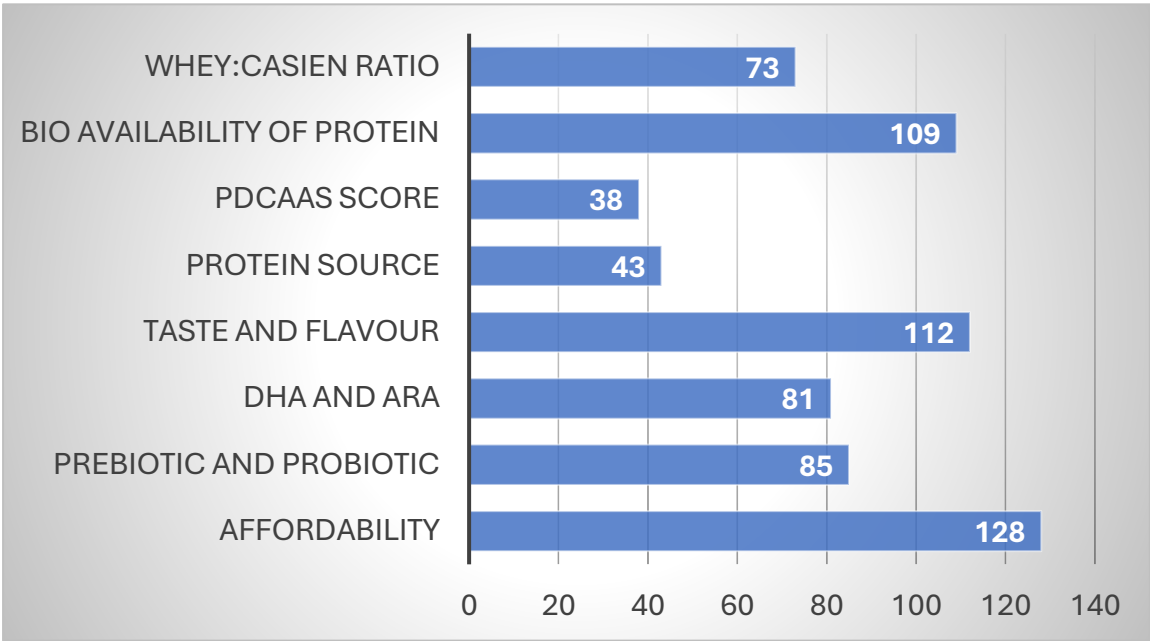
Around 87% of the doctors agreed that the formula should be affordable and easily available, so that the people can rebuy the product frequently so it should be affordable and easily available. As the consumer may shift to the product which is cost effective and available also.

15. What are the cases where you prescribe the formula to infants



As 71 doctors prescribe the formula as a time saving food option This implies that doctors also prescribe infant formula as a convenient food option for mothers, allowing them to save time since the formula keeps the child full longer due to its high fat content. As a result, the child feels less hungry and needs to be fed less frequently. So the formula should contain good amounts of fats in it and also safe of the child

16. Which all among the following is most important for you while prescribing the formula



By this it implies that the formula should be affordable and should have a good bio availability of protein and better taste and flavour

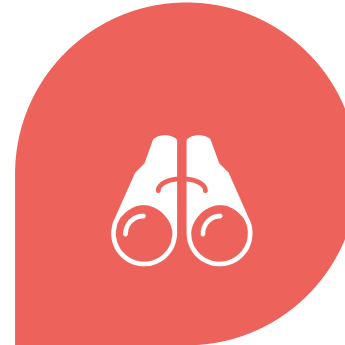
SWOT ANALYSIS

STRENGTH

Demand: The demand for infant formula feed in India is increasing due to the growing middle class and urbanization, leading to a higher number of working women who prefer convenience and are willing to invest in premium products

Robust Birth Rate: India has a high birth rate, which ensures a steady and growing market for infant formula feed.

Increasing Awareness: Parents are becoming more aware of the importance of nutrition for their children, driving demand for high-quality infant formula feed



OPPORTUNITY

Growing Middle Class: The growing middle class in India is driving demand for premium and high-quality infant formula feed.

Urbanization: Urbanization is leading to increased awareness and demand for convenience products, including infant formula feed.

New Product Launches: The launch of new variants and flavors can help companies to offer more choices to consumers and stay competitive.

WEAKNESS

Low Per Capita Income: The per capita income in some regions, such as the eastern part of India, is relatively low, which can limit the demand for premium infant formula feed.

Distribution Challenges: The distribution channels in some regions can be weaker, making it difficult for companies to reach all parts of the country.

Cultural Preferences: Traditionally, Indians prefer homemade food for their children, which can make it challenging for infant formula feed to gain widespread acceptance.



THREATS

Competition: The infant formula feed market in India is competitive, with several international and local brands vying for market share.

Regulatory Changes: Changes in regulations or enforcement can impact the safety and quality of infant formula feed, affecting consumer confidence and demand.

Economic Fluctuations: Economic fluctuations, such as inflation or recession, can impact consumer spending and demand for infant formula feed.

16. <https://www.kenresearch.com/industry-reports/india-baby-food-and-formula-industry-research-report>

17. https://consumeraffairs.nic.in/sites/default/files/file-uploads/consumer_information/Baby%20Food.pdf

Results and Conclusion From Doctors feedback



As most of the doctors are concern about the affordability and availability of the product for their in the patient as around 87% of doctors agreed so it should be given top priority



PIDCAAS Score of 0.69 or 1.0 is considered as best for the protein digestibility and around 60% of doctors agreed with it and this can be used as scientific marketing communication to the doctors



In the case of soy based protein around 62% of doctors are concerned with gas in stomach and iron deficiency in soy formula



Another major concern is of taste and flavour of the formula as around 85% of the doctors are inclines towards better taste and flavour in formula



Bioavailability of protein in the formula is important as around 71% of the doctors agreed on this so the bioavailability of protein should be high



Composition of the formula close to mother milk is important and it must have prebiotic,probiotic and DHA and ARA in the formula as good number of doctors supports this



Whey : casine ratio of 60:40 is considered as best supported by 78% of the doctors

Results and Conclusion from Patient feedback

1. PACKAGING

To address the issue of parents struggling to feed their children correctly due to lack of measuring equipment to measure the water quantity generally 30ml, the packaging of infant formula can be modified to make it easier for them to prepare the meal accurately because of this the desired result is not achieved for example in case of FTT the child will not be able to weight gain and ultimately the doctors will shift to another brand . Here are some suggestions based on guidelines mentioned in the provided sources

2. LONG SHELF LIFE

Long shelf life is important for prepared meals due to concerns about meal wastage. Often, babies eat slowly or leave meals unfinished, leading parents to prepare meals using smaller quantities of formula. This way, if the child leaves the meal incomplete, less will be wasted. However, this can prevent the child from getting the desired nutritional intake, and it may delay the need to rebuy the product as parents are using smaller quantities of formula. Consequently, parents might lose trust in the brand and consult their doctor to switch to a different formula.

3. SMALLER PACK SIZE

Consumer Insights:

- Approximately 54% of people out of 70 people are interested in trying the formula but look for smaller quantities than the standard 400g pack.

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THANK YOU