

THE BABY BONUS



New parenthood is a time filled with opportunity for companies to sell. It's making some entrepreneurs very successful. **Report: Jackie Range**

● It was the puree that did it.

New mother Alexandra Wardle, was trying to feed her son, Tyler. In pureeing food and introducing him to solids, she went through container after container.

"I was preparing a lot of food and I was putting it into an ice cube tray and I just couldn't get it out of the ice cube tray," she says. "Once you've pureed baby food, it becomes very dense. I ended up breaking the ice cube tray – with potato cubes it was – flying all over the room."

Watching TV later, she caught a program about mums who had successful businesses. "I thought, why don't I make my own ice cube tray? Without really giving it a lot of thought, the idea kind of sprung from there and then it was a matter of, well, how do you make an ice cube tray exactly?"

Previously a specialist sales representative for pharmaceuticals giant Pfizer, Wardle didn't have any background in manufacturing or product development, or ice cube trays for that matter. But she did have the drive to have a go.

She contacted one of the mothers who had appeared on the show, who gave her a rough idea of what she needed to do. "From that point I started ringing factories in Perth and taking

Tyler in the pram to factories and a lot of them had a good old giggle and pretty much told me to stop wasting their time."

A year later Wardle had the design and factory sorted and went out to baby stores in Perth and Melbourne with samples of her product, Qubies.

Produced by her company, Miinki Moop, Qubies are containers with soft silicon lids, that have dividers moulded into the lid. That means when the contents of the trays are frozen, they freeze in separate sections, which can then easily be popped out.

"The original pilot run was only supposed to be 800 units and I sold 2000 units in the first two weeks," she says.

"Within a month I'd already placed my second order with the factory and I was up and running."

Wardle now distributes to hundreds of stores across Australia and beyond.

"We've gone literally from, 'it was just a little idea,' to, 'it's now a business,'" she says.

Wardle's entrepreneurial success demonstrates the demand for products that cater to new parents' needs. Tap that market right and there's money to be made.

Babies are big business. Market research analyst IBISWorld estimated in November last

COVER STORY



I don't think I had ever been as easily influenced by marketing as when I was pregnant, because you're terrified ... There's this overwhelming sense of responsibility for a new life and so you feel this personal pressure to make the right decisions

Jody Evans, Melbourne School of Business

year that revenue from baby products would reach \$4.38 billion in 2011-12. It predicts average growth of 3.1 per cent a year for the next five years, with revenue reaching nearly \$5.1 billion in 2016-17.

A new sector is growing in the industry, which is high-end baby goods. Underpinning that part of the market are social trends – a lower overall birth rate, which means that mothers are having fewer children and tend to have more to spend on each child, more women in work with therefore greater spending power and rising birth rates among older parents who tend to be more financially secure.

"Cashed-up parents have been buying up big for their newborns, with only the best in mind," IBISWorld reports. When it comes to spending on their child, there are those for whom cost is not the first consideration and companies are targeting this sentiment.

Baby food company Rafferty's Garden came to market with an expensive brand and the cost didn't dissuade its customers.

"They realised that this product was almost twice the price of the conventional baby food, but saw that the nutritional benefit and quality of this food was just second to none ... they clearly wanted the best for their baby," Rafferty's Garden founder Adrian Pike says.

Since starting in 2008, Rafferty's Garden has grown fast. The company made fourth place in the most recent *BRW Fast Starters* list released in April, with 2010-11 turnover of \$33.4 million.

"I remember when I was doing the budgets for the following year, my accountants would look at me and say, 'You're mad, it's never going to happen' and I remember the year would close and ... we'd overachieve them," Pike says.

From a marketing perspective, new parenthood and pregnancy offer a set of conditions ripe with opportunity. Even those

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Transformation: Alexandra Wardle has gone from a mother with a 'little idea' to running a business



MOTHER OF ALL SELLERS

Marketers can go to a number of places to target parents and new parents to be. One of those is social media. eMarketer, which publishes information on media, digital marketing and commerce, forecasts that in the United States this year, nearly 28 million mothers will be using social networks.

Social media is a key part of Alexandra Wardle's marketing push for Qubies. "We literally just have a list of the mummy bloggers that are either referred to us or we find, because when you are in the industry you do start to get to know of the good ones and the ones that have a reasonable following," she says.

"If somebody actually tries the product and gives an honest review of the product, I think it has a lot more weight to it."

Ecommerce company CatchOfTheDay group is planning to launch a new website – mumgo.com.au – this month aimed at mothers. On the site, mums will be able to shop for themselves, their babies and their children, a company spokeswoman says. Beyond discount deals, the company is also building an online community.

"Mums are very active on forums and social media sites, they do a lot of research online," a CatchOfTheDay spokeswoman says.

Another method of targeting consumers is through statistics. Some companies use statisticians to try to predict when customers may change their consumption habits, with pregnancy a key moment in a consumer's life.

An entertaining story in *The New York Times Magazine* explained how Target in the US became very good at identifying when consumers were expecting a baby through their product choices. This enabled the retailer to target potential customers with enticements to get them to try new products.

In one case, this happened with unforeseen consequences: a father stormed into a store asking if they were trying to encourage his still-at-school daughter to get pregnant. He then later said to the store manager who had called to apologise: "It turns out there's been some activities in my house I haven't been completely aware of. She's due in August. I owe you an apology."

Target Australia, which shares the Target name and logo with the American outfit but is a completely separate company, would also like to get into this area but will tread carefully, Target managing director Dene Rogers says.

"The trick is to make sure that you're not becoming invasive when you market to the mother ... that the person doesn't feel like they're getting stalked," he says. "We're fortunate that we have a pretty large database in the flybuys loyalty program that [we participate in] that we can use to ... connect a little bit more with our customers."

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