

Entering the European market for baby wear

Some of the world's most interesting apparel markets are in Europe. This report will help you understand what the most important requirements are to be successful in the European market for baby wear, which is known for its fashionability. Collections and designs are generally very detailed and challenging to manufacture. You will find baby wear buyers in every channel and market segment. However, be aware that there may be different requirements in styling and quality among buyers from different EU countries.

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1. What requirements must baby wear comply with to be allowed on the European market?

If you want to sell baby wear in the European market, you need to comply with several requirements, some of which are mandatory, whether they are legal requirements or not. Others are voluntary, but meeting them can give you a competitive advantage. Some requirements only apply to certain niches in this market.

Mandatory requirements

There are several legal requirements you need to comply with if you want to export baby wear to Europe, including requirements concerning product safety, the use of chemicals (REACH), quality and labelling. Additionally, many buyers have created non-negotiable terms and conditions for all their suppliers to comply with. These requirements are not required by law, but still mandatory.

Product safety

Any item of baby wear for sale in the EU must comply with the EU's General Product Safety Directive ([GPSD: 2001/95/EC](#)). European Union Member Countries will check if your product meets the applicable safety requirements.

If your buyer has supplied the product design, it is their responsibility to make sure it is legally safe for consumers to use. However, if you have any doubts about whether a design is not compliant with the EU's General Product Safety Directive, discuss it with your buyer before you start the production process.

Special requirements for baby wear

The EU has a [specific standard for the safety of children's and baby wear](#). This standard contains requirements to ensure that cords and drawstrings are placed safely on apparel for babies and children up to 14 years. This is to avoid strangulation and choking hazards.

Tips:

Do not use cords or strings in the neck area of baby wear (hoods are allowed).

Do not use accessories like buttons that can come loose and cause a choking hazard.

Perform a small parts cylinder test to check which parts are allowed, such as [this online example of a small objects tester](#).

Check the EU's [2019 Guidance Document](#) for extra information on safety requirements for children's and baby wear.

REACH

Any item of baby wear exported to the EU must comply with [the REACH](#) Regulation, which stands for registration, evaluation, authorisation and restriction of chemicals. This regulation restricts or prohibits altogether the use of many chemicals in apparel and specific materials used for trims.

Chemicals commonly used in apparel production, which are restricted under REACH include:

- azo dyes that may release one or more of the 22 aromatic amines listed in [Appendix 8 to the REACH Regulation](#), nonylphenol and nonylphenol ethoxylates, and heavy metals, such as mercury, cadmium and lead;
- waterproofing and stain-repelling chemicals, such as perfluorooctane sulfonic acid and its derivatives (PFOS), which were originally restricted under REACH, but are now restricted under the Stockholm Convention ([EU Regulation 2019/1021](#)), as well as other persistent organic pollutants (POPs);
- certain nanomaterials used to make fabrics antibacterial;
- nickel, a restricted compound in metal trims and accessories, such as zippers, buttons and jewellery;
- polycyclic-aromatic hydrocarbons (PAHs) and phthalates used in plastic and PVC parts.

Restricted substances lists (RSLs)

In addition to REACH, many brands and retailers have formulated their own restricted substances lists (RSLs), which are stricter than REACH. They are often inspired by the guideline on the use of safe chemicals from the Zero Discharge of Hazardous Chemicals (ZDHC) foundation. Download the ZDHC [Conformance Guidance](#) to learn how to comply with the ZDHC guideline.

Flammability

The EU has no specific legal requirements regarding apparel flammability, but several EU Member Countries have their own, including [the UK](#), [Ireland](#), [the Netherlands](#). Switzerland, not a member of the EU but part of the EU single market, also has its [own requirements](#). The EU has a [voluntary standard](#) on fire resistance of the children's nightwear, which may aid in compliance with the GPSD.

If you use flame-retardant chemicals in your apparel, be aware that you need to conform with the REACH Regulation for the use of chemicals.

Labelling your product

You must specify the material content of every item of baby wear that you export to the EU, in accordance with [EU Regulation 1007/2001](#). The purpose of this regulation is to let consumers know what type of apparel they are buying.

Labelling the country of origin ('Made in') or labelling care instructions is not yet legally required in the EU. Including care labels in your baby wear is highly recommended though. Consumers expect it, especially because baby wear can become dirty quickly.

[ISO 3758: 2012](#) is the preferred standard for care labelling. The care label symbols are property of the company [GINETEX](#). You need to pay a fixed compensation to GINETEX for the use of these symbols.

Intellectual property rights

If you are selling your own designs in the European market, you must make sure you are not violating any intellectual property (IP) rights. If your buyer provides the design, they will also be liable in case the item is found to violate a property right.

Complying with intellectual property rights also means you cannot copy nor share designs from one buyer with another. European buyers expect you to handle their designs prudently.

Non-legal mandatory requirements

In addition to the legal requirements mentioned above, you may be required to comply with non-negotiable terms and conditions that buyers have created for their suppliers. Such requirements are not required by law, but they are still mandatory.

Sustainable production and social responsibility

Many buyers in Europe are increasing their demands in relation to sustainable production and social responsibility. At the very least, buyers will ask you to open your factory doors for them, so they can conduct personal inspections of your factory. Additionally, you may be requested to comply with the following independent standards:

- Standard 100 by [Oeko-Tex](#) is the most widely required standard regarding harmful substances and sustainable production. European buyers may also require standards such as the [EU Ecolabel](#), [BCI](#) (Better Cotton Initiative), [GOTS](#) (Global Organic Textile Standard) and [Bluesign](#).
- Regarding social responsibility, [BSCI](#) (Business Social Compliance Initiative) is the most popular certification that European buyers require. Other popular CSR standards include [FWF](#), [WRAP](#), [SEDEX](#), [ETI](#), [SA8000](#), [ISO 26000](#), and [Fair Trade](#).

Garment care preferences

When selecting base materials for baby wear, go for easy-to-care fabrics that can be machine washed at high temperatures (60°C minimum) without the risk of shrinking or fading. This is one of the reasons for the widespread use of cotton in baby wear.

Packaging requirements

Your buyer will give you instructions on how to package the order in most cases. If you agree with your buyer that they will clear customs in the country of import, which is the norm in the apparel industry, it is their responsibility to make sure the instructions comply with EU import procedures.

The packaging instructions will be written down in a packing manual, where you will find all relevant packing instructions concerning:

- type and quality of the packing material you need to use;
- size of the packing material;
- information that should be mentioned on the packing material, including style references and numbers, size breakdown, number of pieces and colourways;
- placement and position of barcodes;
- way of stacking;
- maximum quantity in a box or polybag;
- maximum weight of an export carton;
- nominated suppliers for the packing material.

Your buyer will also appreciate any efforts you make to reduce the environmental impact and the financial cost of using packaging materials. First, you can make suggestions on how to use less packaging materials. Another option is to use environmentally friendly alternatives, such as recycled and biodegradable materials.

Payment terms

Normally, European buyers will pay you a percentage of the total sum of the order, for example, 30% of it when they place the order, and the rest (70% in the example) after the order is completed. The most used payment method in the apparel industry for such a transaction is the letter of credit (LC). An LC obligates a buyer's bank to pay the supplier when both parties meet the conditions they have agreed upon.

In other cases, a buyer might ask for a telegraphic transfer (TT) after 30, 60, 90 or sometimes even 120 days. This means you, as a manufacturer, finish the production and hand over the shipment to the buyer, including the original documents before payment is due. The payment will be made after the number of days that you have agreed on with the buyer. This is a risky payment agreement because you take full financial risk.

Tips:

Read the CBI study [Organising Your Exports to Europe](#), for more tips on how to deal with payment terms, storing, packaging and shipping.

Check the [EU's Trade Helpdesk](#) for an overview of all legal requirements set for your product. There you can identify your product code to get a list of the applicable requirements.

Familiarise yourself with the [complete list of chemicals restricted under REACH](#). Make sure you only work with suppliers of fabrics and trims that are REACH compliant. Ask for proof that they are. Even so, perform random product tests to ensure your supplier is indeed delivering REACH-compliant fabrics and trims. Always use a certified testing laboratory. The most used competence standard for laboratories is [ISO/IEC 17025](#).

Additional Requirements

In addition to non-legal, but mandatory requirements like standards and certifications, there are many services that buyers implicitly expect or at least highly appreciate if you want to do business with them. These requirements can differ from buyer to buyer.

Product design and development

Most buyers have their own design team and do not solely rely on the collections that factories present to them. Still, having your own ideas on product design and development will be highly appreciated. Buyers are always looking for special designs, materials and production methods to help them stand out in the market.

Features that European buyers of baby wear highly appreciate include:

- the use of chemical-free, hypoallergenic, sustainable materials;
- ease of washing at high temperatures;
- resistance to staining during wear;
- innovations in getting garments on and off easily.

Communication

Smooth communication is an implicit requirement of all buyers. Always reply to every email within 24 hours. Even if it is just to confirm that you have received the email and will send a more complete reply later. If you have a problem with a production order, immediately notify the customer and try to offer a solution. Another good tip is to create a T&A (time and arrival) of every order and share it with your buyer. This file will help you to manage expectations, monitor progress and is the best guarantee of on-time delivery.

Flexibility

Many factories focus only on getting convenient orders: simple designs, large quantities and long delivery times. However, if you want to start a business relationship with a European buyer, be prepared to accept complicated orders first. Buyers will want to test your factory before giving you large, easy orders. Make sure at the start that a buyer will not continue to place only difficult orders with you and convenient orders elsewhere.

Expect a European buyer to require in their first order:

- high material quality and impeccable workmanship;
- order quantities below your normal minimum order quantity (MOQ);
- a price level that is lower than you normally would accept for small quantity orders.

Tips:

Read CBI's seasonal [Fashion Forecast](#) or sign up for trend forecaster [WGSN's newsletter](#). For inspiration and trends in baby wear, check online fashion platforms as [CWB](#), [Kid's Wear Magazine](#) and [Earnshaw's](#), which European buyers also read.

Check the websites of [Fashion for Good](#) and [Springwise](#), search for 'apparel' or 'fashion' in the search bar, for the latest innovations in apparel design and production.

Invest in in-house printing and embroidery equipment to better control quality and delivery speed.

Niche requirements

The following requirements appeal to a minority of buyers in Europe, but they may give you a competitive advantage.

Sustainability

Check out parenting forums and blogs, such as [Mother and Baby](#), for the latest information on sustainable brands gaining popularity. Investigate what their products have in common and look for niches where you can develop unique, distinctive products. Some smaller brands produce only baby wear or for babies and children up to their pre-teens. These tend to be premium, high-quality brands focusing on environmentally friendly materials.

Gender-neutral collections

Brands and retailers do not typically segment by gender. There is a growing trend for durable, gender-neutral clothing using quality materials, neutral greens and yellows, as well as prints that do not restrict use according to gender. [John Lewis](#) is an example of a private label brand moving towards more gender-neutral clothing for children. [Hema](#) also launched gender neutral children's underwear.

Tips:

If you decide to focus on a niche, investigate the specific requirements and make sure you can comply with them. Be aware that order quantities in niche markets may be small.

Try to think ahead in your product development if you service niche markets, where innovations are introduced almost daily. Try to find workable innovations that will not only give you the tools to diversify but also to cut expenses.

2. Through what channels can you get baby wear on the European market?

Before you start to approach European buyers, you need to determine what market segment fits your company best and through what channels you want to sell your product.

How is the end market segmented?

European buyers of baby wear can best be classified by the price-quality level of their products. Other than that, each target age group is generally associated with product characteristics such as soft, chemical-free and natural materials for babies.

Table 1: Baby wear market segmentation

Consumer type	Price level	Fashionability	Materials	Functionality	Order quantities
Luxury consumer	Very high retail prices	'Adult', unique designs	Luxury materials	Very high requirements regarding washability, durability and fit	Low order quantities
Fashion conscious consumer	High retail prices	Styles in line with latest trends	Good quality, organic materials	High requirements regarding washability, durability and fit	Low to medium order quantities
Practical consumer	Medium retail prices	Practical, fashion conscious designs	Medium quality, organic materials	Requirements include easy-to-wash, safety	High order quantities
Price-conscious consumer	Low and extremely low retail prices	Use of licensed graphics	Medium-low quality materials	Requirements include easy-to-wash, safety	High order quantities

The luxury consumer

European brands in the luxury market like [Burberry](#), [Baby Dior](#), [Fendi Kids](#) and [Dolce & Gabbana](#) sell highly fashionable collections at very high retail prices. Buyers in this segment have extremely high standards regarding safety, washability, durability, fit and use of luxury materials, making this a very difficult market to

enter. Order quantities are low. This market is growing primarily because European couples are starting families later in life and therefore tend to have higher disposable incomes when they have children.

The fashion conscious consumer

The upper-middle market caters to the fashion conscious consumer. It is home to brands and retailers such as [Joules](#), [Petit Bateau](#), [Tumble N Dry](#) and [Bonpoint](#). Some cater to both adults and children, others specialise in children's and baby wear. Styles are in line with the latest trends in colour and design. Retail prices are high. Focus is on safety, washability, durability, fit and high-quality organic materials. Order quantities are low to medium. This market is growing, for the same reason the luxury market is growing.

The practical consumer

Practical consumers typically shop in the middle market. Here you will find brands and retailers such as [Zara](#), [M&S](#), [Benetton Kids](#) and [IKKS](#). They sell practical, fashion-conscious items, sometimes using licensed graphics. Focus is on safety, washability, durability, fit and medium-quality materials. Buyers will regularly require organic fabrics. Order quantities are high, retail prices low. Like many middle markets in Europe, this segment is stagnant.

The price-conscious consumer

The budget market has brands and retailers such as [Tesco](#), [HEMA](#), [H&M](#) and [Carrefour](#) catering to price-conscious consumers looking for non-branded, practical items and basics that are good quality, easy to wash and safe. Buyers often use licensed graphics in their designs. Organic materials are in small demand, with notable exceptions, such as [C&A](#) and [Zeeman](#). Order quantities are high and retail prices are very low, so your margins would be too. This market is growing.

Table 2: Selected European baby wear buyers and their position in the market

Company name	Price-quality level			Fashionability			Order quantities		
	low	med	high	basic	med	high	low	med	high
Burberry			x			x	x		
Baby Dior			x			x	x		
Fendi Kids			x			x	x		
Dolce & Gabbana			x			x	x		
Joules		x	x		x	x		x	
Olivier		x	x		x	x	x		
Petit Bateau		x	x		x	x		x	
Tumble N Dry		x	x		x	x		x	
Bonpoint		x	x		x	x	x		

Zara		X			X				X
M&S		X			X				X
Benetton Kids		X			X				X
IKKS		X			X		X		
Tesco	X			X				X	
HEMA	X			X				X	
H&M	X				X				X
C&A	X			X					X
Carrefour	X			X					X
Zeeman	X			X				X	

Tips:

Check online shopping platforms for baby wear, such as [Kleertjes](#), [Babyccino](#) and [Name It](#), for inspiration on styles and colours.

Focus on adding value for higher segments which offer higher profit margins. If you are offering good-quality organic products, make sure your products are fashionable and differentiated in some way, for example, by focusing on original graphics or by buying a licence for creating unique character prints.

Note that a baby collection is not only about garments. Try to develop side products and accessories, perhaps even made from cutting waste to help you grow your market share.

Through what channels does the product end up on the end market?

The most marked difference among your potential buyers is their place up the value chain, because that will determine how they do business with you. Each type of buyer requires a specific approach. Always try to find out in what part of the value chain your buyer operates, what challenges they face in the market and how you can contribute to their sales strategies.

- If you want to target European end consumers directly, try selling via platforms such as [Alibaba](#), [Wish](#) and [Amazon](#). Most online consumers can be found in countries in Europe's northwest. You will need to invest in a web shop, stock and order management, and customer service. Your biggest challenge will be return policies. The lack of brand awareness among European consumers, who appreciate baby wear for its consumer safety and sustainable qualities, will also make it difficult to find buyers outside the budget market.
- Online multi-brand retailers such as [Zalando](#), [Asos](#) and [Yoox](#) sell baby wear brands and develop their own private collections, mostly value brands. They can detect market interest very fast and will immediately

react upon sales data. Usually such companies will place a small test order first. If the item is selling well, they will place an actual production order. Fast delivery is a must.

- If you want to sell to retailers, the biggest names in baby wear are [H&M](#), [Zara](#) and [C&A](#). Many large supermarket chains also sell baby wear. A retail buyer can place an order relatively fast as they only need one development sample for order confirmation. However, their buying behaviour can be unpredictable. Order quantities are large when you service Europe's large retail chains, but so is the price pressure.
- Baby wear brands such as [Le Petit Bateau](#) and [Olivier](#) typically develop a collection 12 months in advance. You will need a large sample room as brands require salesman samples (SMS) of each collection style. Every sample needs to be actual, meaning it must look exactly like the product will in the shop, with branded hangtags and accessories. It may take many months before orders are placed. Brands sell to retailers, but also directly to consumers via their own online stores.
- Intermediaries such as agents, traders, importers and private label companies, sell your product on to buyers up the value chain. They are price focused and require flexibility in quantities and qualities. Some are located near or in the production countries and primarily do sourcing and logistics, such as [Li & Fung](#). Others, such as [Dewhirst](#) and [Longratex](#) work from Europe and also do market research, design and stock keeping. Their service level determines the commission rate they charge.

The diagram illustrates the distribution system for babywearing, showing the flow from the babywearing manufacturer to the end-consumer through various retail channels. The components and their relationships are as follows:

- Babywearing end-consumer** (top blue bar)
- Online platform** (green box)
- Online multi-brand retail** (grey box)
- Retail** (orange box)
- webshop** (blue box)
- Mono-brand retail** (blue box)
- Brand** (blue box)
- Intermediary** (purple box)
- brand** (yellow box)
- babywearing manufacturer** (bottom yellow bar)

The flow of goods and information is indicated by arrows:

- Manufacturer to Retailers:** Yellow arrows point from the **babywearing manufacturer** to the **Online platform**, **Online multi-brand retail**, **Retail**, **webshop**, and **Mono-brand retail**.
- Manufacturer to Intermediary:** A yellow arrow points from the **babywearing manufacturer** to the **Intermediary**.
- Intermediary to Retailers:** Purple arrows point from the **Intermediary** to the **Online platform**, **Online multi-brand retail**, **Retail**, and **Brand**.
- Brand to Retailers:** Blue arrows point from the **Brand** to the **Online multi-brand retail**, **Retail**, **webshop**, and **Mono-brand retail**.
- Retailers to Consumer:** Grey arrows point from the **Online platform**, **Online multi-brand retail**, **Retail**, **webshop**, and **Mono-brand retail** to the **Babywearing end-consumer**.
- Intermediary to Brand:** A purple arrow points from the **Intermediary** to the **Brand**.

If you are a small to medium-sized manufacturer in a developing country, intermediaries, brands and retailers are likely the most interesting types of buyers for you. End consumers are a difficult target group because of complicated customer service demands and your lack of brand awareness. European retailers can be a difficult channel because they mostly buy from brands and traders.

Agents, traders, importers and private label companies are the most adventurous type of buyer and are usually the first to explore new sourcing destinations. By working with an intermediary, you will have access to many different buyers up the value chain and you can learn how to service them by following the trader's instructions. At the same time, you avoid the risk and investment associated with directly supplying to a brand or retailer.

Brands

Many European fashion brands are trying to cut out intermediaries and source directly from manufacturers. Baby wear brands are no exception to this trend. Hence, brands can be an interesting category of buyers. However, working for a brand comes with greater risk, as requirements become more stringent the higher you go up the value chain. Your first difficulty will be to get nominated by a brand. Investigate your potential buyers' target group and collections and try to offer a better product for a competitive price.

Retailers

Selling to a European retailer with a local buying office in your region gives you the advantage of doing business with a partner that knows the trends and requirements in the European market. The choice between doing business with an intermediary or a retailer mainly depends on the complexity of the product you produce. Basic, cheap items do not offer enough margin to justify working with an intermediary.

Tips:

You can find traders specialised in baby wear by using an online search engine. Use keywords such as 'full service', 'garment' or 'baby wear' plus 'solution'. Traders websites usually show the brands they work with.

Check European sector associations for contacts. Formed by [several national children's fashion associations](#), [Children's Fashion Europe](#) promotes the interests of children's fashion companies in Europe.

Follow potential buyers on social media channels, such as [LinkedIn](#), [Youtube](#), [Twitter](#) and [Instagram](#). This will provide you with company updates and news on their latest collections and travel schedules. They might also follow you in return.

3. What competition do you face on the European baby wear market?

Large and small factories in Asia, North Africa and Europe are your main competitors. If you want to compete successfully, it is important that you can handle flexible quantities; that you have a reliable, transparent and preferably local supplier of organic materials; and that you have high efficiency and low wages. This is because prices for baby wear are lower than for adults, but labour intensity and wastage are usually the same or higher.

Which countries are you competing with?

China is the largest country exporter of baby wear to Europe. Technical innovation, high efficiency, excellent customer service and the local availability of fabrics and trims give Chinese manufacturers an advantage over competitors in developing countries. Most factories comply with European requirements regarding quality and sustainability, but high MOQs, rising labour and production costs and not benefitting from the [Generalised Scheme of Preferences](#) (GSP) that removes import duties to the EU, all work against them.

Producers in Bangladesh specialise in making cheap, basic apparel, including baby wear. The country benefits from a large, fairly well-skilled workforce, low labour costs and benefits from the GSP. There is little availability of local cotton. The biggest challenge for Bangladesh will be to increase technical expertise, facilitate smaller orders and get more factories to comply with international safety and sustainability standards.

India is a low-cost producer of apparel with a large workforce. India's apparel production is generally divided into hubs based on product type, with the one around Delhi focused on womenswear and children's wear. India,

which benefits from the GSP, is the world's largest producer of cotton and second-largest exporter, but many of its factories lack the service level that their competitors in China offer, and are struggling to meet increasing requirements regarding sustainable production.

Turkey has the main advantage of being close to Europe, which results in very short lead times. The country produces high-quality, fashionable apparel items in small quantities, including baby wear. It has local availability of cotton and a European business culture. Among other advantages, Turkish manufacturers will accept payment in euros, for example, but price levels are relatively high compared to countries in Asia.

Although Sri Lanka's wages are increasing, it remains a low-cost sourcing origin with a skilled workforce and efficient, compliant factories. Sri Lanka's producers focus on higher added-value products, including upper market casualwear, women's lingerie and nightwear, swimwear, children's and baby wear. Sri Lanka lacks locally produced fabrics, but it benefits from the [GSP+](#) tariff scheme.

Cambodia is an upcoming production country for apparel, including children's and baby wear. Many factories in Cambodia were set up by foreign investors from other Asian countries, who also bring their expertise. The country lacks locally produced fabrics, but benefits from the [EBA](#) tariff scheme. Sub-optimal production quality due to an inexperienced and relatively small workforce and the relatively high costs for importing and exporting fabrics and finished goods work against Cambodia's producers.

Tips:

As a manufacturer from a developing country, consider targeting higher value segments and value-added product groups, rather than using simple styles in the overcrowded, low-cost, low-margin value segment.

Investigate other apparel producing countries for their competitive advantage. Check the freely accessible [CSR Risk Check database](#) to discover the social and environmental risks associated with apparel production in different countries, including your own. Use this information to mitigate risks and to promote the advantages of sourcing in your country.

Before you approach any buyer, determine your USPs and define your ideal buyer. Note that selling your company is even more important than selling your product, so focus on certifications and CSR. For more information, read our report on [trends in the European apparel market](#).

Which companies are you competing with?

The [Crystal Group](#) is a large, well established manufacturing group with 20 factories in five countries (China, Bangladesh, Sri Lanka, Cambodia and Vietnam). Key to its success is what it refers to as its co-creation business model, which focuses on building long-term relationships with leading global apparel brands and working as a proactive partner in both innovation and sustainability.

The Crystal Group offers excellent service, including dedicated production teams to advise buyers on product specifications, raw materials, finishes, treatments and washing techniques, and even monitoring buyer's stock levels at their warehouses.

China's [Jiangsu Guotai Huasheng Industrial Co. Ltd](#) has seven production units in China and four in other countries (in Myanmar and Cambodia). One of the largest Chinese exporters of apparel, and part of a large group, Jiangsu Guotai is vertically integrated, producing its own yarn, fabric and trims. The company offers design and a sample making centre for fast turnaround of prototypes. It also has sales offices in European countries, such as the UK, France and Spain.

Sri Lanka's [Voguetex](#) has a sales office in Germany, which provides the advantage of being close to buyers and to offer localised service and support. Voguetex focuses on customer service, including product development, design, in-house printing and embroidery, and marketing. Its website is professional and modern and is supported by an active presence on social media. The company clearly promotes its focus on CSR, including local community initiatives and certifications, such as BSCI, Sedex, Oeko-Tex and ISO 9001:2008.

Tips:

Check the free online database [Open Apparel Registry](#), which allows you to look up the suppliers of hundreds of European fashion brands, including buyers of baby wear.

Study your competitors and try to understand why European buyers are interested in placing orders with them. Understanding your competitors will help you to diversify and improve your own USPs.

Read the CBI study [10 Tips for Doing Business with European Buyers](#) to learn how to approach and engage with buyers. This report also describes how you can get practical help with understanding European business culture, analysing your USPs and doing business with European buyers.

High levels of quality and service alone will not necessarily lead to growth. A professional approach to marketing and sales is essential. Create a professional website in English and promote your capabilities by attending trade fairs or establishing sales representation in Europe.

Which products are you competing with?

Printed and embellished apparel items, particularly those with licensed graphics, fetch higher prices than solid items. The biggest emphasis on prints is in baby sleepwear, followed by tops. The most important product categories for comic book graphics are sleepwear, T-shirts and sweatshirts.

Short and long-sleeved T-shirts, leggings and sleepwear are worn year-round by all age groups. In the value and middle segments, a style is often sold in sets of 2, 3 or 5 colours or design combinations for a lower per unit price, particularly for babies. There is intense competition for very low prices in these categories. In other segments, margins are higher for value-added, embellished and sustainable products.

Organic materials are growing increasingly important for baby onesies, T-shirts, sleepwear, sweatshirts, knitwear and leggings. As the industry move towards other sustainable materials, such as recycled fibres, more opportunities for outerwear garments using recyclable synthetic fabrics open up.

Although largely seasonal, outerwear is a highly differentiated category focusing on both fashionability and functionality. Weatherproofing against both cold and wet conditions is important for all age groups with parkas, raincoats, puffer jackets and snowsuits in high demand. New materials and technologies are being introduced continuously, including shower resistance, water resistance, waterproofing and synthetic down.

Many of the top baby wear importing countries are cold-weather countries, which means that even in spring and summer, lightweight outerwear is required, making this a very interesting category for the European market.

Tips:

Try to improve your USP by offering baby wear with licensed graphics.

Investigate the market demand for sustainable fabrics and try to offer sustainable innovations to create a product USP.

Follow high-level baby wear brands like [Le Petit Bateau](#) and [Olivier](#) on social media, such as on Instagram, for inspiration and guidance on understanding market trends.

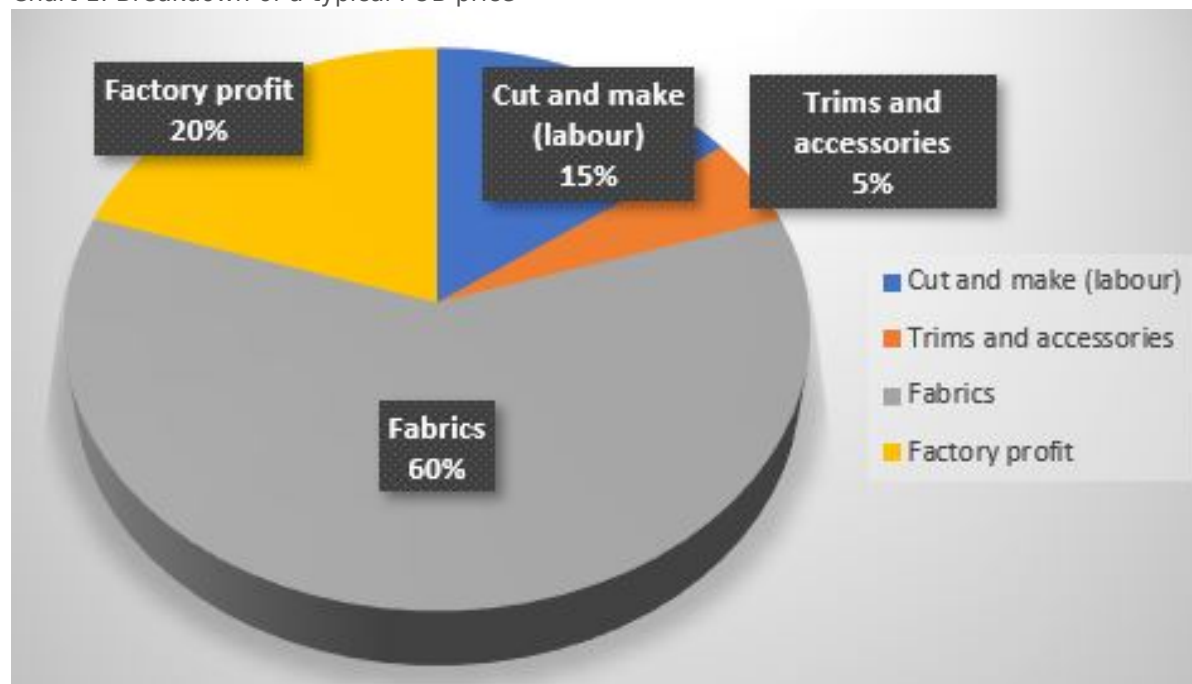
4. What are the prices for baby wear on the European market?

The factory price of your product, which in the fashion industry jargon is your FOB price (for [free on board](#)), is influenced by many factors, including the cost of materials, the efficiency of your employees, your overhead and profit margin.

The challenge with manufacturing baby wear is keeping production efficiency high, even though the average fabric consumption may be lower than for adult wear, and the order quantities smaller. Because of this, most successful manufacturers specialise only in baby wear, maximising efficiency and competitiveness.

The following chart shows the average cost breakdown of a typical FOB price.

Chart 1: Breakdown of a typical FOB price



Note that these percentages may vary per factory and per order. Some factories accept lower profit margins during offseason periods or when order volumes are high. In addition, the percentages for labour versus fabrics may vary, depending on the efficiency and wage level of the workforce and the price of the materials. Efficiency goes up and material prices go down when producing large volume orders.

Retail pricing

The retail price of a baby wear item is on average four to eight times the FOB price, which is called retail markup. It follows that the FOB price is on average 12.5%–25% of the retail price of the product. Exceptions do exist. In the budget market, some large European retail chains may sell products for a markup of just twice the FOB price. Retailers mark the FOB price up four to eight times because they need to account for import duties, transport, rent, marketing, overhead, stock keeping, markdowns, VAT (15%–27% in EU countries), among other costs.

According to [Eurostat's 2018 comparison of retail prices for apparel](#), France has the highest price level among the top six apparel and footwear importer countries at 109.9 points compared to the European average of 100,

followed by Belgium (106.4), the Netherlands (106.3), Italy (101.1), Germany (99.1), the UK (92.7) and Spain (92).

Note that brands and retailers that sell in multiple European countries usually keep prices equal or deviate only slightly from the standard retail price. Prices for older children's garments are higher than those for younger children and babies. Some retailers even have a tiered pricing system for larger sizes within the same age group for the same product.


Online commerce, a strong budget segment and intense competition have made consumers in Europe accustomed to low prices. Focus on sustainability and higher production costs have, at the same time, put manufacturers, suppliers and buyers under enormous price pressure.


Prices are expected to remain stable in the next three years thanks to increased efficiency, automation and the trend of production shifting to low-wage countries. This trend, combined with the increase in average population age and consequent decreasing demand for baby wear, is expected to reduce average order quantities, moving part of the production towards nearshore countries that can offer most flexibility.


This study has been carried out on behalf of CBI by [FT Journalistiek](#).

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