

NIQ Perspective

Premium with Purpose: The New Growth Engine in Home, Family, and Baby

Here’s what industry experts are saying:

“Premiumization in home, family, and baby is a structural shift. Consumers are trading up because they see real value in products that are safer, greener, and perform better. The brands that win will be the ones that make premium feel justified versus indulgent.”



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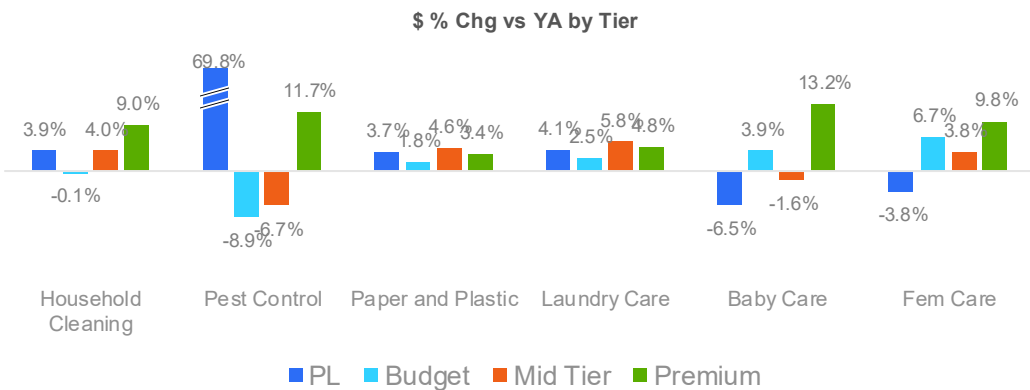
The Takeaway...

- Premium is the primary growth engine for many HFB categories as consumers trade up for products that deliver clear benefits in safety, performance, and sustainability
- Consumers are not trading up for status, they are demanding proof and only paying more when the value is undeniable
- If your product is not meaningfully different, it is instantly substitutable either by premium leaders or private label
- The next premium winner will be built around culture, not just category as younger, diverse households redefine what matters
- Digital is not just a channel, it’s where premium brands are thriving and where many are discovered

Implications for the Home, Family, Baby Industry

Growth Concentrates at Premium and Private Label Across Home, Family, and Baby

Shoppers are driving growth at the pricing extremes by choosing premium products where trust, safety, and performance matter and private label where equivalency feels acceptable. Mid-tier offerings underperform across categories because they lack clear differentiation in either value or benefits. For marketers, this makes pricing and positioning decisions critical, as brands must clearly earn a premium or win on value to stay relevant in today’s selective shopping environment.



Premium growth is driven by sustainable and functional attributes across categories

Premium brands’ growth is concentrated in clearly differentiated attributes, like sustainable, and functional benefits, reinforcing that innovation must deliver tangible and perceivable value to justify premium positioning

NIQ Product Insight Characteristics Driving Growth of Premium (\$ % Chg vs YA)					
Household Cleaning	Pest Control	Paper and Plastic	Laundry Care	Baby Care	Fem Care
Contains Natural Fragrance Stated	Biobased Product Claim Cert Stated	Renewable Energy Stated	Eco Friendly Certified Stated	Good Source Of Fiber Stated	Wicking Stated
381%	641%	61%	339%	213%	870%
Antibacterial Stated	All Natural Ingredients Stated	Terracycle Stated	Advanced Formula Stated	Free Of Soy Stated	For Sensitive Skin Stated
121%	74%	22%	45%	98%	154%
Sustainability Certified Stated	Biodegradable Stated	Recycled Packaging Stated	EPA Safer Choice Stated	Free From Antibiotics Stated	Hypoallergenic Stated
13%	65%	21%	34%	89%	120%

Baby and Fem Care show the strongest over indexing across key demographic cohorts

Baby Care and Fem Care consistently over index across multiple demographics, including larger households, younger consumers, higher-income shoppers, and diverse segments, highlighting stronger engagement and elevated relevance among these cohorts



Source: NielsenIQ Omnisales, Omnishopper, RMS, 52 Weeks Ending 3/29/26; Premium = unitprice > 20% if category average, Mid = > -20% to < 20% of category average, Budget = < 20% of category average

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Here's what you should do if you are a manufacturer

- **Prove premium value clearly**
Focus on tangible benefits like safety, performance, and sustainability that shoppers can see and trust
- **Compete at the extremes**
Strengthen premium innovation or sharpen value offerings instead of relying on mid-tier positioning
- **Build premium into the product**
Prioritize formulation, ingredients, and certifications that justify higher price points
- **Lead with high-growth attributes**
Accelerate development around eco-friendly, hypoallergenic, and functional benefits that drive outsized growth
- **Target multicultural consumers as growth drivers**
Design products, messaging, and formats for younger, diverse, higher-income households who over-index on premium
- **Design for digital-first discovery**
Optimize packaging, content, and reviews for e-commerce, social platforms, and search visibility

Here's what you should do if you are a retailer

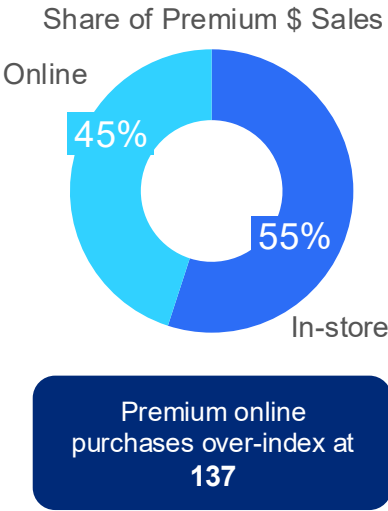
- **Shift space toward premium growth segments**
Increase shelf space, features, and visibility for premium assortments across categories
- **Merchandise around needs and benefits**
Group products by themes like clean, sensitive, or wellness to drive cross-category purchasing
- **Accelerate premium online strategy**
Invest in digital shelf optimization, retail media, and social commerce to capture disproportionate premium demand
- **Localize assortments based on demographics**
Align premium offerings to store clusters with higher concentrations of younger, diverse, and affluent shoppers
- **Balance premium expansion with value credibility**
Maintain strong private label offerings that deliver trusted performance at lower price points

Implications for the Home, Family, Baby Industry (con't)

Online Channels Dominate Premium Purchasing

Where are consumers purchasing premium products / by outlet and in-store vs online¹

	Premium's Contribution to Retailer \$s	Index vs Avg
TikTok	56%	215
Amazon	42%	160
D2C	36%	137
Specialty Online Retailers	31%	117
Target	22%	84
Walmart	22%	83
Costco	16%	60
Sam's	15%	57



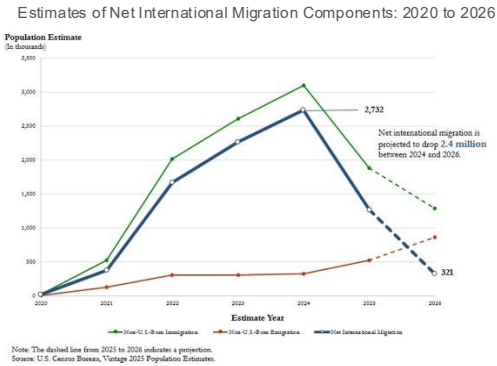
Slow Population Growth Means Volume Won't Come for Free

At just 0.5% annual growth, U.S. household formation alone can't sustain top-line momentum. Brands that rely on population-driven volume alone will stall making premiumization an avenue for dollar growth.



Declining Immigration Tightens the Growth Squeeze

Net international migration, historically the strongest offset to slowing birth rates, is projected to decline further, removing an organic volume lever and making premiumization the primary path to dollar sales growth.



Premiumization is reshaping HFB: consumers are choosing sustainable, functional, health-conscious products across every category. Brands and retailers that lean into clean-label innovation, multicultural marketing, and omnichannel distribution will capture the next wave of growth. **Connect with your NielsenIQ partner to unlock premium insights.**

¹Source: NielsenIQ Omnisales, Omnishopper, RMS, 52 Weeks Ending 3/29/26; Premium = unit price > 20% if category average, Mid = > -20% to < 20% of category average, Budget = < 20% of category average
²Source: US Census