

20 CATEGORY INSIGHT 16 REPORT



YOGURT: ANYTIME, ANYPLACE

THE REAL WORLD CUP

While internationally it can be said that soccer is the sport of the world, it is becoming increasingly clear that yogurt just might be the food of the world. And whether Greek, Australian, Icelandic, Asian or French, yogurt is popular morning, night and for times in between.

In the major global markets in 2015 alone, yogurt captivated consumers to the tune of 16.3 million tons.¹ The Greek yogurt boom of 2011-2013 has slowed from oversaturation and exposure, creating opportunity for new yogurts from other countries. In 2015, the fastest growing markets were seen in the U.S. (7.4% CAGR) and China (24% CAGR), while European sales were sluggish due to consumers' distraction with other food categories.² Consumers' increasing health and wellness demands, their snacking obsession and fast paced lifestyles all are contributors to various changes in the yogurt segment. However, the category's future is still pretty sweet with buckets — make that tubs — of potential.

BREAKFAST, SNACK, DESSERT — YOGURT SATISFIES

There is no denying the fact that the outlook for the yogurt segment is bright. Consumers enjoy it for breakfast, as a midday snack or as dessert. Because of its simple, clean, slightly acidic base, yogurt plays both sweet and savory, can be a base for a dip, dressing or even substitute for fat as a baking ingredient. Regardless how it is employed, yogurt has a high satiety factor because of protein content and creaminess. Here is the breakout of occasions where consumers choose yogurt.

BREAKFAST

Yogurt seems to have an identity crisis when it comes to breakfast. While it is the perfect satiating choice that can carry a consumer through lunch, consumers worldwide often link yogurt to snacking. Yet spoonable yogurt perhaps conflicts with the portability needed to be truly convenient for on-the-go. In the U.S., yogurt is likely to be eaten throughout the day. But European, Asian and Hispanic consumers are not onboard with yogurt as an “anytime” food. In Germany 30% of consumers enjoy yogurt as an accompaniment to muesli or cereal for breakfast while in Italy 30% choose to eat it alone.³ Asian consumers (Chinese in particular) prefer drinkable yogurt. Only 11% of their yogurt consumed is of the spoonable variety.⁴



Drinkable Yogurt: Given the recent news that Millennials find eating cereal to be “too much work,” drinkable yogurts are being positioned as convenient. Of the 58 new yogurts with specific claims for breakfast in 2015, 28% are drinkable yogurts.⁵ Mintel forecasts both drinkable and spoonable yogurt growth to continue through 2020. However, drinkable yogurt does have hurdles to overcome: 80% of consumers haven’t tried it.⁶ Appealing to their desire for convenience might help a drinkable product take off.

Orange Flavored Drinking Yogurt (China) has been reformulated with 30% more protein. It contains fermented lactic acid bacteria, prebiotics and dietary fiber.



Toppings: Manufacturers have found a way to connect yogurt to breakfast with add-ons inclusions like ancient grains, cereal, coconut and dried fruits in yogurt offerings. These also help with the convenience factor and might swing the cereal-shy Millennials towards yogurt for breakfast.

Morrison’s Fresh From Market St. Blueberry and Yogurt Muesli Pot (UK) comprises fat-free Greek-style natural yogurt with whole grain oats, wheat and barley flakes with mixed dried fruit topped with whole blueberries.



Caffeinated Yogurt: A “two birds” phenomenon is the idea behind manufacturers blending caffeine and coffee flavors into yogurt. While not necessarily a brand-new idea, manufacturers hope that Millennials love of blended coffee drinks and energy boosting applications will translate to yogurt.

Alpina Café Selections Caramel Macchiato Nonfat Greek Yogurt (USA) is made with real Colombian coffee, grade A milk and all natural ingredients. This product contains 30mg of caffeine, which is equivalent to approximately 35% of a cup of filtered coffee, and has 120 calories and 12g protein.

SNACKING

When it comes to snacking, yogurt fits the bill. There are high protein, low fat options with plenty of unique flavors. In addition, yogurt's adaptability for customizing makes it perfect for snacking. Nearly 70% of North American consumers eat yogurt as a snack. German consumers lean towards midday or evening yogurt noshing, and 53% of the French prefer their yogurt with dinner.⁷

Shifting Dayparts: While pretty much anything is a snack these days, yogurt manufacturers have an opportunity to explore applications targeted to specific mealtimes. If there can be indulgent dessert yogurts or grain driven breakfast applications, why not target savory flavors to lunch and dinner snacking?



Vigor Grego Black Olive Flavored Savory Yogurt with Croutons (Brazil)



The White Moustache Savory Shallots Handmade Yogurt (USA) is said to be made according to a traditional recipe from a Persian village that combines farm fresh milk, live cultures and endless patience.



Exercise Claims: 70% of consumers in the UK who feel that yogurt is an excellent protein also believe it to be an effective choice for a pre or post workout snack.⁸ Claims specific to exercise create a positioning opportunity for manufacturers.

Lindahls Drickkvarg Hallon- & Vaniljsmak (Raspberry and Vanilla Flavoured Quark Drink / Sweden) is described as a natural recovery drink for people who exercise. It has 22g protein per bottle, 1% fat and is free from added sugar and lactose.



On-The-Go Packaging: In the UK, 58% eat yogurt because it is a filling snack but only 14% consume it away from home. The same predicament faces consumers in Germany where 76% feel the need to eat their yogurt snack at home. With only 1% of spoonable yogurts having on-the-go claims in 2015 yet the portability demands of consumers as a constant, opportunity definitely exists for packaging.⁹ In Germany, manufacturers are banking on the squeeze pouch for adults to dispense yogurt.

Melkunie Breaker High Protein Kokos Yoghurt (High Protein Coconut Yogurt) is rich in protein, free from added sugar and lactose, and contains 1.5% fat. It is made with added milk protein, coconut and sweetener.

DESSERTS

Health conscious consumers still crave indulgence and yogurt is the perfect solution. The majority of yogurt consumers see yogurt as healthier than typical desserts, especially when it comes to Greek yogurt, which has a thicker more indulgent texture. Of the consumers who eat Greek yogurt, 33% would like more indulgent flavors.¹⁰ Twenty seven percent of U.S. consumers who eat yogurt choose it as a dessert.¹¹ In Europe, yogurt is more likely to be eaten as dessert or as part of a meal.

Crossover: Desserts that still offer some health benefits like high protein, satiety, and satisfy a sweet tooth or two will gain a strong foothold on the consumer spoon. And crossover flavors inspired by a favorite ice cream or sophisticated dessert take the whole experience to the next level.



Bauer Premium dessert style yogurt (Germany) offers three layers: fruit, yogurt and crunchy toppings in flavors like Panna Cotta on Strawberry Vanilla with Chocolate Flakes, Stracciatella on Cherry with Chocolate Rolls, Madagascar Vanilla on Raspberry with Amaretto Balls and Caramel on Mocha with Cappuccino Balls.

ADULT-TARGETED YOGURTS

Yogurt is certainly a snack or food for the whole family but manufacturers are targeting certain flavors towards adult consumers.



Alcohol Inspired: If yogurt can cross into dessert or savory territories, there isn't any reason it can't dunk its spoon or straw into flavors inspired by favorite cocktails or liqueurs. Think flavors like crème de menthe or Cherry Kirsch that can turn a guilty pleasure into a healthier one.

Müller De Luxe Corner Cherry Kirsch Flavored Yogurt (UK) comprises smooth cherry Kirsch flavored yogurt with whipping cream, a dark chocolate layer and cherry flavor dark chocolate coated biscuit pieces.



Stress Relieving: Yogurts geared toward stress relief or illness recovery are soothing options for consumers who might want to avoid medication and use their food as a treatment alternative.

Yakult BF-1 Yogurt Drink has been reformulated and repackaged. It is designed for adults who live in a society full of stress. It features a mild flavor and is claimed to be gentle for the stomach.

YOGURT FLAVORS

NORTH AMERICA

Strawberry	Raspberry
Plain	Banana & Strawberry
Vanilla	Berry
Blueberry	Honey
Peach	Cherry

EUROPE

Plain	Blueberry
Strawberry	Cherry
Raspberry	Apricot
Vanilla	Lemon
Peach	Passionfruit & Peach



LATIN AMERICA

Strawberry	Red Fruit
Plain	Coconut
Peach	Honey
Vanilla	Fruit
Plum	Prune

ASIA PACIFIC

Plain	Peach
Strawberry	Berry
Blueberry	Aloe Vera
Mango	Orange
Fruit	Apple

MIDDLE EAST/AFRICA

Plain	Fruit
Strawberry	Chocolate
Vanilla	Berry
Peach	Apricot
Granadilla	Banana

TOP CLAIMS FOR YOGURT

GLOBAL

Low/No/Reduced Fat	Organic
No Additives/Preservatives	Digestive (Functional)
Low/No/Reduced Allergen	Vitamin/Mineral Fortified
Gluten-Free	Vegetarian
Ethical - Environmentally Friendly Package	Children (5-12)
Kosher	Low/No/Reduced Sugar

US: Environmentally friendly and ethical claims rank in the top five for new yogurt products in the U.S. Whether it is related to sustainability practices, recycling or humane treatment of livestock, manufacturers are communicating their ethical claims to capture consumers' attention. In addition to low/no/reduced fat, U.S. manufacturers have incorporated allergen-free, gluten-free and hormone-free claims in 39%, 37%, and 24% of new products introduced.



Redwood Hill Farm Blueberry, Pomegranate and Acai Cultured Goat Milk Kefir contains no refined sugar or gluten. The grade A drink is kosher and humane certified and produced in a sustainable environment. The manufacturer uses an extensive recycling program and also reduces and reuses in keeping with their principles of sustainability.

Asia: Coming in third after the low/no/reduced fat and preservative claims are digestive claims for yogurt applications in Asia. The probiotic demands of the Asian consumer are of top concern for manufacturers.

Europe: With the largest amount of new yogurt products introduced (>13,000), Europe's claims are varied. A blend of low/no fat and preservative claims top the chart followed by environmental claims.

Latin America: Allergen, fat and gluten-free claims top the list for Latin America. Interestingly, low/reduced sugar claims are the highest here compared to any other region.

Middle East/Africa: Halal and kosher claims are prevalent for yogurt in this region and low/no/reduced fat claims fall in between the two. Vegetarian claims occur more often than other regions.



BEYOND THE CUP: TRENDS AFFECTING THE YOGURT INDUSTRY

Non-dairy: The aforementioned allergen claims have led rise to alternative dairy options for dairy-adverse or health conscious consumers. While some consumers are truly allergic to dairy, others choose a dairy free lifestyle because they believe dairy-free options are healthier. About 33% of consumers enjoy the taste of dairy-free options and 44% of American Millennials think dairy-free yogurts are healthier.¹³



Kite Hill Plain Artisan Almond Milk Yogurt (USA) is made with creamy almond milk and live active cultures. This yogurt is free from dairy, soy, gluten, preservatives, and artificial colorings.

Ambient/Room temperature: While American consumers may not be immediately attracted to room temperature yogurts, the Asian consumer, notably the Chinese, prefer ambient beverages and foods because they believe them to be easier to digest. In China, 28% of yogurts are ambient.¹⁵ Shelf stable yogurts could be the next big thing and also meet the portability needs of on-the-go consumers.



Long Lasting Pasteurized Whipped Yogurt with Vanilla Flavor / Mi Gurt Yogurt Pasteurizado de Larga Duración Batido Sabor Vainilla is a creamy yogurt that has been pasteurized, eliminating the need for artificial preservatives or refrigeration up to six months.

Fermentation: One only has to visit a bar or gastro pub and see house-made pickles or kimchi on the table to know that fermentation fever is trending. Since yogurt is a food created from live cultures, it is regarded as a “fermented product” and manufacturers are using this to their advantage to speak to consumer’s health concerns. Kefir, a live cultured fermented milk drink made from Kefir grains, is loaded with powerful gut stabilizing bacteria.



Olympic Strawberry Organic Kefir is a non-effervescent, probiotic fermented milk containing 100% natural ingredients, 1% milk fat, and two billion probiotics per 250ml that contribute to a healthy intestinal flora.

Alternative regional yogurts: Perhaps the newest “Greek” yogurt, Icelandic yogurt called skyr has tripled its launches in the U.S and quadrupled them globally between 2014–2015.¹⁴ With a smooth texture but lower fat and sugar content, skyr is poised to capture some market share. Look for kefir, Balkan (another Greek offspring), almond and sheep’s yogurts to be fighting for fridge space in 2016.



Olympic Natural Probiotic Reduced Sugar Balkan Style Yogurt with Fruit on the Bottom includes the following flavors: blueberry; black cherry; strawberry; and raspberry.

Icelandic Provisions Peach & Cloudberry Traditional Icelandic Skyr with Heirloom Skyr Cultures is made with heirloom Icelandic cultures. With a thick and creamy texture, this skyr contains probiotics, 1.5% milk fat and 15g protein, and is free of artificial growth hormones like rBGH.

FUTURE OPPORTUNITIES

FONA CAN HELP!

Let FONA's market insight and research experts translate these trends into product category ideas for your brand. They can help you with concept and flavor pipeline development, ideation, consumer studies and white space analysis to pinpoint opportunities in the market. Our flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. We understand how to mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution. From concept to manufacturing, we're here every step of the way.

From concept to manufacturing, we're here every step of the way. Contact our Sales Service Department at 630.578.8600 to request a flavor sample or visit www.fona.com.

SOURCES

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