Market Trends in Yogurt Products

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Dairy Innovation Australia Limited
03 June 2014

Dairy Australia/NCDEA Webinar
Dairy Innovation Australia (DIAL)

Technical Support for small-to-large dairy/food companies

- Product Development Support
- Pilot scale processing – UHT, membrane filtration, infant formula, nutritional beverages, etc
- Sensory analysis – consumer and trained panels
- Process Engineering solution
- Starter culture for cheese and fermented products
- Market intelligence
- Technical feasibility studies
- Microbiology and biotechnology support
- Well-qualified & experienced staff and expert knowledge

Contact: enquiries@dairyinnovation.com.au
Contents

• Yogurt – consumer perception
• Yogurt market forecast for 5 years (2013-2018)
• Greek yogurt in US
• Data on new product launches in last 2 years
• New product trends
• Summary
Yogurt – a global healthy food

How often do you purchase the following foods that promote specific health benefits?
Global Average

- Never
- Rarely
- Occasionally
- Regularly

<table>
<thead>
<tr>
<th>Food</th>
<th>Never</th>
<th>Rarely</th>
<th>Occasionally</th>
<th>Regularly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole grain, high fiber products</td>
<td>35%</td>
<td>36%</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>Yoghurts with Acidophilus cultures/probiotics</td>
<td>27%</td>
<td>36%</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>Iodine enhanced cooking salt</td>
<td>34%</td>
<td>24%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>Cholesterol reducing oils and margarines</td>
<td>23%</td>
<td>33%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>Fermented drinks containing ‘good’ bacteria</td>
<td>19%</td>
<td>34%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Fruit juices with added supplements</td>
<td>19%</td>
<td>33%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Bread with added calcium or other vitamins</td>
<td>17%</td>
<td>34%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Milk with added supplements/vitamins</td>
<td>18%</td>
<td>29%</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Cereal with added folate</td>
<td>14%</td>
<td>31%</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>Soy Milk</td>
<td>18%</td>
<td>25%</td>
<td>19%</td>
<td>38%</td>
</tr>
</tbody>
</table>

56 countries, 25,000 participants
Nielsen, 2012
Yogurt in Top 5 health purchases – in all Regions

56 countries, 25,000 participants

Nielsen, 2012
Global Yogurt market and consumption

Global market 2012 - US$53.2bn

Top 10 markets: by value ($bn), 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>8.5</td>
</tr>
<tr>
<td>US</td>
<td>6.6</td>
</tr>
<tr>
<td>Japan</td>
<td>3.7</td>
</tr>
<tr>
<td>Germany</td>
<td>3.1</td>
</tr>
<tr>
<td>France</td>
<td>3.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.7</td>
</tr>
<tr>
<td>Italy</td>
<td>2.3</td>
</tr>
<tr>
<td>UK</td>
<td>2.2</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.6</td>
</tr>
<tr>
<td>Spain</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Top 10 markets: by per capita expenditure ($), 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>158.9</td>
</tr>
<tr>
<td>Switzerland</td>
<td>107.1</td>
</tr>
<tr>
<td>Norway</td>
<td>92.7</td>
</tr>
<tr>
<td>Finland</td>
<td>76.7</td>
</tr>
<tr>
<td>Ireland</td>
<td>73.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>64.9</td>
</tr>
<tr>
<td>Portugal</td>
<td>60.4</td>
</tr>
<tr>
<td>Australia</td>
<td>56.5</td>
</tr>
<tr>
<td>Austria</td>
<td>53.4</td>
</tr>
<tr>
<td>Denmark</td>
<td>51.1</td>
</tr>
</tbody>
</table>

Global: market value by category, 2012

- 75% Yogurt drinks
- 25% Standard yogurt

Global: fastest growing categories by value, CAGR 2012–17

- Yogurt drinks: +4.3%
- Standard yogurt: +3.8%

Datamonitor, 2013
Dairy products like yogurt should focus on low or no fat, high fibre, low/no sugar, high vit/min and no additives.

Datamonitor, 2013
Consumer research – Food & Drinks

When choosing a food or drink what is your priority?

- Flavor: 40%
- Nutrition information: 37%
- Price: 26%
- Ingredients list: 25%
- Brand trust/familiarity: 22%
- Whether the products are "natural"/organic: 18%
- Whether the product is genetically modified: 13%
- Country of origin: 10%
- Social/environmental reputation: 6%
- Third-party endorsement/certification: 3%

Datamonitor, 2013
# Top 20 Flavours for New Yogurt Products – 2011-12

<table>
<thead>
<tr>
<th>Rank</th>
<th>Flavour</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strawberry</td>
</tr>
<tr>
<td>2</td>
<td>Peach</td>
</tr>
<tr>
<td>3</td>
<td>Vanilla</td>
</tr>
<tr>
<td>4</td>
<td>Blueberry</td>
</tr>
<tr>
<td>5</td>
<td>Raspberry</td>
</tr>
<tr>
<td>6</td>
<td>Banana</td>
</tr>
<tr>
<td>7</td>
<td>Mango</td>
</tr>
<tr>
<td>8</td>
<td>Apple</td>
</tr>
<tr>
<td>9</td>
<td>Cherry</td>
</tr>
<tr>
<td>10</td>
<td>Pineapple</td>
</tr>
<tr>
<td>11</td>
<td>Apricot</td>
</tr>
<tr>
<td>12</td>
<td>Chocolate</td>
</tr>
<tr>
<td>13</td>
<td>Orange</td>
</tr>
<tr>
<td>14</td>
<td>Lemon</td>
</tr>
<tr>
<td>15</td>
<td>Pear</td>
</tr>
<tr>
<td>16</td>
<td>Honey</td>
</tr>
<tr>
<td>17</td>
<td>Passion fruit</td>
</tr>
<tr>
<td>18</td>
<td>Coconut</td>
</tr>
<tr>
<td>19</td>
<td>Cereal</td>
</tr>
<tr>
<td>20</td>
<td>Blackberry</td>
</tr>
</tbody>
</table>

*Datamonitor, 2013*
Surge in Greek Yogurt in US
Yogurt market share - US

Greek (Chobani)

Share of Greek Yogurt
2007 – 1%
2012 – 48%
2013 – Going down

Source: The Nielsen Company, Jefferies
Greek yogurt 2013 - US

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chobani</td>
<td>0.0%</td>
<td>8.4%</td>
<td>31.0%</td>
<td>44.4%</td>
<td>48.9%</td>
<td>47.3%</td>
</tr>
<tr>
<td>Danone</td>
<td>0.0%</td>
<td>8.8%</td>
<td>15.5%</td>
<td>15.6%</td>
<td>15.2%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Fage</td>
<td>93.5%</td>
<td>74.1%</td>
<td>44.8%</td>
<td>25.2%</td>
<td>19.1%</td>
<td>13.9%</td>
</tr>
<tr>
<td>GIS</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>8.1%</td>
<td>6.0%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Private Label</td>
<td>1.9%</td>
<td>1.1%</td>
<td>0.4%</td>
<td>0.0%</td>
<td>1.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Other</td>
<td>4.6%</td>
<td>7.7%</td>
<td>8.3%</td>
<td>6.7%</td>
<td>9.2%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

US Yoghurt: Market Share of Greek Yoghurt 2011-2012

- Chobani
- Danone
- Fage
- GIS
- Private Label
- Other

14-May-11 to 12-May-12
Greek yogurt - US

Danone
US yoghurt market share (%)

Estimated US greek yoghurt market share, 2013 (%)

Chobani
38.6%

Danone
29.3%

Other
9.0%

Private label
6.5%

Fage
6.5%

GIS
8.5%

Greek yoghurt in the US
% of total US yoghurt market

Source: Bernstein

http://www.ft.com/cms/s/0/ee689302-33ff-11e3-8f1d-00144feab7de.html#axzz32njx6hTS
# US – frozen yogurt growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Frozen Yogurt Industry</th>
<th>Ice Cream Industry</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 - 2013</td>
<td>$279 - $485 million</td>
<td>$5.7 - $5.9 billion</td>
<td>74%</td>
</tr>
</tbody>
</table>

Source: Mintel, FoodProductDesign.com

http://menchiesfranchise.com/research-menchies/how-large-is-the-frozen-yogurt-industry/
### Consumer Behavior Toward Yogurt/Yogurt Drinks

**Thinking about yogurt and yogurt drinks, please tell us which of the following apply to you.**

<table>
<thead>
<tr>
<th>Behavior</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I buy yogurt for myself and/or my family because it is a good source of calcium and vitamin D.</td>
<td>60%</td>
</tr>
<tr>
<td>I and/or someone else in my household consume(s) yogurt/yogurt drinks for digestive health reasons.</td>
<td>24%</td>
</tr>
<tr>
<td>Yogurt drinks are more expensive than yogurt.</td>
<td>21%</td>
</tr>
<tr>
<td>I use single-serve yogurt or yogurt drinks in my kids’ school lunch pack.</td>
<td>14%</td>
</tr>
<tr>
<td>I or someone else in my household make(s) yogurt drinks from store-bought yogurt at home.</td>
<td>12%</td>
</tr>
<tr>
<td>I buy frozen yogurt dessert from stores such as Red Mango and Pinkberry at least once a month.</td>
<td>9%</td>
</tr>
<tr>
<td>I or someone else in my household, instead of buying frozen yogurt, freeze(s) non-frozen yogurt.</td>
<td>7%</td>
</tr>
<tr>
<td>I or someone else in my household make(s) yogurt at home.</td>
<td>6%</td>
</tr>
<tr>
<td>I or someone else in my household make(s) gourmet dessert from frozen yogurt bought from the store.</td>
<td>6%</td>
</tr>
<tr>
<td>None of the above</td>
<td>15%</td>
</tr>
</tbody>
</table>
# Greek yogurt - US

## REASONS FOR BUYING GREEK YOGURT

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the taste</td>
<td>58</td>
</tr>
<tr>
<td>It is healthier than regular yogurt</td>
<td>45</td>
</tr>
<tr>
<td>It is high in protein</td>
<td>44</td>
</tr>
<tr>
<td>For the texture</td>
<td>39</td>
</tr>
<tr>
<td>I believe that it has more cultures than regular yogurt</td>
<td>26</td>
</tr>
<tr>
<td>To lose weight or as a weight-loss food</td>
<td>19</td>
</tr>
<tr>
<td>I use it in place of sour cream</td>
<td>15</td>
</tr>
<tr>
<td>It makes better dips compared with regular yogurt</td>
<td>11</td>
</tr>
<tr>
<td>None of the above</td>
<td>6</td>
</tr>
</tbody>
</table>

*Reasons for Buying Greek Yogurt, February–March 2012*

Base: 619 internet users aged 18+ who purchased Greek yogurt/yogurt drinks for self/household in the past month.

Source: Mintel
Product launch statistics – Last 2 years (2012-14)
New Yogurt Product Launches - 2012-14

Datamonitor, 2014
New Yogurt Product Launches - 2012-14 - Top 20 Countries

Datamonitor, 2014
New Yogurt Product Launches - 2012-14 - Top 20 Companies

Datamonitor, 2014
New Yogurt Product Launches - 2012-14 - Top 20 Label Claims

Datamonitor, 2014
New Yogurt Product Launches - 2012-14 - Top 20 Flavour Claims

New Yogurt Product Launches - 2012-14 - Top 20 Flavour Claims

No of Reports

Blend 1,350
Strawberry 1,300
Yogurt 400
Peach 200
Vanilla 150
Raspberry 100
Blueberry 50
Mango 30
Banana 26
Chocolate 25
Apple 20
Lemon 15
Apricot 10
Cherry 5
Honey 5
Pineapple 5
Passionfruit 5
Orange 5
Coconut 5
Berry 5

Total - 5526

Datamonitor, 2014
New Yogurt Product Launches - 2012-14 - Top 20 Package Types

Datamonitor, 2014
Yogurt market forecast 2013-18 - APAC

Yogurt market forecast 2013-18 - APAC

DataMonitor, 2014
Yogurt average market growth 2013-18 - APAC

Datamonitor, 2014
Market forecast yogurt products - APAC

Datamonitor, 2014
Market forecast yogurt products - Australia

Datamonitor, 2014
Yogurt Product Trends
Greek yogurt - US

Too many brands – market saturation
Greek-style yogurt - Kids
Greek-style yogurt - Frozen
Greek-style yogurt - Australia

Danone-MG, Australia
Lion Dairy, Australia
Roaming Cow Australia
Lion Dairy, Australia
Chobani, AU
Chobani, AU
Flip/compartment-type yogurt
Frozen yogurt

Japan

UK

Bulla, Australia

Weis, Australia

Bulla, Australia

Bulla, Australia
Yogurt with Aloe Vera

Vietnam

Japan – with aloe pulp

China

Japan – with aloe chunks

China
Yogurt that you can eat or drink

Danone
The Netherlands, 2014
Yogurt from milk from grass-fed cows
Yogurt with Savoury flavours

Blue Hill, New York, US

Greek Gods (The Hain Celestial) - Salted Caramel

Coles, Australia

Pakistan – Nestle Raita

Japan – Morinaga with Azuki beans
High protein yogurt

Other high protein yogurts:
- Greek yogurt
- Icelandic yogurt

Dannon Oikos
Yogurt targeting men – high protein

For Men, By Men
The first yogurt in the U.S. designed for a man’s health and nutrition needs
Yogurt Smoothie

Parmalat, Australia – Low fat
Breakfast yogurt – with cereals

*Breakfast To Go, Bircher Muesli, Parmalat, Australia*

*Coles, AU*

*Breakfast To Go, Parmalat, AU*
100 Calorie yogurt
Yogurt for babies
Yogurt for toddlers
Yogurt for kids

With fruit juice, Yili, China
Squeezable and sucking-type yogurt
Squeezable and sucking-type yogurt - Australia

- Chobani, Australia
- Coles, Australia
- Bulla, AU
- Parmalat, AU
- Macro, Organic AU
- Lion Dairy, Australia
Functional yogurts

Japan – Snow Brand with acerola & milk ceramide MC-5 – moisturising skin

US – with omega 3

Japan – with acai – Sport/busy people

Japan – Kirin, with plasma lactic Acid bacteria – cold and flu

UK – cholesterol reduction

UK – cholesterol reduction

Japan – Glico Dairy, Vietnam – collagen, blueberry With collagen

Brazil – with Collagen hydrolysate, 0% fat
Pouring yogurt

Danone MG, AU
Regional theme yogurts

- Ayran/Laban/Lassi – Turkish/Middle East/India – yogurt, water, salt
- Icelandic yogurt – Skyr (high protein)
- Asian yogurt
- New Zealand Style yogurt – grass-fed cow, cream on top
- Australian Style yogurt – Greek with honey & fruits
- Kefir – Caucasus – yeast/bacteria grains
Icelandic yogurt

High protein – thicker than Greek Yogurt
Kefir
Yogurt – other label claims

- No sugar
- Free-from
- All natural
Summary

- Yogurt and fermented dairy drinks globally considered healthy
- Greek yogurt brand booming in US – available for adults, babies, toddlers and kids
- Surge in demand in China
- High protein a great selling point
- Savoury yogurts possibilities
- Regional theme yogurts have a point of difference
Trending Yogurt on Google - Global

Google Trends – 28 May 2014
Trending Yogurt on Google - US

[Google Trends chart showing search trends for Yogurt, Greek Yogurt, and Frozen Yogurt over time.]
Trending Yogurt on Google - Australia