

Yogurt and Yogurt Drinks - UK - July 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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“Consumer suspicions around artificial sweeteners present a significant barrier to companies looking to reformulation to meet the sugar reduction targets. However, the appeal of less sweet-tasting yogurts offers opportunities to cut sugar without replacing it.”

– Alice Baker, Research Analyst

This report looks at the following areas:

- Less sweet-tasting yogurts offer opportunities for manufacturers
- Natural-sugars-only kids' yogurts could help to win back lapsed users
- Animal welfare concerns suggest untapped opportunities

The market grew in value over 2012-16. This was due mainly to price inflation over 2012-14, the effects of the weakness in farmgate milk prices and the supermarket price wars pushing down values over 2014-16. Inflation is expected for both segments from 2017-22 due to the weakened Pound, but volume sales should remain in slow growth.

The category is among many tasked with reducing sugar by 2020. Sugar is also a notable concern for many consumers in the market. That many of the users/buyers would be put off a yogurt/yogurt drink that replaced sugar with sweeteners poses a challenge to companies looking to reformulation to meet government sugar reduction targets. However, the fact that a less sweet-tasting yogurt/yogurt drink appeals to many suggests opportunities for manufacturers to cut sugar without replacing it.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The Market – What You Need to Know

Falling farmgate milk prices and retailer price wars affect values in 2016

Price inflation to affect the market from 2017 onwards

Slow volume growth for both segments from 2017-22

Government sets industry targets to cut sugar

Consumer views limit yogurt drinks' ability to benefit from sugar tax exemption

Ageing population could limit spoonable yogurt volume growth

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Market Drivers

- Milk prices rising, but supermarket price wars continue
- Inflation expected for the market
- Ageing population could limit yogurt volume sales growth
- Official stance against sugar presents challenges and opportunities
- Government sets industry targets to cut sugar by 20% by 2020
- EFSA rules make it difficult to make a low-sugar claim
- Parents' tendency to boycott yogurts over added sugar hits kids' yogurt sales, but opportunities for natural-sugars-only products
- Divergent consumer views limit yogurt drinks' ability to benefit from their exemption from sugar tax...
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- Government advice on Vitamin D provides opportunities for fortified yogurts

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- Müller brands see mixed results
- Activia's struggles continue
- Actimel loses ground as retailers step up their activity
- Low-fat launches fall in 2016
- Kids' yogurt brands take differing approaches to reducing sugar
- Yogurt drinks look to up competition with soft drinks
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Kids' yogurt brands take different approaches to reducing sugar
Major brands reformulate
Innovation in no-added-sugar versions
Müller leads NPD in 2016, with a focus on texture
Müller Corner aims for multiple usage occasions with new products
Fortified launches rise in 2016
Organic brands and retailers turn to on-trend ingredients
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Yogurt drinks look to up competition with other soft drinks
Nomadic aims to compete with breakfast drinks
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Müller ups spending, with a focus on the treat aspect
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Greek-themed adverts play on associations between texture and indulgence
Arla continues to increase spending
New Skyr advert links the product with strength of character and decisiveness
Arla Protein adverts look to widen the appeal of high-protein foods
Wide-ranging campaign promotes the role of dairy products in a good breakfast
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The Consumer – What You Need to Know

Over three quarters of people eat spoonable yogurt/fromage frais

Yogurt drinks usage unchanged

Health considerations lead at breakfast

Transparency on pot size reductions could stave off potential backlash

Health concerns around sugar both help and hinder yogurts

Interest in less sweet-tasting yogurts

Concern for animal welfare creates opportunities for ethical products

Sugar content beats fat as important to health

Yogurt retains its health halo

Kids' yogurts with only naturally occurring sugars could win back lapsed users

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High-protein yogurts can tap into breakfast eaters' demand for fuel till lunch
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