

MSU Product Center

For Agriculture and Natural Resources

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Fruit-containing yogurt products – Many opportunities

Market drivers that provide many opportunities

- **Wellness, indulgence** and **convenience** will continue to be the most significant market drivers that provide many opportunities to raise sales from these products.

Specific opportunities

- The product line is well positioned to benefit from yogurt and fruits that are both perceived by many consumers as healthy food items. Suppliers can raise sales from line extensions that are low-carb, low-calorie, natural, functional, etc. Variety and flavor will also play a significant role in attracting consumers.
- Packaging and storage innovations that make these products easily available and directly consumable at offices and schools will help in expanding the market.
- Supermarkets are the dominant retail outlets for fruit-containing dairy products. Mass merchandise retail stores will also provide some opportunities by increasing sales of multi-pack products that are sold at low price.
- Convenience stores carry food items that are convenient for the consumer. In these stores, suppliers can expand sales of single-serve products aimed at young customers. Future sales growth through this channel will depend on the availability of refrigerated shelf space.
- Other retail outlets such as specialty food retail stores, drug stores, gas stations, and coffee shops may also be attractive channels for these products. There may also be a potential to use vending machines to expand sales, mainly at schools.

New product examples

- White Wave - Silk Live!, a smoothie containing six live and active cultures that promote healthy digestion, strawberry, peach, and raspberry flavors, 10 oz. plastic bottle.
- Campina - NutriStart, an on-the-go cultured breakfast beverage known in Europe, low fat yogurt and comes in three flavors: strawberry-kiwi, banana-apple, and orange-grapefruit.
- Supervalu - Yotastic Portable Yogurt Tubes, strawberry-blueberry, strawberry-banana, and tropical punch-raspberry, 8 ct. pack.

Special issues

- The product line has high competition with other functional drinks including the newly emerging healthy breakfast beverages.
- One challenge suppliers will face is the availability of refrigerated shelf space in supermarkets. Many products other than yogurt (e.g., milk, beer, carbonated drinks, fruit juices, etc.) are currently competing for refrigerated space. The limited space in mass merchandise retail stores may not allow them to carry a wide variety of fruit-containing yogurt drinks. Instead they will be focusing on leading brands and selected private label products.
- There are many brands and private label products in this product line. But fruit-containing yogurt drinks are relatively new in the U.S. market. So, given the present consumption trend, individual suppliers will have many opportunities of developing private label products in this product line.

Key to success

- Because of the product's high health benefits (both from dairy products and fruits), and high consumer demand for variety, flavor and convenience, fruit-containing dairy product suppliers have many opportunities to raise sales from products that are appealing to the health-conscious and convenience oriented consumer.

Sources

Mintel, Global New Product Database. <http://www.gnpd.com>.

_____, Yogurt drinks, US, March 2004.