

## MSU Product Center

*For Agriculture and Natural Resources*

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### **Fruit-containing yogurt products – Selective opportunities**

#### **Market drivers that provide selective opportunities**

- **Value** and **demographics** are the key market drivers that provide selective opportunities for suppliers of fruit-containing dairy products.

#### **Specific opportunities**

- Volume sales of multi-pack fruit-containing dairy products through low-price mass merchandise retail stores will help suppliers to raise sales from this product. However, given that mass merchandisers do not carry a much wider selection of these products (partly due to space allocation problem), suppliers will have only selective opportunities to raise sales.
- Different demographic groups mainly children and women will be important consumer groups to raise benefits from selling these products. Suppliers targeting children can especially benefit from introducing new package designs aimed at this market segment.
- Supermarkets will continue to be the dominant retail outlets for fruit-containing products.
- Convenience stores are the other retail outlets that provide selective opportunities to expand sales from fruit-containing yogurts. Suppliers can mainly expand sales of single-serve products aimed at young customers. In the future, sales growth through this market channel will depend on the availability of refrigerated shelf space.
- Other retail outlets such as specialty food retail stores, vending machines at schools, drug stores, gas stations, and coffee shops, may also be attractive channels for these products.

#### **New product examples**

- Yoplait USA - Lowfat Yogurt Value Pack in strawberry banana bash and raspberry rainbow flavors for children, 4 oz. carton package.
- Aldi - Lowfat Yogurt Mousse, raspberry and orange-creme flavors.
- Dannon – Dannon Frusion real fruit and yogurt smoothie, wild berry, banana-berry and strawberry-kiwi, 4 ct. pack of personal-sized bottles.
- Dannon - Dannon Light 'n Fit Nonfat Yogurt Family Pack, strawberry and strawberry-banana flavors, 4 oz. plastic tub.

#### **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 the fruit-containing yogurt food sub-category. But fruit-containing yogurt drinks are relatively new in the U.S. market. So, given the present consumption trend, individual manufacturers will have extended 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.