

DAIRY GLOBAL INSIGHT SERIES: PATTERNS IN YOGURT CONSUMPTION

Differences in regional yogurt consumption provide new opportunities for dairy companies to bring more yogurt varieties to a growing global market

An international survey reveals how yogurt preferences differ between countries and cultures and sheds light on the new opportunities for yogurt manufacturers being created by consumer demand for foods that fit lifestyles and health preferences

Yogurt and other varieties of fermented milk product, including kefir and leben (or labneh), have been consumed for thousands of years and yogurt is thought to have its origins in the Neolithic era. In spite of this heritage, it is no less subject to trends and fashions than any other food. Today, supermarket aisles around the world offer a vast range of yogurts and the yogurt market is going from strength to strength. But what is driving people's passion for this dairy food? We examined consumption patterns to identify areas of development for manufacturers working in this fast-paced and exciting sector to show how different regional and local traditions might be an opportunity for future yogurt successes in other parts of the world.

When it comes to understanding the yogurt market one thing is very clear – it is the food's amazing versatility that is allowing it to deliver great results millennia after it was first eaten. From a drink to a snack to a meal replacement, from a locally-produced all-natural product to a protein-rich sport drink, from a fat-free dessert to a lactose-free addition to a lunchbox, yogurt can be whatever the consumer wants it to be and it is just this flexibility that is enabling it to deliver great results around the world, meeting local preferences and diversity demands.

Importantly, yogurt is also a nutrient-rich foodstuff. It is high in certain minerals and essential vitamins, including calcium, riboflavin B2, vitamin B12, magnesium and potassium.¹ Furthermore, consumers perceive dairy foods such as yogurt as being 'naturally healthy' whole foods at a time when demand for foods that are seen as 'natural' is booming.²



Based on a consumer perception survey undertaken in six diverse markets (Brazil, China, France, Poland, Turkey and the USA), this paper is the fourth in a series of reports focusing on yogurt. It forms part of the DSM Global Insight Series – an investigation into consumers' perceptions and attitudes around food, taste and behavior – that aims to help the food industry deliver healthy, tasty and attractive products to consumers.

¹ <http://www.webmd.com/diet/features/benefits-of-yogurt> Accessed January 2015

² 14 key trends in the business of dairy nutrition and health. *New Nutrition Business* October 2014. Vol. 20

Emerging markets and family units are driving increased consumption

Encouragingly for yogurt manufacturers, more than half (53%) of consumers surveyed reported eating more yogurt today than they did three years ago. This increase in consumption is being led by the emerging markets, with 61% of consumers in Brazil and 67% in China eating more. However, even a mature yogurt market such as Turkey is reporting that 60% of their consumers surveyed eat more yogurt today than three years previously. **Figure 1** shows the differences in consumption patterns between mature yogurt markets such as France and Turkey and newer emerging dairy markets such as Brazil.³



Figure 1. Amount of yogurt cups consumed (1 cup = 125g) per capita and per year (2013).³
NA = not available

Six out of 10 families with children are consuming more yogurt today than they were three years ago

When it comes to eating more yogurt than before, almost six in every 10 families who have children under the age of 16 are doing so, compared to less than half of singletons (59% versus 44%, respectively). Furthermore, it is families with children under 16 who are most likely to eat yogurt daily. This may be due to the perception of yogurt as a healthy food packed with protein and calcium which is good for growing youngsters and the convenience of yogurt as a quick and easy snack or addition to a meal for busy families. In addition, packaging innovations such as yogurt pouches have been introduced to cater to the child-friendly market.²

³ <http://nutrijournal.danone.com/en/articles/stories/global-yoghurt-consumption-per-capita-and-per-year/> Accessed December 2014

A yogurt a day?

While most (86%) yogurt eaters tuck into the food at least once a week, some groups of consumers make it part of their daily diet. Further illustrating the popularity of yogurt with families, the survey revealed that 35% of those with children under the age of 16 consume yogurt daily compared to 22% of singletons. Women are more likely than men to make yogurt part of their daily diet: 36% of women have a yogurt a day versus 26% of men.

The survey revealed that women are more likely than men to eat yogurt every day

There were also strong regional trends in frequency of consumption (**Figure 2**), perhaps reflecting national cuisines and traditional uses of yogurt. For example, over half of yogurt eaters in Turkey – where yogurt is an important part of several traditional savory dishes – eat the food on a daily basis. A similar number of French yogurt consumers also eat it daily. The picture is very different in the USA and China. Although two-thirds of the Chinese consumers surveyed eat more yogurt today than they did three years ago, just 6.5% eat yogurt daily. In the USA, yogurt is part of the daily diet for only 20% of consumers and 14% eat the food less than once a month.

Only 6.5% of Chinese consumers surveyed eat yogurt every day compared to over half in Turkey and France

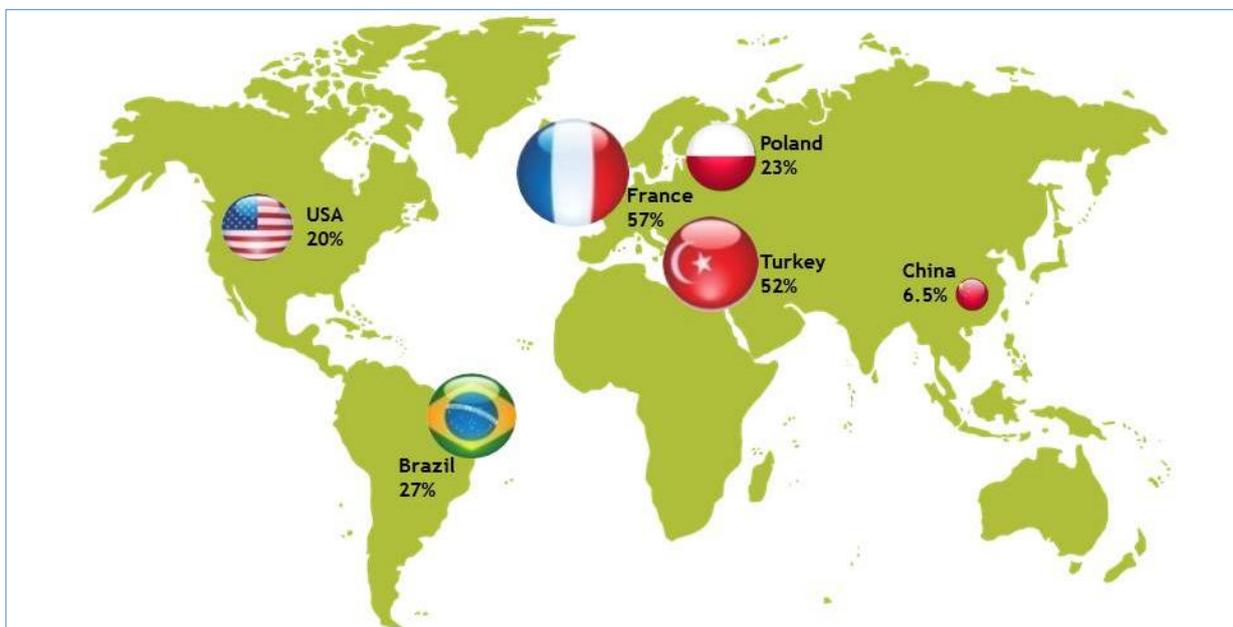


Figure 2. Percentage of consumers that reported eating yogurt once-a-day

Insight: Even in high-growth emerging markets such as China, yogurt may not yet have achieved the status of a daily ‘go-to’ food. Finding new ways to market yogurt to consumers in these countries based on the consumption and lifestyle patterns of consumers in other countries, including those with long-established yogurt markets, may hold the key to further growth.

All things to all people?

Yogurt has become an increasingly diverse category in recent years. Today ‘eating a yogurt’ can mean anything from consuming a rich and creamy flavored treat for dessert after a family meal to swallowing a probiotic-packed drink in your car on the way to work.

Yogurt is very popular as an in-between meal snack in many markets, but less so in France

The majority of survey respondents – excluding those from France – see yogurt as a snack to bridge the gap between one meal and the next. This trend is led by women with 67% of those surveyed snacking on yogurt compared to 57% of men. For health conscious consumers with busy lives, yogurt offers a convenient ‘stop gap’ food that can be enjoyed without sacrificing healthy eating principles.

While breakfast is a popular time to eat yogurt in Brazil and the USA, only a quarter of Turkish consumers start the day with yogurt

Breakfast emerges as a key time for yogurt to shine in some markets. While 57% of Brazilian and 59% of yogurt eaters from the USA consume the food as part of the first meal of the day, only 25% of Turkish respondents would eat it for breakfast. Some dairy manufacturers are already embracing the potential of the breakfast market by introducing new options that combine dairy and grains in a single serving for maximum breakfast convenience and appeal, such as Greek-style yogurt with oats.²

Highlighting the differences between markets, a whopping 87% of people in France eat yogurt not as a snack but as a dessert. France is a very mature yogurt market in which behaviors and norms around yogurt consumption are likely to be more entrenched and less fluid than those in the emerging markets.

Dominik Grabinski, Global Marketing Manager Cultures at DSM Food Specialties: *“It is difficult to think of a more dynamic food than yogurt or one that is used by consumers in a wider variety of ways. To a greater extent than almost any other product, yogurt has the ability to be consumed at breakfast, lunch or dinner and as a snack between meals. What this means for manufacturers is the opportunity to think bigger: to identify the ways in which their products are being used day-to-day and build upon these. If Chinese consumers love a yogurt product for healthy snacking, is there an opportunity to inspire them to try a yogurt as an indulgent but healthy dessert? Could the passion for drinking yogurt in some markets be translated to others like France or the US? We foresee a rich era of innovation for this desirable dairy category.”*



Dessert and snacking aren’t the only occasions at which yogurt comes to the fore, especially in emerging markets. In China, yogurt is enjoyed as a healthy drink by 48% of consumers and 46% of people in Turkey like to drink yogurt too.

In fact, in some markets, drinking yogurt dominates or is as popular as spoonable yogurt. In China, 49% of people mainly consume drinking yogurt while just 11% mainly consume

spoonable yogurt. In Brazil, the proportion of those mainly consuming drinking yogurt (29%) is similar to that of those mainly consuming spoonable yogurt (28%). The situation is different in Turkey, Poland and France where people are much more likely to mainly consume spoonable than drinking yogurt (just 2.6% of French consumers reported mainly consuming drinkable yogurt).

Interestingly, drinking yogurt consumption appears to be driven by men. In China, Brazil, Turkey, Poland and France, men are more likely than women to mainly consume drinkable yogurt. In Poland twice as many men as women report mainly consuming drinkable yogurt (14% vs 6.7%) and in China this is true of 55% of men and 43% of women while in Brazil 36% of men and 22% of women mainly consume drinking yogurt.

Insight: Drinkable yogurt's appeal is strong in the emerging Chinese and Brazilian yogurt markets but is not yet a popular choice in France. Positioning drinking yogurt to appeal to French shoppers could be a target for growth in this mature yogurt market.

Going solo or part of a meal?

As it is often served in individual, portion-sized pots from which it can be eaten directly, it is easy to overlook the range of ways in which yogurt can be eaten. While two-thirds (66%) of survey respondents do prefer to eat yogurt on its own, one in three eat yogurt with cereal (33%) or fruit (30%). Twenty-one percent of consumers reported eating yogurt with a sweet snack.

Two-thirds of people surveyed eat yogurt alone, while one third combine it with cereal and 30% add it to fruit

These pairing preferences are driven, at least in part, by market and cultural tastes. For instance, Brazilians are most likely to have yogurt with cereal (55%), while the Chinese are inclined to have it with a sweet snack (44%). Pairing yogurt with fruit is an American preference (42%) and Turkish consumers are most accustomed to having yogurt as part of a warm meal (77%). The French, who enjoy yogurt primarily as a dessert, have a very marked preference for eating it on its own (73%).

But culture isn't the only factor at play here: as consumers age their preference for having yogurt on its own increases while their taste for pairing with sweet snacks, cereal or fruit decreases (**Figure 3**). This may reflect the changes that have taken place in the availability and range of yogurts, with consumers of different ages having formed consumption patterns at different times.



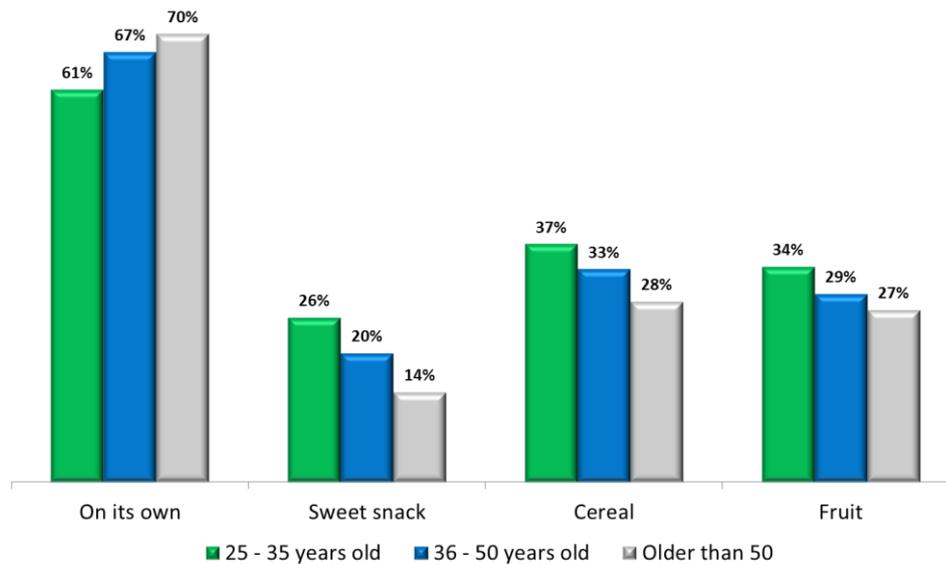


Figure 3. What consumers like to eat their yogurt with.

Insight: From yogurt with fruit for breakfast to a sweet snack after a meal, it is clear that preferences for eating occasion and accompaniment are highly varied across the different countries surveyed. This has significant implications for packaging size and format as well as flavor and product positioning. The way that local culture and food traditions shape yogurt consumption patterns may also be a rich seam of innovation. As well as providing opportunities to create new products to reflect local preferences, manufacturers may find opportunities to export and globalize local varieties. For example, could a Brazilian-inspired product featuring yogurt and ancient grains have broad appeal? Or a dessert product inspired by the French love of yogurt as an after-meal treat?

Geographical trends in yogurt choice

For those eating more yogurt than they were three years ago, there are strong geographical variations in the type of yogurt driving this increase. In China, 54% of people are eating more probiotic yogurt, compared to just 11% in the USA and fewer still in the other markets surveyed. Another installment in DSM’s Global Insights series explores some of the unique challenges and opportunities for yogurt in China. It reveals that Chinese consumers are embracing yogurt for its healthy properties, but that future development of the market hinges on exploiting probiotic benefits and offering an increased variety of lactose-free products for those who seek yogurt with greater digestibility. The report can be read here:

http://www.dsm.com/markets/foodandbeverages/en_US/informationcenter-press/campaigns/digestibility-drives-yogurt-consumption-in-china.html#

In the USA, it is Greek-style yogurt that people are most likely to report eating more of (36%); the USA is the only country surveyed in which this is the case (**Figure 4**). In Poland, more than half (51%) are boosting yogurt consumption with flavored options, as are 31% in France and 45% in Brazil, while this figure is just 3.6% in China and 1.3% in Turkey.

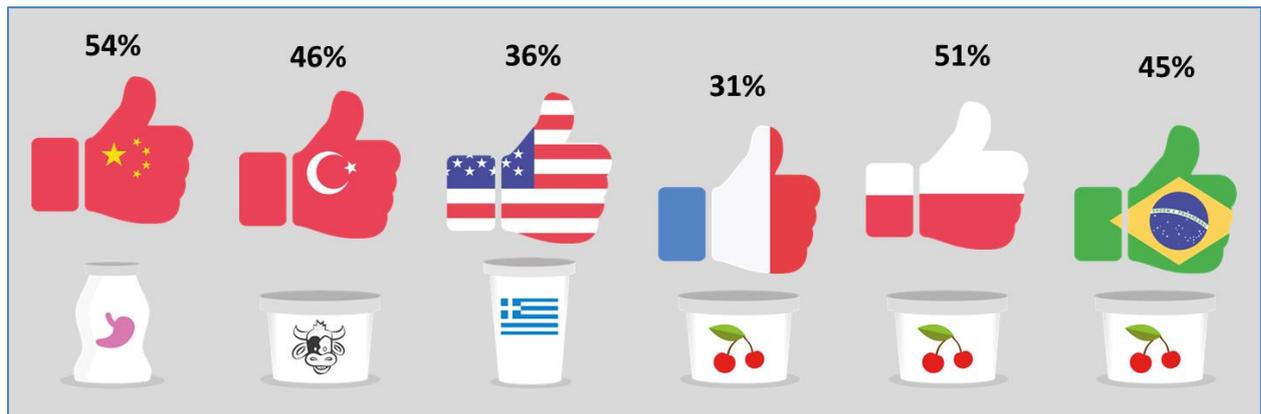


Figure 4. Regional favorites include probiotic yogurt in China, plain yogurt in Turkey, Greek yogurt in the USA, and flavored yogurt in France, Poland and Brazil.

The types of yogurt driving increased consumption vary across markets: people in China are eating more probiotic yogurt while those in the USA opt for more Greek-style yogurt and Polish consumers are eating more flavored options

Insight: Although the rise in yogurt consumption is a global phenomenon, there is not one single brand or yogurt-style to which it can be attributed. Consumers' desire for foods and drinks that provide health and wellness benefits remains strong and is driving growth in some regions, such as China where demand for probiotic-containing yogurt is high and the USA where high-protein Greek yogurt is key to growth. Elsewhere, the desire for indulgence appears to be the key factor driving growth.

Yogurt is already the next big thing

Based on our consumer survey data, it is clear that yogurt is a diverse and dynamic area with rich potential for growth. Its ability to be healthy or indulgent, flavored or plain, part of a hot meal or a cold snack squeezed in between appointments, gives it widespread appeal and staying power. Furthermore, the strong uptake of yogurt by families with young children may pave the way for a new generation of consumers who see yogurt as a staple part of their diet. The different ways in which yogurt is consumed in different markets illustrate the new avenues to pursue when it comes to new product development: for example, creating products that inspire markets currently using yogurt primarily as a snack such as Poland to see it as a dessert, or to challenge more mature markets such as France to accept different types of yogurt, such as drinkable.



Mark Fahlin, Global Marketing Manager Fermented Milk Products at DSM Food Specialties:

“The really exciting thing about yogurt is its flexibility and the way in which manufacturers can work with it to create products that meet consumers’ needs. We’ve seen this in the USA where a new focus on protein consumption has led to a spike in the sales of Greek yogurt which sits on the shelves alongside low fat options and yogurts containing substances to help lower cholesterol. In China, where digestibility is important, yogurts containing probiotics dominate the supermarket aisles. And that’s not to mention the fact that flavored yogurts can be created using ‘hot’ new flavors like salted caramel. In summary, I think we’re heading into a new era of yogurt innovation in which new markets continue to increase consumption and established markets look again at this age-old food.”



Survey overview

In May 2014, DSM conducted an international perception survey on yogurt amongst 6,000 men and women (age brackets: 25–35; 36–50; 50+) in Brazil, China, France, Poland, Turkey as well as the USA. The survey was carried out online from 24 April to 15 May, 2014. Results are reported at the 95% confidence level with a margin of error of = + / – 3 %

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