

YOGURT AND YOGURT DRINKS – UK – 2023

Volume sales of yogurt have declined, but its image as a guilt-free treat will help support sales. Less-sweet flavours, tradition and simplicity are set to chime.



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Yogurt And Yogurt Drinks - UK - 2023

This report looks at the following areas:

- The impact of the rising cost of living on yogurt and yogurt drinks, including falling usage and trading down
- Key trends in recent launch activity and future product development opportunities
- Usage of spoonable yogurt/fromage frais as a treat and the most appealing attributes in this context
- Consumer behaviours related to yogurt and yogurt drinks, including interest in guidance on health and opportunities for less-sweet flavours
- Consumer attitudes towards yogurt and yogurt drinks, including the processed image of light variants and opportunities to unlock new usage occasions



Volume sales of yogurt have declined, but its image as a guilt-free treat will help support sales. Less-sweet flavours, tradition and simplicity are set to chime.

Overview

Overall usage of yogurt or yogurt drinks fell in 2023, from 81% in 2022 to 75% in 2022, while spoonable and drinking yogurt are also being eaten/drunk less often in 2023 compared with in 2022. These trends have underpinned the 4% decline in volume sales estimated for 2023.

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Report Content

EXECUTIVE SUMMARY

Opportunities for the yogurt and yogurt drinks market

- Untapped potential in less-sweet flavours
- Tradition and simplicity stand to chime amid spotlight on UPFs
- Unlock new occasions through meal deals

Market dynamics and outlook

- The five-year outlook for yogurt and yogurt drinks
- Rising prices drive strong value growth
- Sales forecast to reach £2.72 billion by 2028
- Flat volume sales forecast but interest in healthy eating will support demand
- Danone's Activia remains the UK's top spoonable yogurt brand
- Growth in protein yogurts but declines for 'light' brands
- Actimel continues to lead in yogurt drinks segment
- Higher costs push up yogurt prices
- HFSS product location restrictions introduced
- Strong consumer interest in healthy eating
 - Graph 1: how often people try to eat healthily, 2018-22
- Mixed effects from changes in size of different age groups

What consumers want and why

- Three in four people eat yogurt or drink yogurt drinks
 - Graph 2: usage of yogurt and yogurt drinks, by type (NET), 2021-23
- Less sweet flavours and help on healthy choices would chime
 - Graph 3: selected behaviours related to eating/drinking and buying yogurt/yogurt drinks, 2023
- Healthy aspects lead for yogurt to appeal as a treat
 - Graph 4: attributes making spoonable yogurt/fromage frais appealing as a treat, 2023
- Spotlight on processed food poses a threat
 - Graph 5: attitudes towards yogurt and yogurt drinks, 2023

Innovation and marketing

- Leading brands dial up better-for-you credentials
- Müller goes plant-based and retro
- Marketing themes span from functional to emotional

MARKET DYNAMICS

Market size

- Volume sales of yogurt and yogurt drinks continue to decline
 - Graph 6: retail volume sales of yogurt and yogurt drinks, 2018-23
- Rising prices drive strong value growth
 - Graph 7: retail value sales of yogurt and yogurt drinks, 2018-23
- Reduced usage and frequency of usage behind lower volume sales

Market forecast

- The five-year outlook for yogurt and yogurt drinks
- Value sales growth to continue but at a slower rate
- Flat volume sales forecast following 2022 and 2023 declines
- Sales forecast to reach £2.72 billion by 2028
- Last income squeeze saw only small decline in volume sales
 - Graph 8: retail volume sales of yogurt and yogurt drinks, 2008-13

Market segmentation

- Spoonable yogurt value growth outpaces that for yogurt drinks in 2023
- Volume sales of yogurt drinks slip back further in 2023 but still higher than pre-pandemic
- Yogurt drinks see sharper dip in volume sales than spoonable yogurt

Market share

- Most brands in spoonable yogurt witness a decline in volumes
- Strong sales growth for Arla Protein
- Decline in sales for 'light' yogurt brands
- Danone's Activia remains the UK's top spoonable yogurt brand
- Own-label makes gains as shoppers look to save money
- Actimel continues to benefit from interest in immunity support
- Actimel continues to lead in yogurt drinks segment
- Own-label gains share in yogurt drinks

Macroeconomic factors

- The UK has avoided recession, but economic output has stagnated since the cost of living crisis began
 - Graph 9: GDP, 2021-23
- Inflation is still the key factor affecting consumers' finances
 - Graph 10: CPI inflation rate, 2021-23
- Surge in farmgate milk prices
 - Graph 11: monthly farmgate milk prices, 2022-23

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- Higher costs push up yogurt prices
 - Graph 12: consumer price inflation for all food and yogurt, 2022-23
- Interest rates will rise in importance over the remainder of 2023 and into 2024
- Food and drink inflation is the primary concern for consumers – but interest rates are moving up the agenda
 - Graph 13: issues consumers report having been affected by over the last two months, 2023
- Consumer sentiment: the recovery has begun...
 - Graph 14: financial wellbeing index, 2016-23
- ...and people feel more confident about their financial prospects
 - Graph 15: financial confidence index, 2016-23

Social, environmental and legal factors

- Government measures on HFSS food and drink slow to roll out
- HFSS is defined by nutrient profile
- Yogurt already has a strong non-HFSS offering
- Yogurts more successful than other categories on government sugar reduction targets
- Strong consumer interest in healthy eating
 - Graph 16: how often people try to eat healthily, 2018-22
- Delay to Border Target Operating Model (TOM)
- Population growth will support demand for yogurt and yogurt drinks
 - Graph 17: trends in the age structure of the UK population, 2018-28
- Mixed effects from changes in size of different age groups
- Interest in sustainability expected to rebound

WHAT CONSUMERS WANT AND WHY

Usage

- Three in four people eat yogurt or drink yogurt drinks
 - Graph 18: usage of yogurt and yogurt drinks, by type (NET), 2021-23
- Flavoured dairy yogurt and variants with sweet toppings lose favour
 - Graph 19: usage of yogurt and yogurt drinks, by type, 2021-23
- Usage peaks among the young and parents
 - Graph 20: usage of yogurt or yogurt drinks, by age and presence of children, 2023
- Yogurt's usage frequency falls
 - Graph 21: usage frequency for spoonable yogurt and yogurt drinks, 2021-23

Behaviours relating to yogurt/yogurt drinks

- Behaviours related to yogurt and yogurt drinks
 - Graph 22: behaviours related to eating/drinking and buying yogurt/yogurt drinks, 2023
- Guilt-free treat image makes better-for-you aspects crucial in yogurt

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- Untapped potential for less-sweet flavours
- Opportunity for less-sweet variants
- More scope for citrus flavours
- Call out less-sweet flavour profiles
- Two in three welcome help on healthy choices
- Cues for in-store messaging
- Clear on-pack communication remains crucial
- Various yogurt brands embrace "Look, Smell, Taste"
- Consumers call for more clarity
- Tangibility should win favour

Attributes that make spoonable yogurt appealing as a treat

- Graph 23: attributes making spoonable yogurt/fromage frais appealing as a treat, 2023
- Guilt-free elements take the lead over treat ones
- Varied preferences underpin a multifaceted market
 - Graph 24: interest in treat flavour and healthy aspects in making a spoonable yogurt appealing as a treat, 2023
- Appeal of thick texture rises with age, that of treat flavours falls
 - Graph 25: interest in texture, flavour and ethics in making a spoonable yogurt appealing as a treat, by age, 2023
- Scope to stand out with treat flavours and calling out textures
- Yogurt is widely seen as part of self-care
- Activia's 2023 campaign focuses on gut health

Attitudes towards yogurt and yogurt drinks

- Graph 26: attitudes towards yogurt and yogurt drinks, 2023
- Tradition and simplicity stand to chime amid spotlight on UPFs
- Processed image poses a threat for the better-for-you segment
 - Graph 27: agreement that 'light' yogurts/yogurt drinks (eg low-fat, low-sugar) are too processed to be good for you, by usage, 2023
- Need to explain natural lighter proposition
- Messaging centred on few ingredients stands to gain renewed relevance
- Unlock new occasions through meal deals
- Potential to step up competition against desserts
- Meal deals hold potential for better-for-you and kids' variants
- International yogurts appeal widely
- Strained yogurts and unique bacteria hold potential

INNOVATION AND MARKETING TRENDS

Launch activity and innovation

- Positive nutrition claims gain share of new launches
 - Graph 28: launches in the UK yogurt/yogurt drink market, by selected positive nutrition claims, 2018-23
- Actimel and Onken put a spotlight on vitamin D
- Yakult Light renamed as Balance, Activia focuses on fibre
- Digestive and immune claims remain prevalent in new launches
 - Graph 29: launches in the UK yogurt/yogurt drink market, by selected functional claims, 2018-23
- Leading players and kefir drive functional activity
- Own-label and kefir add to gut health activity
- Plant-based claims match vegan ones in 2023 launches
 - Graph 30: proportion of yogurt/yogurt drink launches making vegan/no animal ingredients and plant-based claims, 2018-23
- Müller is the major plant-based launch in 2023
- Green efforts continue
- Kids' products push vitamins and freezing
- Berry and fruit flavours lead, treats attract high-profile and better-for-you launches
- Treat flavours continue to feature from indulgent to better-for-you spaces

Advertising and marketing activity

- Adspend rose in 2022 but looks set to fall in 2023
 - Graph 31: above-the-line, online display and direct mail advertising on yogurt and yogurt drinks, by top advertisers, 2020-23
- Brands position yogurt as healthy and enjoyable
- Arla Skyr prompts viewers to make more of mornings
- Activia and Yakult drive awareness of gut health
- Yakult focuses on gut bacteria, Actimel continues to spotlight immune support
- Actimel links with Fortnite
- Arla and Müller launch masterbrand campaigns
- Müller calls fans to 'Love Every Bit'

APPENDIX

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- Appendix – spoonable yogurt value brand sales (continued)
- Appendix – spoonable yogurt volume brand sales

- Appendix – spoonable yogurt volume brand sales (continued)
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