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## Premium yogurts drive category growth as mainstream sales decline

noosa · November 15, 2016 SPONSORED CONTENT



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A major shift is taking place in the [grocery](#) aisle as mainstream and legacy brands fight to remain relevant amid the rise of premium brands. It is premium brands like noosa yoghurt that are driving supermarket growth, as consumers trade up for products that offer high-quality ingredients with delicious flavor profiles. According to the Hartman Group, 10% of the products are driving 30%



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the next 10 years.



“Because [yogurt](#) is transforming into more of a department than a mere category, the potential for new innovations and types of yogurt to grow and create competitive sub-segments remains strong,” Hartman Group CEO Laurie Demeritt and Senior Vice President James Richardson write in the Hartbeat Exec report “[Market Dynamics of the New Premium](#).” Among these sub-segments is a growing subset of indulgent yogurts that offer rich texture and gourmet flavors that appeal to consumers looking for a sweet snack rather than a low-fat food geared towards dieters.

Sales of light yogurt fell 8.5% in the past year, dropping \$200 million from roughly \$1.2 billion to \$1 billion, according to Nielsen data. “There are early signs that [whole-milk], super-indulgent yogurts may be the core of the next substantial wave of premium growth,” the Hartman Group wrote in an issue of its [Hartbeat Newsletter](#).

Leading this new class of lush, dessert-like yogurts is Colorado-based [noosa yoghurt](#), which offers flavors ranging from vanilla and honey to pumpkin and pineapple jalapeno. Dollar growth for the brand is up 80.2% vs. a year ago across all outlets, according to IRI data.

“Yogurt has expanded beyond the [breakfast](#) daypart and people are looking for a [snack](#) in the afternoon or a treat after dinner too, so we continue to develop to meet these consumer demands,” co-founder Koel Thomae said.

Since Thomae founded the brand in 2009 with Colorado dairy farmer Rob Graves, noosa has become one of the top 10 selling premium yogurt brands, reaching \$100 million in sales last year. Over the past year, noosa has increased consumer awareness over 40% and the brand has the highest future purchase intent among all yogurt brands, according to data from McKinsey & Co.

Large growth brands like noosa with \$100 million or more in annual sales are critical to driving the health of premium segments, the Hartman Group writes in its report. Carrying these power brands allows retailers to participate in the conversation with consumers as they discover new food categories and integrate them into their lives.



**We read everything. You get what matters.** spread in food culture; consumers in the space love to bond over premium brands as linguistic ‘handles’ or celebratory symbols of emerging food trends they are passionate about,” the authors state.

Thomae said noosa’s growth plans center around culinary innovations and staying true to the commitment to quality on which the brand was founded.

“Looking ahead, we plan to continue building the brand by staying in front of culinary trends and innovating for quality, over quantity...No matter where our noosa journey takes us, we’ll always hold ourselves and noosa to the same high-quality, great taste standards that helped put us on the map,” Thomae said.

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