Automation System Hellas

Greek Yogurt – Success by Engineering

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Greek yogurt, this thick, creamy, full of proteins yogurt, has gone from being a relatively obscure product imported from Greece to an exciting new premium product that transformed (and keeps transforming) the retail dairy case.
Today, Greek Yogurt accounts for roughly 48% of all yogurt dollar sales in the United States. Even the President of the United States, Barak Obama, admitted that his refrigerator is packed with Greek yogurt!

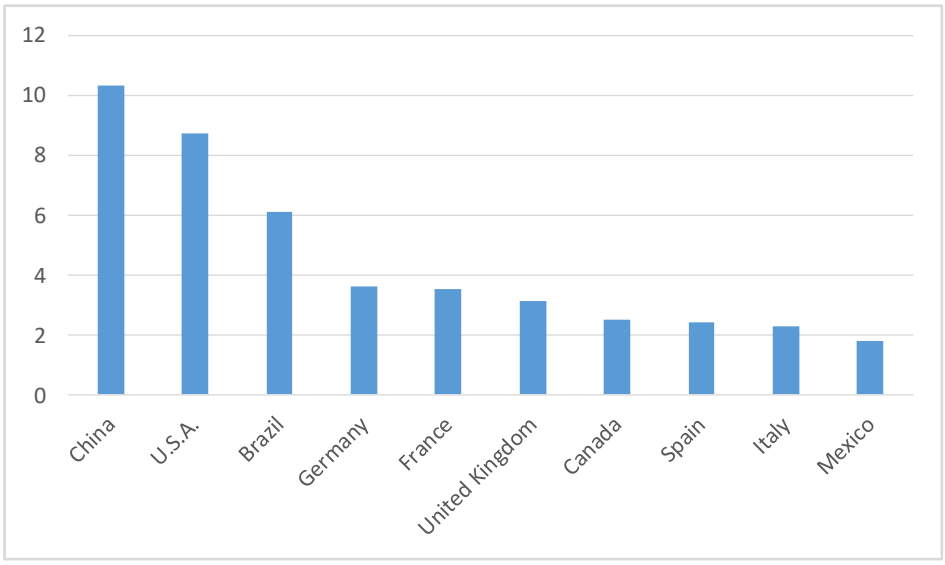
Emerging Trends in Cultured Dairy products

By now, pretty much everybody agrees, that there is a fast growing popularity of specialty foods in the segment of the cultured dairy products. They are defined as foods or beverages of the highest quality and style in their categories. Their uniqueness comes from characteristics such as limited supply, place of origin, processing method, ingredients used and other distinctive characteristics. The combination of the above with the notion of a product that is "good for you", seems to pave the road for successful, high-end, value added cultured dairy products.

Yogurt is one of the main "good for you" cultured dairy products. According to Mintel data, 56% of Western European consumers view Yogurt as a guilt-free snack. This can be easily explained by the perceived healthy product benefits and wide variety of flavors.

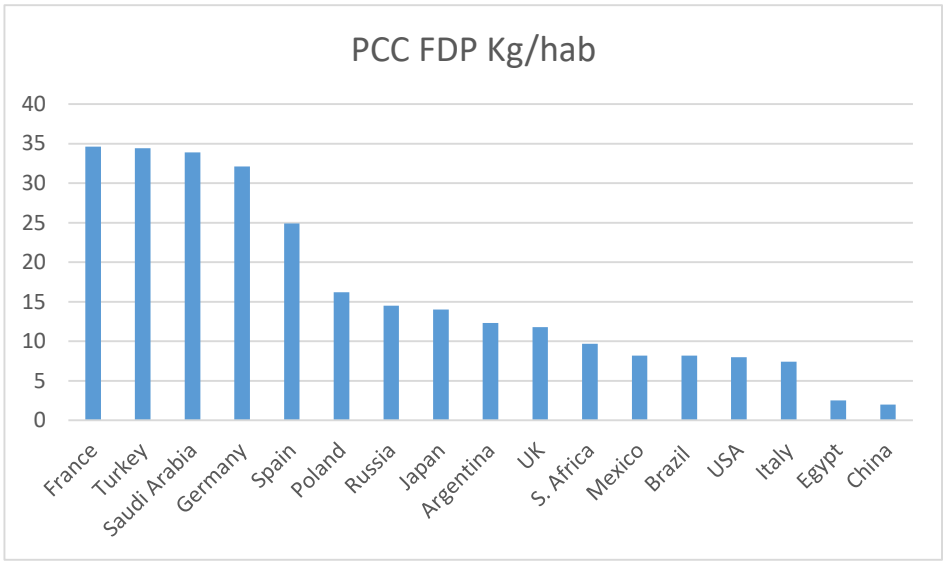
The high nutritional value, which includes high protein, probiotics and vitamin such as vitamin D, B12, minerals such as potassium, iodine and calcium in Greek yogurt makes it the leader in this “feel good” notion.

Top Ten Yogurt and Sour Milk Products Markets in the World in 2014 in US$ Billions, Current Prices – Fixed 2014 Exchange Rates



Source: Euromonitor International

Per capita consumption, 2014



Source: Nielsen & Euromonitor

The above charts reveal that very populated countries are in fact lacking in per capita consumption compared to other smaller countries, allowing the space for great expansion.

Trends in Greek yogurt consumption

Greek yogurt has established itself as a healthy, convenient and tasty food/snack. According to the Market Research Company Technavio, "consumers find Greek yogurt to be more filling and nutritious over other alternatives". The company said that young consumers, a group that makes up 40% of the US population, are driving the demand for Greek yogurt and other similar products.

Greek yogurt is also being used heavily as a workout and between-meals snack, according to the findings of the research, as the athletic crowd is drawn to it mainly because of its higher protein content.

The shelf space in Super Markets is overpopulated in the general Yogurt category and the most distinctive identity still belongs to the Greek Yogurt segment. According to data from Chicago based IRI, Greek yogurt volumes increased in 2015 by 4.4%, while non-Greek volumes were flat, but at the same time there is an unprecedented amount of innovation, with Dairy companies trying to offer the **"next big thing"** in the Yogurt category. This means intense competition for shelf space and "share of voice".

The trend in Greek yogurt consumption is entering a mature stage with growth rates slowing from the very high levels of 2014 (the Greek yogurt segment sky rocketed from 4% of the total US Yogurt market in 2008 to more than 50% in 2014).

In this context, mature for Greek yogurt means **evolve** – away from the simple convenience healthy product, to a more sophisticated one with far more choices, flavors and chances to consume. Manufacturers have adjusted their strategy accordingly to focus on innovation, variety of flavors and packaging. They are also trying to broaden the market by appealing to more men and more kids, to consumers with specific digestive issues and different ideas of whether they want healthier or more indulgent treats.

The “Greek Yogurt” as a category has such a strong awareness and recognition that is pointless to define it merely as a trend. The category has established its image on physical attributes and benefits to the consumer that are not fading, but rather getting stronger as the health conscious consumer is evolving. We can project easily the dominant presence of Greek Yogurt for many years ahead!

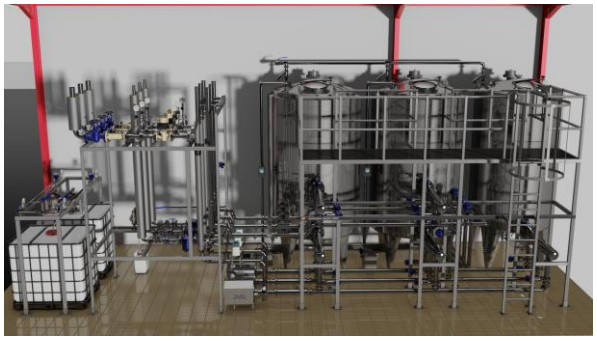
Challenges for the manufacturers

Meeting the growing and diverse demands of customers and at the same time improving profitability in this industry is a great challenge. Yogurt manufacturers have to balance the need of speed to market, flexibility to produce more products and increasing asset utilization, while ensuring consistent product quality, less downtime, optimum work safety and regulations compliance.

At the same time, there is an increasing demand for products that maintain their freshness longer. Fewer factories are servicing larger geographical areas and the yogurt producers have to come up with ways to extend the shelf life.
It certainly looks like a great challenge to conquer for anybody, more so for plants that are over 20 years old.

Non-optimized Cleaning-In-Place (CIP) systems for example, could cause serious implications to food safety, increase production downtime, result to high consumption of resources (energy, water, chemicals and time) and, slow the very important process of innovation.
On the other hand, new totally automated and optimized CIP systems enable significant cleaning performance and guarantee food safety with minimized costs and resource consumption. They also reduce trouble-shooting time in the event of a problem, cutting what once took hours to perform into minutes of diagnostics.

An optimized CIP process can reduce cleaning times by up to 20%. If CIP currently takes around 5 hours of each day, a 20% reduction in cleaning time will deliver approximately an extra hour of production time to each day *(“How to Optimize Clean-in-Place (CIP) Processes in Food and Beverage Operations”, by Benjamin Jude and Eric Lemaire).*



Progressive evolution

In order for a manufacturer to cope with these demands, he needs to invest and modernize his equipment and automation solutions, paving his way to the "Smart Factory of the future".

At **AS Automation System Hellas** we believe that with careful planning, this challenge could become less daunting. We are looking at it more like a "Progressive Evolution" with small pilot projects than a one off project. That means understanding the entire manufacturing process and choosing areas to improve, with the best quantitative and qualitative results.

We help our clients to prioritize and balance the use of the existing equipment, with the modernization procedures that will offer the flexibility, performance and consistency they demand. We help them identify and replace unreliable equipment that causes downtime and excessive maintenance and improve or replace outdated Automation solutions with immediate results in quality, productivity, profitability and control. Our state of the art operating and management software enables them to achieve easily their goals.

One of our latest showcase yogurt plant projects is the fully automated KRI-KRI plant in Greece, built in only 5 months, after a devastating fire completely destroyed the old plant! You can read the case study here. Since then, KRI-KRI's exports have grown by 20% to 25% annually, despite the setback from the fire.

At **AS Automation System Hellas**, for 20 years now and after numerous projects, we can take pride of our extensive know-how, and the innovative and affordable solutions that we introduce to our clients.

After all, we know Greek yogurt better than anybody!

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