

**MONTHLY REPORT**  
**FOR**  
**FEBRUARY 2009**

**PREPARED FOR CRANBERRY MARKETING COMMITTEE**

**PREPARED BY SOHN'S MARKET MAKERS**

## 1. GENERAL MARKET SITUATION

- According to a study on Koreans from 1998-2008 by Cheil Worldwide, consumers are increasingly in favor of healthy food and now drink more soju than beer. Their favorite alcohol has changed from beer (53 percent) in 1998 to soju (54 percent) in 2008. The shift was most dramatic in consumers in their 20s and 30s. This is a result of soju makers' strenuous efforts to keep up with consumers' changing tastes, the report explained. What is remarkable is that consumers are increasingly willing to buy quality food products at premium prices in the face of global economic downturn. Consumers think of nutrition as the most important selection standard, with current escalated concerns over food safety and as indicated by a rise in life expectancy. Consumers are now looking for nutritional food with less trans fat. The percentage of consumers who select foods labeled as healthy has risen to 23 percent in 2008 from 17 percent in 1998.
- Koreans will soon have access to more information about the food on their tables. The government will compile a list of potentially harmful foods and post it on the Internet next year. The system will enable consumers to check the production history of food by indicating the name of the product, where it was purchased, and its country of origin. The Ministry for Food, Agriculture, Forestry and Fisheries says it plans to revise related laws this year and monitor the entire process of food entering the local markets. Stricter benchmarks for food safety under the World Health Organization's certification, called CODEX, will also be applied. All this information will be laid out on a new unified website. Until now, different websites have separately provided information on agro-livestock and fisheries. Officials expect that the new site will help protect people, as previous hazardous food product consumption related to melamine and malachite green were blamed on a lack of information.
- Korea's health authorities announced February 20<sup>th</sup> that they have ordered a recall of U.S. chocolate products due to fears that they may have been contaminated with salmonella bacteria. The Korea Food and Drug Administration said that the recall will be applied to the "Milk Chocolate Peanuts" produced and sold by Marich Confectionary. The move came after the American company voluntarily took their products off shelves in the U.S. this week due to health concerns, the administration said. A total of 1,239 kilograms (2,731

pounds) of the chocolate have been imported to the local market. The recall was ordered after it was found that the Peanut Corporation of America, a supplier of peanut paste, shipped products that could cause salmonellosis, the health watchdog said. Salmonellosis, caused by exposure to salmonella bacteria, can lead to diarrhea, fever, vomiting and abdominal cramps. Seoul also ordered a recall of U.S. cookies made with peanut butter on Jan. 19. The KFDA said that no peanut products from the American peanut company had been imported, but it has stepped up quarantine inspections on all peanut butter-based products from the U.S.

## **2. Industry Information**

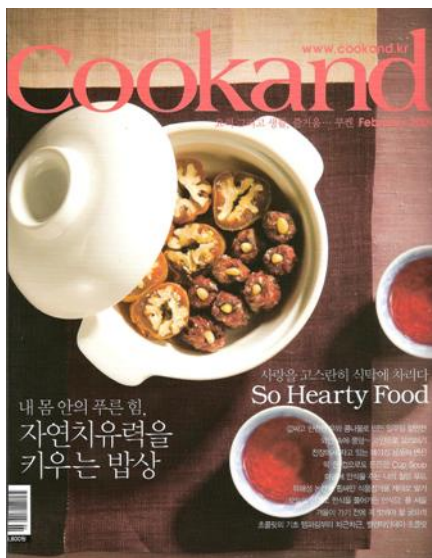
- Purmil, a subsidiary company of Lotte, is one of the biggest dairy companies. Purmil has launched a new type of water that contains 12 vitamins and is available in 3 different flavors – cranberry, blueberry and pomegranate. Its retail price is W1,500 for a 340ml bottle.
  
- Lotte Boulangerie is an in-house bakery chain in Lotte Department Store and Lotte Mart chains, which has 140 stores nationwide, and also supplies pastry products to a major coffee shop chain in Korea, Angel-in-us Coffee with 200 stores nationwide. CMC Korea provided QSP dried cranberry samples to Lotte Boulangerie, and as a result of this, they launched 2 new cranberry products in their stores. They are Walnut Cranberry Bread and Cranberry Grain Bread.
  
- The biggest convenience store chain, GS 25 with 2,000 stores nationwide, launched a new sandwich item, Cranberry Chicken Sandwich. In their shelf POS, they advertise that the sandwich contains cranberries which are full of polyphenols. This item is produced by Shany, the biggest wholesale bread manufacturer in Korea, and Shany supplies ready-to-eat cooked bread items under Sand Farms brand to convenience stores.

### 3. MEDIA COVERAGE

This month, we monitored 7 media coverages: 6 articles in consumer publications, and 1 article on an Internet website.

Category	# of Articles	Ad Value	Weighted Value
Category 1	4	18,000	18,000
Category 2	0	0	0
Category 3	3	15,000	5,000
Category 4	0	0	0
Category 5	0	0	0
<b>Total:</b>	<b>7</b>	<b>\$33,000</b>	<b>\$23,000</b>

Publication: Monthly **Cookand**  
 Media Type: Consumer Cooking Magazine  
 Clipping Type: Category 1  
 Issue: February 2009  
 Circulation: 100,000  
 Ad Value: \$2,000  
 Weighted Value: \$2,000  
 Content: **News for Cranberry Marketing Committee Korean website launch**



Publication: Monthly **Style H**  
 Media Type: Consumer Life Style Magazine  
 Clipping Type: Category 1  
 Issue: February 2009  
 Circulation: 100,000

Ad Value \$1,000

Weighted Value \$1,000

Content News for Cranberry Marketing Committee Korean website launch



Publication Monthly Doo

Media Type Consumer Travel Magazine

Clipping Type Category 3

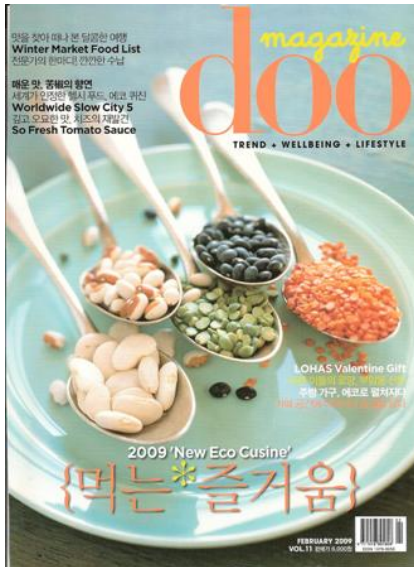
Issue February 2009

Circulation 50,000

Ad Value \$3,000

Weighted Value \$1,000

Content Introducing Cranberry Cereal



Publication Monthly **Yeosung Chosun**  
 Media Type Consumer Life Style Magazine  
 Clipping Type Category 3  
 Issue February 2009  
 Circulation 100,000  
 Ad Value \$6,000  
 Weighted Value \$2,000  
 Content **Recipe Recommendation – Fruit Sandwich**



Publication Monthly **Yeosung Dongah**  
 Media Type Consumer Life Style Magazine  
 Clipping Type Category 3  
 Issue February 2009  
 Circulation 100,000  
 Ad Value \$6,000  
 Weighted Value \$2,000  
 Content **Recipe Recommendation – Crispy Chocolate with Cranberries**



Publication Monthly **Men's Health**  
 Media Type Consumer Life Style Magazine for Men  
 Clipping Type Category 1  
 Issue February 2009  
 Circulation 100,000  
 Ad Value \$5,000  
 Weighted Value \$5,000  
 Content **<Something Special about Cranberry>**  
**- Introducing Cranberry and its benefits**

**■ NUTRITION & FOOD**

크랜베리에는 특별한 게 있다

우리나라에서는 자라지 않는 크랜베리, 말로만 듣고 호기심을 키워온 그 녀석이 드디어 우리 앞에 실체를 드러냈다. 알면 알수록 남자라면 가까이해야 할 녀석이다.


www.kyranberry.com  
design.co.kr


[http://e-enshealth.design.co.kr/in\\_magazine/sub.html?at=view&p\\_no=6&info\\_id=41757&c\\_id=00010002](http://e-enshealth.design.co.kr/in_magazine/sub.html?at=view&p_no=6&info_id=41757&c_id=00010002)

Publication **Design.co.kr**  
 Media Type Internet Website of Design House  
 Clipping Type Category 1  
 Issue February 2009  
 Circulation 1,000,000  
 Ad Value \$10,000  
 Weighted Value \$10,000  
 Content **<Something Special about Cranberry>**  
**- Introducing Cranberry and its benefits**  
[http://www.design.co.kr/section/news\\_print.html?info\\_id=41757&category=](http://www.design.co.kr/section/news_print.html?info_id=41757&category=)

#### 4. NEW CRANBERRY PRODUCTS IN THE MARKET

##### Bakery/Ice Cream/HRI

Brand	Product/Menu Name	Description	Price	Photo
Purmil	V12 Super Fruit	Vitamin water which contains cranberry concentrate juice	W 1,500	
Lotte Boulangerie	Walnut Cranberry Bread	Healthy concept bread with walnut pieces and dried cranberries	W4,000	
	Cranberry Grain Bread	Healthy concept bread with dried cranberries	W4,900	

GS25	Cranberry Chicken Sandwich	Dried cranberries included in the sandwich filling	₩2,000	
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## 5. MARKETING ACTIVITIES

### **Program Management/Trade Communications (M08GXSK001)**

The CMC Korea office (Sohn's Market Makers) has made contacts with following trade companies for an update on CMC activities:

Lotte Boulangerie : Mr. Eun-Jong Lee, Technical Consultant / Mr. Yong-Yoon Choi, Marketing Manager

After CMC provided the QSP samples, Lotte Boulangerie expressed interest in cranberry product testing, and as a result, they launched 2 cranberry items in their stores. CMC had a meeting with the marketing manager for possible joint promotion, along with California walnuts. Since Lotte Group is rather reluctant to do promotions with support from outside sponsors, they will need time to review a possible in-house promotion.

Seoul Food : Mr. Jae-Sung Lee, R & D Chief Manager

They have completed the development of a new cranberry item: steamed cranberry cake. However, due to the sudden warm weather, they decided to postpone the launching to next season, as the steamed cake will sell better during the winter season.

### **Consumer Media Relations (M08GXSK003)**

As a result of CMC press release about the CMC Korean Website launch, 2 leading monthly magazines featured news of the CMC website.

Men's Health, worldwide life style magazine for men, asked for cranberry nutrition information and images to report on a cranberry healthy story as a special food item. CMC Korea provided part of the sponsorship for this special featured article.

## 6. PERFORMANCE MEASURES UPDATES

<b>Performance Measure</b>	<b>2009 Goal</b>	<b>As of February 2009</b>
Number of cranberry products sold through the home shopping networks	2	0*
Number of cranberry products at retail	68	101
% who have heard of cranberries	71%	N/A
% that have eaten/drank products containing cranberries	50%	N/A
% of consumers able to identify at least one health benefit of cranberries	5%	N/A
% who would be willing to purchase a product containing cranberry	60%	N/A

\* No TV home shopping is selling cranberry products, but 2 of their internet shops are selling dried cranberries ( NS Home Shopping online and Hyundai Home Shopping online ).

\*\* For the consumer PMs, informal survey will be done with at least 100 consumers during the bakery/confectionery promotions planned for 2009 marketing year.