

**MONTHLY REPORT  
FOR  
MARCH 2010**

**PREPARED FOR CRANBERRY MARKETING COMMITTEE**

**BY SOHN'S MARKET MAKERS**

## 1. GENERAL MARKET SITUATION

- In the 1<sup>st</sup> week of March, the government said it has invited quarantine officials from eight countries to get a first-hand look at quality control measures employed in the country, which may help boost exports down the road. The Ministry for Food, Agriculture, Forestry and Fisheries said 15 inspectors will check the entire process of the country's farm and food production chain. The ministry said, in a press release that from Monday through Friday, officials will visit farms that grow products for export, processing plants, trading companies that handle goods, and the National Agricultural Products Quality Management Service, who is responsible for checking food safety. They will also be allowed to look at how Korea conducts quarantine inspections for export products.
  
- A "Korean Cuisine (Hansik) Foundation" will be established to take on the specialized role of leading onsite globalization activities of local cuisine abroad, the government announced in the 2<sup>nd</sup> week of March, which may help better organize all the groups sprouting up to seize opportunities. The Ministry for Food, Agriculture, Forestry and Fisheries said the Hansik Foundation will celebrate its official launch today by emphasizing the new civilian-based body's strength in mitigating both private and public needs and interests. Up until now, the "Hansik Globalization Planning Organization" - comprised of both private and public bodies - has been leading the government's initiative. But the ministry said it has felt the need for a more specialized medium to reflect the activities of both the food industry and the Korea Restaurant Association, along with relevant bodies. The private-based foundation's launch was also based on the ministry's judgment that it would not be appropriate for the government to manage and support projects for overseas Korean restaurants by itself. The new foundation's activities will include, holding promotion events and establishing qualification certificates for Korean restaurants abroad. In phases, the organization plans to strengthen the competitiveness of Korean restaurants, organize training programs for Korean cooking, provide consultations, collect original traditional Korean dishes, and form a worldwide hansik network. The Lee Myung-bak administration has the long-term vision of globalizing Korean cuisine and developing the food industry as one of the country's new growth engines. The Agriculture Ministry, leading the initiative, last year announced the goal of establishing Korean food within the world's top five cuisines by 2017. The top country is currently France, followed by Italy, China, Japan and Thailand.

- Lotte Group is considering additional merger and acquisition plans. Lotte Confectionery president, Kim Sang-hoo, said there are about 20 companies both domestic and overseas that the group is eyeing for takeover deals. Kim was speaking at a launch event at group headquarters in the 1<sup>st</sup> week of March where he explained Lotte Confectionery's overseas business plans. Last year, Lotte Group bought Chinese supermarket chain Times and Doosan's beverage division in Korea. It went on to buy convenience store chain Buy the Way, GS Retail's department store, supermarket units GS Square, and GS Mart this year. Lotte decided to buy a Pakistani sweet maker, and is looking at five or six other possible targets in Asia. If it meets the goal, sales currently at around W1.8 trillion, could increase to W7.5 trillion, including overseas sales of W4.5 trillion by 2018, taking up a 10 percent global market share, Kim added.

## 2. Industry Information

- With 74 stores nationwide, VIPS is one of the biggest restaurant chains under CJ Foodville in Korea. After cranberry sample distribution of CMC Korea, they developed and launched a new salad menu with dried cranberries – Cranberry and Mango Salad. VIPS had a promotion for new salad menus targeting young women titled, “Refreshing and energizing salad in springtime!!” The cost for having all salad bar menus is 23,400 won per person.



## 3. MEDIA COVERAGE

This month, we monitored 9 media placement for cranberries, including 1 article in daily news and 8 articles in internet news sites.


Category	# of Articles		Weighted Media Value	
	Mar 10	Jan ~ Mar 10	Mar 10	Jan ~ Mar 10
Category 1	0	9	\$0	\$18,000
Category 2	0	0	\$0	\$0
Category 3	0	0	\$0	\$0
Category 4	0	0	\$0	\$0
Category 5	9	24	\$54,000	\$111,000
<b>Total</b>	<b>9</b>	<b>33</b>	<b>\$36,000</b>	<b>\$129,000</b>

No	Publication -- Subject of Article	Media Type	Issue / Date	Circulation / Monthly Hits	Clipping Category	Weighted Value (USD)
1	<i>Daily Joongang</i> <a href="http://article.joins.com/article/article.asp?Total_ID=4074165">http://article.joins.com/article/article.asp?Total_ID=4074165</a> -Introducing New Salad Menus of VIPS: Cranberry & Mango Salad	Daily News	March 24 <sup>th</sup> , 2010	2,000,000	5	6,000
2	<i>Biz Place</i> <a href="http://www.bizplace.co.kr/biz_html/content/naver_content_view.html?seq_no=29806&amp;page=1&amp;b_code=&amp;code=">http://www.bizplace.co.kr/biz_html/content/naver_content_view.html?seq_no=29806&amp;page=1&amp;b_code=&amp;code=</a> -Introducing New Salad Menus of VIPS: Cranberry & Mango Salad	Internet News	March 18 <sup>th</sup> 2010	2,000,000	5	6,000
3	<i>Asia Today</i> <a href="http://www.asiatoday.co.kr/news/view.asp?seq=338945">http://www.asiatoday.co.kr/news/view.asp?seq=338945</a> -Introducing New Salad Menus of VIPS: Cranberry & Mango Salad	Internet News	March 18 <sup>th</sup> 2010	2,000,000	5	6,000
4	<i>Acrofan News</i> <a href="http://www.acrofan.com/ko-kr/consumer/news/20100331/000004">http://www.acrofan.com/ko-kr/consumer/news/20100331/000004</a> -Introducing Promotions of Restaurant chains in spring:	Internet News	March 31 <sup>st</sup> 2010	2,000,000	5	6,000

	Cranberry & Mango Salad of VIPS					
5	<p><i>Asia Economy</i></p> <p><a href="http://www.asiae.co.kr/news/view.htm?idxno=2010031809170484060">http://www.asiae.co.kr/news/view.htm?idxno=2010031809170484060</a></p> <p>-Introducing New Salad Menus of VIPS: Cranberry &amp; Mango Salad</p>	Internet News	March 18 <sup>th</sup> 2010	2,000,000	5	6,000
6	<p><i>Newsis</i></p> <p><a href="http://news.naver.com/main/read.nhn?mode=LSD&amp;mid=sec&amp;sid1=101&amp;oid=003&amp;aid=0003154011">http://news.naver.com/main/read.nhn?mode=LSD&amp;mid=sec&amp;sid1=101&amp;oid=003&amp;aid=0003154011</a></p> <p>-Introducing New Salad Menus of VIPS: Cranberry &amp; Mango Salad</p>	Internet News	March 25 <sup>th</sup> , 2010	2,000,000	5	6,000
7	<p><i>Ajoo News</i></p> <p><a href="http://www.ajnews.co.kr/uhtml/read.jsp?idxno=201003180942238900161">http://www.ajnews.co.kr/uhtml/read.jsp?idxno=201003180942238900161</a></p> <p>-Introducing New Salad Menus of VIPS: Cranberry &amp; Mango Salad</p>	Internet News	March 18 <sup>th</sup> , 2010	2,000,000	5	6,000
8	<p><i>E-Daily News</i></p> <p><a href="http://efn.edaily.co.kr/Brandnews/NewsTotalRead.asp?sub_cd=DJ&amp;newsid=01676086592904632">http://efn.edaily.co.kr/Brandnews/NewsTotalRead.asp?sub_cd=DJ&amp;newsid=01676086592904632</a></p> <p>-Introducing New Salad Menus of VIPS: Cranberry &amp; Mango Salad</p>	Internet News	March 18 <sup>th</sup> , 2010	2,000,000	5	6,000
9	<p><i>Money Today</i></p> <p><a href="http://mnb.mt.co.kr/mnbview.php?no=2010031814371842722">http://mnb.mt.co.kr/mnbview.php?no=2010031814371842722</a></p> <p>-Introducing New Salad Menus of VIPS: Cranberry &amp; Mango Salad</p>	Internet News	March 18 <sup>th</sup> , 2010	2,000,000	5	6,000

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

##### Bakery/Ice Cream/HRI

Brand	Product/Menu Name	Description	Price	Photo
VIPS	Cranberry & Mango Salad	Fresh vegetable salad with dried cranberries and mango fruit	₩23,400	

#### 5. WEBSITE VISITORS

Number of Visitors to [www.cranberries.co.kr](http://www.cranberries.co.kr) for 2010

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Monthly Average
1,415	1,258	1,500										1,391

#### 6. MARKETING ACTIVITIES

##### Program Management/Trade Communications (M09GXKS001)

The CMC Korea office (Sohn's Market Makers) made contact with following trade members to update CMC activities.

##### Mr. Jung-Seok Choi, Synergy Hill & Knowlton

Synergy Hill & Knowlton is a foreign marketing company and represents U.S. cranberry companies in Korea. They wanted to know targeted objects of cranberry products and learn if there are any US suppliers which conducted clinical research. The CMC Korea office provided research related information, and health related studies and materials.

##### Ms. Su-Ji Park, President / Mr. Sung-Bin Park, Marketing Director, Restaurant <Suji's>

Suji's is a New York style restaurant chain with 5 stores nationwide and plans to expand to major department stores. They are planning to develop a new sausage menu with walnuts and cranberries, and CMC Korea offered dried whole cranberry and diced cranberry samples.

Mr. Woo-Sung Lee, President / NTS Corporation

NTS Corporation is a medium sized school lunch program vendor in Bucheon city, a suburb area of Seoul. They are interested in supplying nuts in small package as a snack for kids in the kinder garden and elementary schools. The CMC Korea office introduced dried cranberry products as another alternative to mixed nuts and dried fruits, or as in single item. Also, the CMC Korea provided the health information on cranberries, so that they can use the materials to decide on possible launching.

Mr. Young-Ki Hong, Manager / Dada F & B (Decas importer)

They are an importer of dried cranberries, and are planning to attend Seoul Food and Hotel Korea which will be held May 12 - 15, at Kintex, Ilsan. They requested cranberry brochures, so CMC Korea office provided the consumer leaflets developed in last marketing year for them to distribute at the booth.

Mr. Young-Seok Kim, Director / Kumho Trading

They are an importer of dried cranberries through a broker, and wanted to learn about the CMC activities for this marketing year. CMC Korea provided information about the activity plan for 2010, and let them know about possible promotional assistance for bakery promotions.

**7. PERFORMANCE MEASURES UPDATES**

<b>Performance Measure</b>	<b>2010 Goal</b>	<b>As of March 2010</b>
Number of cranberry products at retail	120	121
Number of bakery outlets offering cranberry products	10	12 ( Paris Baguette, Paris Croissant, Tous Les Jours, Crown Bakery, Dunkin Donuts, A Two Some Place, Starbucks, Donut Plant New York City, Bizeun, Bins Beans, Vezzly, Bread Talk )
Average # of bakery products offered per store	4	3.5
% who have heard of cranberries	76%	N/A
% that have eaten/drunk products containing cranberries	55%	N/A
% of consumers able to identify at least one health benefit of cranberries	8%	N/A
% who would be willing to purchase a product containing cranberry	63%	N/A

\*\* For the consumer PMs, informal survey will be done with at least 100 consumers during the bakery/confectionery promotions or consumer cooking classes for 2010 marketing year.