

**MONTHLY REPORT**  
**FOR**  
**OCTOBER 2009**

**PREPARED FOR CRANBERRY MARKETING COMMITTEE**

**PREPARED BY SOHN'S MARKET MAKERS**

## 1. GENERAL MARKET SITUATION

- Consumer confidence has hit a seven and a half-year high on hopes of an economic recovery. The Bank of Korea said, in the 1<sup>st</sup> week of October, that the consumer sentiment index rose three points from the previous month to 117 in October. This matches an all-time high in the first quarter of 2002. The central bank started publishing the confidence index on a monthly basis in July of last year. A reading above 100 indicates that optimists outnumber pessimists. The consumer sentiment index began rising in March, following a sharp drop amid the global economic crisis. The index exceeded the benchmark of 100 in May and has been on the rise for five months. The index tends to improve either in concurrence with or up to six months ahead of an economic recovery. According to a BOK spokesperson, consumer sentiment is improving due to better domestic demand and exports. This is reinforced by 2.9 percent economic growth in the third quarter of this year. But, more people apparently want to remain fully prepared for an uncertain future, saying that they are willing to reduce spending on travel and dining while increasing savings.
- Free trade agreements (FTAs) with foreign countries fueled Korea's agriculture trade deficit during the past four years, according to one lawmaker (member of the Parliament) in the 2<sup>nd</sup> week of October. Rep. Kang Ki-kab said, during the parliamentary audit, that Seoul's agriculture deficit with countries like Chile and the Association of Southeast Asian Nations (ASEAN) members reached \$3.08 billion last year, up 77 percent from the \$1.74 billion tallied in 2004. Starting with Chile in April 2004, the country maintains free trade regimes with Singapore, the European Free Trade Association and ASEAN. It has also signed FTAs with the United States and effectively agreed on an open market arrangement with the European Union, although these have not gone into effect and are awaiting ratification. The lawmaker from the progressive opposition Democratic Labor Party said, with the exception of Singapore which imports most of its food, inbound goods from Chile and the two economic blocs have all increased. A rise in imports is a source of concern for many local farmers threatened by the influx of cheap farm goods.
- The government will certify businesses whose green products account for more than 30 percent of their total output as "green companies". The government unveiled a comprehensive plan regarding accreditation of green products, technologies and companies during a cabinet meeting yesterday morning. The plan is aimed at distinguishing green technologies and projects with potential, while offering tax

support to people investing in accredited green technologies and projects, officials said. According to the government's 2009 tax revision plans unveiled last month, private investors in green funds and green savings ventures can get some tax benefits. Technologies related to 10 business sectors are eligible for green certification from the government. The list of 10 green business areas includes renewable energy, emission-free technology, state-of-the-art water management systems, green IT, green vehicles and green homes. New materials, clean production technology and eco-friendly agricultural products are also included in the list, officials said. Projects that use green technologies and are designed to reduce greenhouse gas and pollutants will also earn the green title. Intelligent Transportation Systems, construction of windmills for power generation, energy-saving buildings and eco-friendly plants will also be included as green projects, officials said.

## 2. Industry Information

- E-Mart, the biggest hypermarket chain in Korea operated by Shinsegae, launched a new homemade style cookie product with dried cranberries and oatmeal. Cranberry Cookies at E-Mart contain 11% of dried cranberries and two pieces are packed in a pouch. The retail cost of Cranberry Cookies is 1,500won and they are sold on the E-Mart internet website.

## 3. MEDIA COVERAGE

This month, we monitored 12 media placements, 1 TV program, 1 article in a consumer magazine, and 10 articles in internet news sites.

Category	# of Articles		Weighted Media Value	
	Oct. 09	Jan~Oct 09	Oct. 09	Jan~Oct 09
Category 1	1	5	\$50,000	\$68,000
Category 2	0	0	\$0	\$0
Category 3	0	4	\$0	\$14,000
Category 4	0	1	\$0	\$7,500
Category 5	12	80	\$40,000	\$338,000
<b>Total</b>	<b>13</b>	<b>90</b>	<b>\$90,000</b>	<b>\$427,500</b>

TV Program Coverage

Media	Vitamin by KBS 2
Media Type	National TV Network
Program Type	Health Information Entertainment Show
Air Date	9:00 pm, October 28, 2009
Viewership	10,000,000
Ad Value	\$50,000
Weighted Value	\$50,000

The 2<sup>nd</sup> biggest health related TV Program in Korea, Vitamin by KBS 2, featured a cranberry story. Vitamin is an information/entertainment program in a talk-show format and they recently added a 5-minute news style section, called Vita 5 Minutes. In this new section, the cranberry was discussed for 1 minute. The discussion focused on cranberries as being good food for UTI health.




Other Media Coverage List

No	Publication	Media Type	Issue / Date	Circulation / Monthly	Ad Value (USD)	Weighted Value
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				Hits		(USD)
1	Herald Economy <a href="http://www.heraldbiz.com/SITE/data/html_dir/2009/10/12/200910120028.asp">http://www.heraldbiz.com/SITE/data/html_dir/2009/10/12/200910120028.asp</a>	Internet News	October 12 <sup>th</sup> 2009	2,000,000	30,000	6,000
2	Healthy Korea <a href="http://www.hkn24.com/news/articleView.html?idxno=34641">http://www.hkn24.com/news/articleView.html?idxno=34641</a>	Internet News	October 14 <sup>th</sup> 2009	2,000,000	30,000	6,000
3	Medical Industry News <a href="http://www.yakup.com/opdb/index.php?dbt=article&amp;cate=1 15&amp;cmd=view&amp;code=124092">http://www.yakup.com/opdb/index.php?dbt=article&amp;cate=1 15&amp;cmd=view&amp;code=124092</a>	Internet News	October 14 <sup>th</sup> 2009	2,000,000	30,000	6,000
4	JoongAng Daily <a href="http://article.joins.com/article/article.asp?Total_ID=3827435">http://article.joins.com/article/article.asp?Total_ID=3827435</a>	Internet News	October 16 <sup>th</sup> 2009	2,000,000	30,000	6,000
5	Cooking Recipe <a href="http://cyworld.com/doyou4/3222870">http://cyworld.com/doyou4/3222870</a>	Internet Blog	October 1 <sup>st</sup> 2009	1,000,000	10,000	2,000
6	Cooking Recipe <a href="http://blog.naver.com/ayoun810/40092932416">http://blog.naver.com/ayoun810/40092932416</a>	Internet Blog	October 28 <sup>th</sup> 2009	1,000,000	10,000	2,000
7	Cooking Recipe <a href="http://blog.naver.com/kiaiai/50073516621">http://blog.naver.com/kiaiai/50073516621</a>	Internet Blog	October 10 <sup>th</sup> 2009	1,000,000	10,000	2,000
8	Cooking Recipe <a href="http://blog.naver.com/arbikhj/12009340554">http://blog.naver.com/arbikhj/12009340554</a>	Internet Blog	October 25 <sup>th</sup> 2009	1,000,000	10,000	2,000
9	Cooking Recipe <a href="http://blog.naver.com/dhrdb09/10072268313">http://blog.naver.com/dhrdb09/10072268313</a>	Internet Blog	October 20 <sup>th</sup> 2009	1,000,000	10,000	2,000
10	Cooking Recipe <a href="http://blog.naver.com/skyforu9/50073115525">http://blog.naver.com/skyforu9/50073115525</a>	Internet Blog	October 5 <sup>th</sup> 2009	1,000,000	10,000	2,000
11	Cooking Recipe <a href="http://blog.naver.com/jikimi75/40092380110">http://blog.naver.com/jikimi75/40092380110</a>	Internet Blog	October 20 <sup>th</sup> 2009	1,000,000	10,000	2,000
12	Cooking Recipe <a href="http://blog.naver.com/hsmapple/30072171260">http://blog.naver.com/hsmapple/30072171260</a>	Internet Blog	October 23 <sup>rd</sup> 2009	1,000,000	10,000	2,000

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

##### Bakery/Ice Cream/HRI

Brand	Product/Menu Name	Description	Price	Photo
E-Mart	Cranberry Cookies	Cookie with dried cranberries and oatmeal	W1,500	

#### 5. WEBSITE VISITORS

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

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Monthly Average
110	172	199	197	374	414	1,109	33,396	2,638	993	3,960

#### 6. MARKETING ACTIVITIES

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

CMC Korea office (Sohn's Market Makers) made contacts with following trade to update CMC activities:

Ms. Soo-Mi Kim, Marketing Manager, G & L Foods

CMC made regular trade contacts with G & L Foods and gave updates on the marketing activity plan for the bakery promotions being arranged with Paris Croissant.

Ms. So-Young Lee, President, La Cuisine

Ms. Yoon-Kyung Lee, Team Leader, Corporate Consulting Team, La Cuisine

La Cuisine is an upscale cooking academy, as well as a well-known food/menu consulting firm for corporate businesses. They recently opened a class called, "sponsored class", with the concept of receiving new ingredient samples and having classes for dishes using the samples. CMC had a cooking class with La Cuisine on November 11<sup>th</sup> and 17 participants attended. La Cuisine allowed time for CMC to present on the cranberry during the class and conducted a questionnaire survey of participants on the cranberry after the class. Also, La Cuisine encouraged the feedback and recipes of class participants through the La Cuisine website and the sponsors' websites. The recipes will be uploaded on the CMC Korea website, and reported in the November monthly report.





**Age Group**

20s	30s	40s	50s	Total
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1	5	6	5	17
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### Questionnaire

Question	Yes	No
1. Have you ever heard of cranberries?	8 (47%)	9 (53%)
2. (that answered yes at Q.1) Are you able to identify at least one health benefit of cranberries?	4 (50%)	4 (50%)
3. Have you ever eaten/drunk products containing cranberries?	9 (53%)	8 (47%)
4. (that answered yes at Q.3) Have you ever used cranberries for cooking?	4 (44.5%)	5 (55.5%)
5. Would you be willing to purchase a product containing cranberry?	13 (76.4%)	4 (23.6%)

### **Baking Chain Cooperative Promotion (M09GXKS004)**

CMC had meetings with Paris Croissant's, Mr. Nan-Ki Kwon, Marketing Manager, and Mr. Jae-Beom Hong, Marketing Team. They are launching a new cranberry item in November, which is Cranberry Cream Cheese Bread. On the occasion of this new item launching, they are holding a promotion, along with a promotion for the California Walnut, starting from November 20. Paris Croissant is going to offer free 20 gram dried cranberry samples to customers who purchase more than a certain value of cranberry bakery products. They made 20g of dried cranberry sample package, featuring CMC logo along with their own logo. Promotion materials are under development.



### 7. PERFORMANCE MEASURES UPDATES

Performance Measure	2009 Goal	As of October 2009
Number of cranberry products sold through the home shopping networks	2	1*

Number of cranberry products at retail	68	115
% who have heard of cranberries	71%	47%
% that have eaten/drank products containing cranberries	50%	53%
% of consumers able to identify at least one health benefit of cranberries	5%	23.5%
% who would be willing to purchase a product containing cranberry	60%	76.4%

\* Hyundai Home Shopping started to sell dried cranberries along with California walnuts.

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