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New Study Offer Insights into Ingredient Decision Process
Cherry Marketing Institute Research Has Implications for All Fruits

LANSING, Mich., June 15, 2010 – The Cherry Marketing Institute (CMI) today announced the findings of a new product innovation and ingredient study. Based on confidential interviews with senior food industry executives, the study helps dissect the product development process and reveals why certain ingredients make it into products that will appear on grocery shelves and restaurant menus.

“The ingredient decision is absolutely critical for food and specifically fruit marketers,” said Jeff Manning, Chief Marketing Officer for CMI. “Fruits like tart cherries, blueberries, cranberries and dried plums depend heavily on ingredient use by food manufacturers and food service operators. Yet few study the buyers who make the all important ingredient selections.”

The study, managed by Nina Diamond, Ph.D. of the B/R/S Group, involved in-depth phone interviews with senior research and development executives at 17 major food manufacturers and food service operators. “We were greatly encouraged and somewhat surprised by the ranking of factors in the ingredient decision process,” said Diamond. “While price and supply are important, consumer appeal is the top priority.”

Though specifics vary by organization, several common themes emerged:

- **The Stage-Gate process continues to dominate.** Conceived by new product development researchers decades ago, this approach involves five stages, each associated with a set of activities and deliverables executed by a multifunctional team. Every stage is followed by a review that involves senior management (the “Gates”). The process is designed to maximize the productivity of company resources and minimize the risk of marketplace failure.
- **R&D drives most ingredient decisions.** While the Marketing function provides broad direction and support, and may lead the multifunctional new product management team, R&D remains the key to determining which ingredients are used and in what proportions and combinations. It is R&D’s job to deliver products that fulfill the promise made in the product concept statement.
- **“Super Fruits” are alive and well.** Because health and wellness are key consumer concerns, food innovators are aggressively developing new products containing fruit –

always on the lookout for emerging “Super Fruits.” The appeal of many fruits that have been in favor during the past few years has faded and new, on-trend fruits are being sought.

- **Science is important, but seldom a determining factor.** One reason for this attitude is that hard nutrition claims are under immense scrutiny. More critical is that an ingredient is perceived to be healthy – as well as flavorful – by consumers.
- **Cherries are appealing, but underleveraged.** Study participants viewed tart cherries as great tasting, high in quality, nutritious, and an “emerging” food ingredient. Many considered cherries underutilized relative other fruit ingredients, but on a clear upward trajectory
- **A premium price can be justified if an ingredient helps deliver the concept.** This reflects the industry’s consumer focus and the fact that most juices and snacks are blends, containing multiple fruits. The key is to get the taste, color and texture right for the new product concept and the consumer.

“This study has clear implications for anyone producing and marketing food ingredients,” said Manning. “The ‘Food Future’ looks bright for tart cherries, especially as we further broaden their appeal and acceptance.”

Funded in part by a grant from the State of Utah, the information and insights from this new research will be used as the foundation of a product innovation program aimed at increasing ingredient use of tart cherries.

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The Cherry Marketing Institute (CMI) is an organization funded by North American tart cherry growers and processors. CMI’s mission is to increase the demand for tart cherries through promotion, market expansion, product development and research. For more information on the science supporting the unique health benefits of cherries and for cherry recipes and menu ideas, visit www.choosecherries.com.