

Assessing the Innovation Potential of Passionfruit Juice

- Introduction of Carrière
- Terminology – Innovation and Product Innovation
 - Innovation – what does the consumer expect?
 - Innovation Environment
- Reasons for using Passionfruit as a Beverage Ingredient
 - Range of Products containing Passionfruit
 - Top 10 Market Categories using Passionfruit
- Top 10 Countries launching Products with Passionfruit
 - Conclusions

Introduction of Carrière

- ▶ Based in Hamburg / Germany
- ▶ Trading in citrus, tropical and exotics
 - ▶ Focussed on 4 growth pillars:
Conventional , Organic, Fairtrade, Derivates
- ▶ Worldwide network of renowned suppliers
 - ▶ World Juice 2006 Innovation Award - Hero's Fruit 2Day®, developed in conjunction with Carrière. Unique combination of fruit purées, concentrates and tiny fruit pieces, a completely new sensation

Terminology - Innovation

*„Innovation is a process of creative destruction“
(Joseph Schumpeter)*

Innovation is a popular expression, frequently used in both marketing and technological context and sometimes misinterpreted because of referring to modified product which is not genuinely new.

Terminology - Product Innovation

If we delimit the term „innovation“ to „product innovation“, then it applies to a marketable product showing unique characteristic features, such as taste, packaging, ingredients, etc.

Product has to be genuinely new – for example, simple re-packing does not qualify for innovation.

Instead, the juice industry must be creative in addressing consumer demands.

Innovation – What does the consumer expect?

Consumer expects from a real innovation that the product

- has an own identity which is not solely attributed to the packaging but also to a unique taste and flavour
- is convenient, easy to handle and quickly available
- offers an additional [functional] benefit
- is healthy, 100% natural, without any fancy ingredients

(see article: “Principles of product innovation - what does the consumer expect ?”)

Innovation Environment

Factors affecting the environment, where innovation can emerge and grow:

Supply side:

- Consolidation process → reduced number of juice manufacturers
- Market is highly competitive; competition itself forces the companies to be innovative

Problem:

Not every new product is truly innovative, opportunistic attitude, copycats offering me-too products

Innovation Environment

- Demand side:
- Legal framework, tariff barriers
 - Changing eating & drinking habits
 - Demography, greying population
 - Single households

Problem:

Some legal issues in Europe, like the “Novel Food Legislation” and the so-called “health claims” are not translated in praxi into every country; imbalance between countries

Reasons for using passionfruit as a beverage ingredient

- Diversity → juice, pulp with or without seeds, juice concentrate, seeds, seed oil, water phase
- Effective → in a formula , small dosages lead to a pronounced effect
- Marketing → beautiful flower and fruit, nice name, associated with „tropical“

...but the most important reason is....

Reasons for using passionfruit as a beverage ingredient

- **Unique, intense, refreshing , strong taste and flavour**
Multifold taste and flavour profiles of passionfruit are an “intrinsic” value and a reservoir for innovation.
- These profiles widen the range of possibilities in our “innovative playground” and encourage the innovator to develop unique and creative combinations.
- Traditional products, such as apple juice concentrate, act as a good aroma/flavour carrier and serve as a starting point for “natural building blocks”.



CARRIÈRE
Committed To Taste

Range of Products Containing Passionfruit





Range of Products Containing Passionfruit



Fruit Rules - Energy
Lychee, Passionfruit
and Guaraná

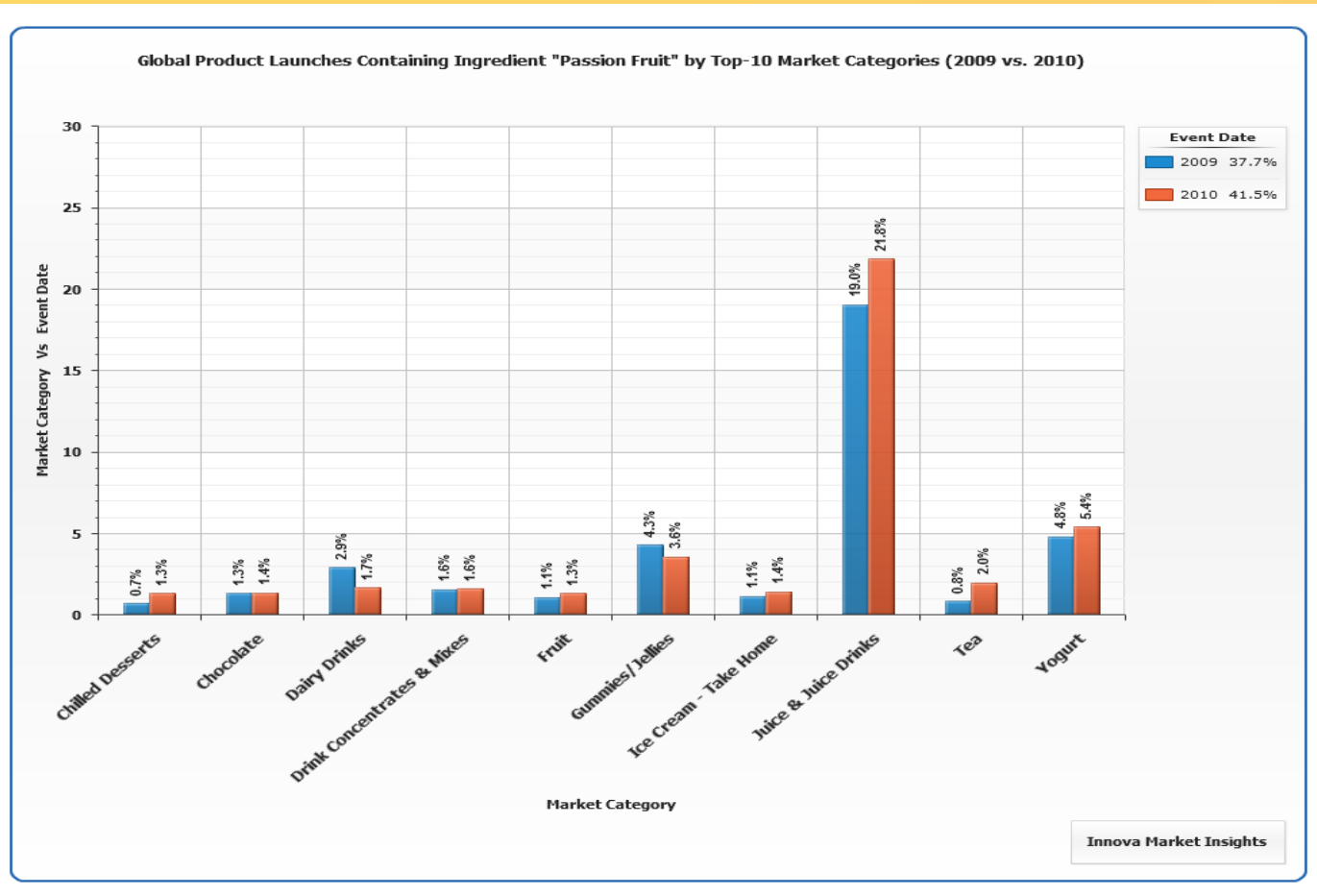


Mövenpick – Smoothie
Mango and Passionfruit



Proviant Mini's
Peach and Passionfruit

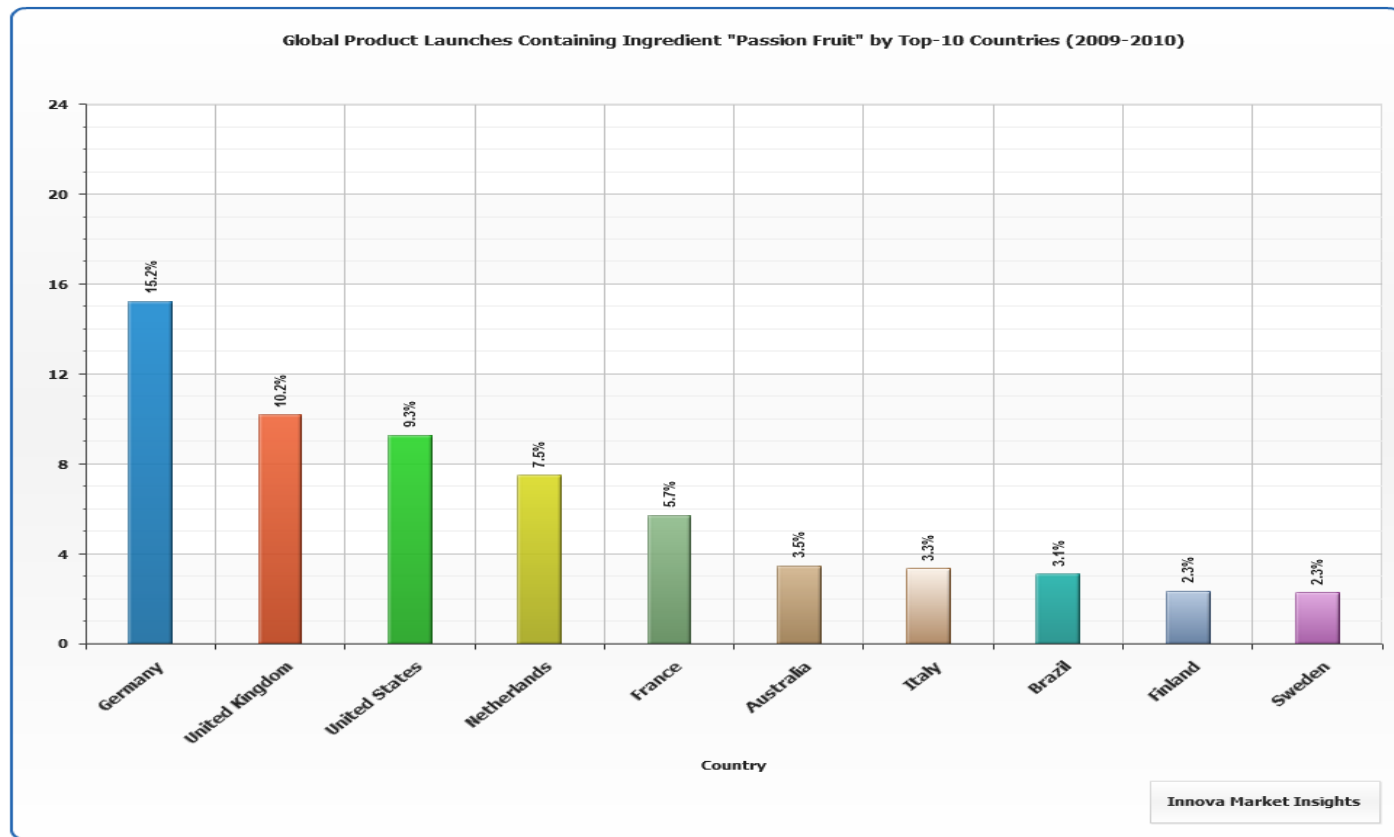
Top 10 Market Categories Using Passionfruit (2009-2010)



Top 10 Market Categories Using Passionfruit (2009-2010)

- In most of the top 10 applications, there was growth in the use of passion fruit as a flavour in new tracked product launches
- Significant rise in its core Juice & Juice Drinks category, with a compound growth of 14.7%. There were interesting rises in its use in Yogurt (+12.5%) and Tea (+150%), although these came from a small base
- Falls on a yoy basis in its usage in new Gums/Jellies (-16%) and Dairy Drinks (-41%) in 2010

Top 10 Countries Launching Products with Passionfruit (2009-2010)



Top 10 Countries Launching Products containing Passionfruit (2009-2010)

- In terms of markets, Germany led the way when it came to its use as a flavor in new product launches in 2010
- Over 15% of the products tracked in top 10 markets for passion fruit occurred there.
- This was ahead of the UK (10.2%), US (9.3%), Dutch (7.5%) and French markets (5.7%).
- Interestingly, Brazil (3.1%) was the only tropical market to feature in the top 10 for the use of passion fruit as a fruit flavour.

Conclusions

- Product innovation refers to a genuinely new, marketable product , showing unique features in taste, packaging, etc.
- Customer expects a natural, convenient , easily available and healthy product with an own identity.
- The innovation environment offers both challenges and new opportunities. Competition drives innovation but there are risks, emerging from the reduced “shelf life” of an innovation. Copycats are waiting on the sideline.
- Thanks to its uniqueness, passionfruit is a highly innovative contributor to multifold applications.

Thank you very much!

Muchas gracias !

Muito obrigado !

Merci beaucoup!

Vielen Dank !



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