

## MSU Product Center

*For Agriculture and Natural Resources*

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### Vegetable soups – Selective opportunities

#### Market drivers that provide selective opportunities

- Suppliers of vegetable soups have selective opportunities to raise sales based on the **convenience**, **value**, and **demographics** market drivers.

#### Specific opportunities

- Given that soups need to be heated, they may not be appealing to many convenience-oriented consumers who want to grab their food and go. But there are consumers that prefer to eat several sit-down smaller meals throughout the day than having two or three large complete meals a day. This trend may help growth in the soup market. Packaging innovations that focus on making vegetable-based soups a grab and go product will help raise sales. Small size containers that are resealable and avoid the use of can openers, bowls, spoons and other utensils may be more appealing to smaller households and individual consumers.
- Since there are many branded and private label soup products that are available at low prices in retail stores, gains from selling high-volume low-price soup products will be selective.
- Suppliers will also have selective opportunities to raise sales in certain demographic market segments. However, young consumers and small households still may not have the time and experience to cook meals at home, which will limit the use of soup by this group. Soup sales (mainly family-size packages) will continue to benefit from large households who will be using soup as an alternative to home cooking that requires much time.
- Supermarkets and mass merchandise retail stores will continue to provide better retail market opportunities for soup manufacturers, while the smaller retail outlets provide selective opportunities.
- Suppliers can also increase sales, if they are able to tie their products with other food items that are offered through market outlet. Cross-merchandising soups with other products such as crackers, breads or other foods or general merchandise items such as soup-pots and spoons are some of the options to raise sales.

#### New product examples

- **Campbell Soup** - Campbell's Chicken Noodle, Tomato, and Vegetable soup varieties will soon be available in convenient ready-to-serve microwavable bowls.
- Harry's Fresh Foods - Roasted Tuscan Vegetable Soup with Porcini Mushrooms and Roasted Garlic packaged in a bowl (stock full of giant white beans, green beans, fire-roasted tomatoes, onions, carrots, fire-roasted red bell peppers, fennel bulb, a drizzle of olive oil, and a splash of white wine).

#### Special issues

- One challenge for the soup manufacturers will be the image of the product as a seasonal product. For many consumers, soup appears to be a winter food. Suppliers, in this regard, may need to make concerted efforts to promote sales in other seasons of the year.
- There are some brand soup products that are currently dominating the market. Due to high competition from low-priced branded ready-to-serve soup products, private label sales in some of the segments (e.g. dry and condensed soup) are declining. There are also some brand loyalties in the soup market.

#### Key to success

- Being a healthy alternative to many other soup types that are available in the mainstream retail stores, vegetable soups will have broad market opportunities, if manufacturers are able to develop products that are competitive in terms of convenience, flavor and variety.

#### Sources

Mintel, Global New Product Database. <http://www.gnpd.com>

\_\_\_\_\_, Soup, 2004.