

The campbell soup company – to be or not to be in russia



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Making a decision on whether Campbell should dare to enter the Russian market or not is a far from easy. If Campbell would give it a try and succeed, the profits could be enormous. On the other hand, entering a new market in a different country with different cultural soup-related values and traditions can be a hard and expensive thing to do, especially if the attempt fails.

There are many circumstances that could motivate an entering of the market. Russia's GDP is growing fast, the country's soup consumption is more than twice as large as the U.

S. and has a population exceeding a billion. By just acquiring a fragment of the country's total soup consumption, Campbell could make loads of money. On the other hand, Campbell would have to overcome many obstacles in order to successfully capture a piece of the Russian soup market. The Swanson consumer taste test clearly shows that the Russian consumers didn't like the product. They thought it tasted like metal, lacked ingredients such as meat and vegetables and had a lot of other criticism regarding the quality of the soup.

Even tough the Swanson consumer taste test was far from a success I think Campbell should give the Russian market a try. Below, I will give the company some advice regarding what kind of product to launch and how to market their product. The most important part of creating a marketing campaign is understanding your customers in the relevant segment (in this case, the average Russian). It's obvious that the Russians soup-related traditions differ a lot from the American ones. In Russia, the preparation of soup is very important. It has strong connections to family values and tradition.

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As described in the text, soup has such an important place in Russia's history that they have created a special word for it, "navaristy". Another thing Campbell can learn from the consumer information available is the importance of the soup ingredients. Aroma, healthiness and real chunks of meat and fat all are important pieces of what Russians considered to be a part of the soup experienced. Embracing the consumer information above is important in the process of choosing which product to launch and how to market that product (also known as market targeting).

In my opinion, Campbell, instead of launching the Swanson soup, should launch a soup that is perceived by Russian customers as healthy, has an appealing aroma and real chunks of meat and fat. Secondly, the company should launch a marketing campaign, aiming to describe to the Russian population how important authentic Russian soup traditions are in the making of Campbell's soup. They should use terms such as "navaristy", show pictures of happy Russian families and pictures with Campbell's soup being made in a traditional Russian homelike setting.

The company should try to position itself as the company who sells authentic Russian soup, embracing traditions but cutting costs and increasing convenience for consumers. Campbell should see soup companies as well as home made soup as the company's competitors and Campbell should try to acquire the value position (which is the mix of benefits on which a brand is differentiated and positioned) in relation to home made soup as more for less - Campbell soup entails more convenience and the same family experience at a cheaper price than home made soup.

In relation other company's soup products Campbell should try to position it's soup as more for the same - Campbell does not tamper with Russian soup preparation traditions or traditional Russian soup ingredients (which of course other companies does) and offer's it soup at around the same price at its competitors.