Soup - US - April 2013

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"Soup finds its largest draw among consumers aged 45+. This is a strength of the category, given the hefty purchasing power of Baby Boomers who make up a large percentage of this group. However, growing consumption among young consumers will be important in maximizing sales and nurturing a loyal user base."

– Beth Bloom, Food and Drink Analyst

In this report we answer the key questions:

- How can the category overcome sales stagnation?
- How can the category combat a poor perception of health?
- How can the category grow sales among young consumers?
- How can the category grow participation among non-white consumers?

Soup is purchased by 92% of U.S. households, a sign of strong consumer acceptance of the category. Personal consumption drops to 84%, meaning many shoppers who indicate soup purchase are doing so for other members of their household, rather than for themselves. While products in the category benefit from convenience, ease of use, versatility, and the perception of affordability, soup struggles to stay relevant in the lives of consumers, especially young consumers who under index in category participation.

Soup sales are slowly recovering from a dip experienced immediately following the start of the recession in 2008. While consumer response indicates the perception of soup as being an affordable food option, sales performance indicates that shoppers may have turned away from the category due to increases in cooking from scratch. Among the respondents to Mintel's custom consumer survey who do not purchase soup, the largest percentage (34%) indicate it's because they prefer to make it themselves at home. The pursuit of healthier food options seen among U.S. consumers over the past few years likely charged this behavior.

Response to Mintel's custom consumer survey also indicates the need to infuse the category with freshness, through the expansion of refrigerated options, as well as soup starters that allow consumers to add their own ingredients, such as vegetables and proteins. What's more, soup's versatility is both a benefit and limitation that leaves consumers split over whether to use products for meals, snacks, or somewhere in between. Demand exists for the development of products at both ends of the consumption spectrum, with some products being positioned for soup snacking, and others positioned as full meals.

The expansion of product options also will help to diversify sales performance of soup across retail channels. Supermarkets currently command 58.9% of retail sales. However, growing the availability of single-serving snack soups and hearty family meal offerings will allow for products to more closely align with the sales mix of convenience, club, and warehouse stores, among others.

Campbell Soup dominates sales in the category, representing 43.6% of the category in the 52 weeks ending Jan. 27, 2013. Strong product innovation across Campbell's brands is likely to lead to continued growth for the company and for the category through 2017.

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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