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Campbell Finds It Can't Break Tradition

By Khristina Narizhnaya

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After four years in Russia, iconic American soupmaker Campbell announced that it is giving up.

"Though Russia remains an attractive potential growth market, the results of the business have fallen short of original expectations," Campbell spokesman Anthony Sanzio told The Moscow Times.

The company will expand efforts in other emerging markets, such as China, Sanzio said.

The reason for Campbell's departure may lie in Russia's conservative food culture, although the company did extensive research when it entered the market.

Campbell interviewed more than 10,000 consumers and conducted thousands of household tests. But despite the diligence and extensive marketing, including broadcast, print, Internet advertising and free samples, they could not defeat Russian tradition.

"Here, a housewife who cannot cook soup is not a proper housewife," said Finam Investment Holding analyst Tatyana Zemtsova.

Other soup companies ran into the same problem, Zemtsova said. But by positioning their products as a facilitator in cooking homemade soups — and not as substitutes — they gained consumer confidence.

Knorr arrived on the Russian market in the mid-2000s, but pulled their ready-to-eat soup product line in 2007.

We realized quickly that these products do not fit the preferences of Russian consumers, said Irina Bakhtina, a spokeswoman for Unilever — which owns the Knorr brand. "They want us to help them diversify and simplify cooking at home — make their meals more tasty."

One of the successful Knorr products includes a starch- and preservative-free thick bullion in jelly format.

While the younger generation of Russians spends less time cooking than their mothers or grandmothers, store-bought soup is still considered unacceptable.

Ready-made soup is only appropriate for camping trips, said Artyom Sorokin, 26.

Polina Stepanova, 26, admitted to cooking less elaborate meals than her mother, but said she would never buy ready-made soup.

"You don't know what it's made from," Stepanova said. "It could be something nasty, like bones."

Campbell did have the Domashnyaya Klassika line of soup bases designed to help home chefs, but it is still closing its local production facility.

Campbell's marketing and advertising campaigns were "halfhearted," said Alex Shifrin, co-owner of Soupchik — a small chain of homemade soup vending stands in Moscow. They should have created their own market, he said.

In Shifrin's opinion, if sushi and hot dogs became a popular Russian food, proper advertising could make canned soup take off in the same way.

"Here you say soup, people get it," Shifrin said.

Shifrin praised Campbell's extensive research into Russia's soup culture. According to the company, Russians consume 32 billion bowls of soup annually. It inspired him and his partners to set up Soupchik.

Soupchik opened in 2010 and has been growing since, although not as quickly as was originally planned. By the end of this year Soupchik hopes to add four new stands to the existing six, mostly located in mall food courts. Many of the customers are housewives who buy soup on their way home from work for their families, Shifrin said.

People will continue in their traditional ways, Shifrin said, "until you tell them otherwise"

through effective marketing.

Andrew Squire contributed to this report.

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