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## Case Campbell's IQ Meals

**Question: What went wrong? And what might Campbell product developers or executives have done differently? Or was this one just doomed from the start?**

Campbell was once the market leader in the soup manufacturing industry, they were actively leading with 75 percent market share in 1990. The top management at Campbell was looking for growth-related markets because it came to their attention that competitors such as ConAgra and H.J. Heinz were making sizeable sales and profit gains in their frozen food lines. Campbell decided to enter into the production and promotion of food products with medical benefits. It looked like a great idea and the facts proved that 58 million American have some form of cardiovascular disease and another 16 million have diabetes, this focus seemed very reasonable.

The first problem they encountered was due to the fact that the market potential was still not equivalent to a mature market base to support the new products from this project. In other words, the market in the 1990s in the US had the potential and the need to buy food with medical purposes but the cost of manufacturing and the final price of acquisition of the product was too high.

Secondly, they encountered the problem that the customers were tired of repeating the same nine meals. The company didn't have the ability to perceive that the need for taste of the costumers is constantly changing and that they will need more variety of products to satisfy their sensation of flavor.

The company could have developed a different strategy for a wider selection of products. For example, they could have adjusted the product line variation to satisfy the need for a different taste of the customers by adding a different taste to the same product (Pasta Alfredo = Pasta Pomodoro). Last but not least they could have adapted their pricing strategy and positioning by having some changes in the product such as packing design and knowing that it will take time before the product is rentable.

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