

Coca cola comparison to pepsi cola brand



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Marketing is the process of meeting customers needs profitably. It is the bridge between producers and customers. It involves flow of goods and services from producers to consumers. American marketing association (1985) defines, “ Marketing is the process of planning and executing the conception, price, promotion and distribution of ideas goods and services to create exchange than satisfy individuals and organizational goals”.

Every business organization depends upon customers. Thus, marketing is key at attract and retain customers. Marketing begins with identifying needs and wants of customers and ends with satisfying the customers wants efficiently than competitors. Therefore, marketing has a great importance in survival smooth operation of an organization between no businesses can flourishes without marketing. It plays a vital role to promote the sales and revenue of the organization.

Nepal has a system of joint family structure and the family and friends greatly influence marketing activities. Cultural diversities of different races and their ethics, norms and traditions have great effect on Nepalese marketing. However, due to development of education, communication and transportation there have been a great change even in cultural sectors too.

In context of cold drinks, Nepalese people have been using cold drinks (e. g. coke, Pepsi) is increasing in Nepal as in other countries. It’s one reason is that the density of population has been creating hot and the other is that different types of advertisements have been published by the companies of each related cold drinks day by day which can easily attract the consumer. There are so many companies coming into Nepalese market like Bottlers

Nepal Terai Ltd., (e. g. coke, Fanta, sprite), Barun Beverage Ltd (e. g. Pepsi, Miranda, Mt. Dew, 7 up), frooti, juice and other companies. Especially present researcher is going to be done the research of current market situation of coca cola and Pepsi cola brand in the context of Pokhara municipality. This study is carried on the find out consumer's purchase behaviors with reference to cold drinks on the basis of brand preference in the title of “ Market Situation of coca cola and Pepsi cola brand in Pokhara Municipality”.

1. 2 Focus of the Study

In this study researcher will focus on the current market situation of coca cola and Pepsi cola brand in Pokhara. Generally cold drinks stands for alcohol less drinks. This study will examine the market situation of coca cola and Pepsi cola brand in Pokhara and will try to find out the marketing variables affecting the cold drinks. The research also will focuses on the role played by attitude, image and usage pattern of the cold drinks.

1. 3 Research Questions

- a. What are the sales position of coca cola and Pepsi cola brand in Pokhara ?
- b. What are the consumers' view about the coca cola and Pepsi cola brand in-terms of packaging price, accessibility, benefits and quality etc?
- c. What are the consumers' views of advertising of coca cola and Pepsi cola with other brands?

1. 4 Objectives of the study

The objectives of this research project will be as follows.

- a. To examine the sales position of coca cola comparison to Pepsi cola brand.
- b. To analyze consumers' view about the coke and Pepsi brands compare in-terms of price, packaging, accessibility, benefits and quality etc.
- c. To compare consumers' view about advertising effectiveness of coca cola and Pepsi cola brands.

1. 5 Significance of the Study

This study is to attract new consumers' view on coke and Pepsi for marketing strategies, management, policies and decision making proceeding. Social relation with marketing of coke and Pepsi is also the significant cause of this study because these days every marketing entrepreneur has to tie the bond with social aspect. At present drinking habits of soft drinks are rising up to day by day specially in the hot area like Terai region of Nepal. So I wish to analyses two product coke and Pepsi in Pokhara Municipality which has significant population to have a study.

1. 6 Limitations of the Study

Most of data use in this study will be obtained through questionnaire, interview, so most of the data will be primary. Data will be based on sample survey of 2011. Researcher will do this study only in Pokhara Municipality and will cover small segment of Nepalese market. The responses of the respondents will be analyzed with percentile method and also graph chat of necessary places. The variables are also limitation of this study.

2. REVIEW OF LITERATURE

The researcher studies different educational materials i. e., journals, magazines, periodicals, newspapers, books, websites etc., after selecting the topic of the research is known as review of literature.

2. 1 Marketing Concepts

“ Marketing has been developing together with development in human civilization. If we trace three-four hundred years back to the history of human civilization, we find marketing of that time, by modern standard was relatively uncultured. They did not need mechanism or tools or techniques of marketing as used today. But now all the situations have changed the need and want have changed. Human aspiration for excellent and better status have given birth to thousand of discoveries, inventions and innovations and established thousands of units of different types of industry to fulfill that aspiration. These changes in turn not only in rented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most competitive field” (Parajuli, 2001).

2. 2 Evolution of Marketing

The evolution of marketing has been analyzed in similar way by various authors in their independent works. Some of the authors were Stanton, Kotler, Armstrong etc, and the different stages in the process of evolution of marketing area as follows.

a. Production Oriented Stage

The production concept lies in the philosophy that consumers will favor products that are available and highly affordable and that management

should therefore focus on improving production and distribution efficiency (Kotler, 1997).

Kotler and Armstrong think that it is still a useful philosophy in two types of situations:

* When the demand of a product exceeds the supply, management should take for ways to increase production.

* When cost of production is high and is required to decrease to expand market (Kotler and Armstrong, 1997).

b. The Product Oriented Stage

The idea that the consumer will favor products that offer the most quality, performance and features and that the organization should therefore, devote its energy to making continuous product improvements (Kotler, 1997).

c. The Sales Oriented Stage

This stage emerged with the philosophy that consumers would not buy enough of the organizations' products unless the organization undertakes a large - scale selling and promotion effort (Kotler, 1997).

d. Marketing Oriented Stage

The basic target of this stage is that the achievements of organizations goals depend on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than do competitors (Kotler, 1997).

2. 3 Development of Marketing

Marketing has developed in an evolutionary rather than revolution fashion. Its development has been influenced by the progress of civilization and economic development of nations.

Figure 1

Stages of Marketing Development

Primary Stage

Pre-industrial stage

Industrial

stage

Techno-Information

stage

Global Stage

Source: Agrawal, 2001.

2. 4 Basic Principle of Marketing Concept

a. Target markets should be defined carefully. No organization can operate in every market and satisfy every need.

b. Customer orientation is the key to organization success. Organizational activities should be focused on determining and satisfying customer needs.

c. Integrate marketing action is the essence of customer need satisfaction.

All departments in the organization should work together to serve the customers interest.

d. The ultimate purpose of marketing concept is to help organizations achieve their objectives. Organizations can best achieve objectives by providing customer need satisfaction (Agrawal, 2001).

2. 5 Marketing System

A marketing system is a unified whole composed of interrelated and interacting subsystem (parts) to achieve desired objectives. Marketing is a dynamic system consisting of input – processing-output – feedback showing in figure.

Figure 2

Marketing System

Output

Processing

Input

Feedback

Source: Agrawal, 1999.

2. 6 Marketing Mix

Marketing is the process of choosing markets to be in, products to offer, prices to change, distributors to use, and message to send. Organization must create and maintain an effective marketing mix that satisfied customer
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needs. “ Marketing mix is the set of marketing tools that organizations use to purpose their marketing objective in the target market”.

Figure 3

The tools of Marketing Mix are Known as 4 Ps.

Goals

Product

Promotion

Price

Place

Source: Agrawal, 1999.

i. The four elements of marketing mix are interrelated. Decision is one element usually affect actions in others.

ii. The design, implementation and evaluation of the marketing mix constitute important aspects of the total marketing effort. Organizations should offer different marketing mix for different segments of the target market.

2. 7 Distribution

“ Distribution is concerned with all business activities revolving around the problem of getting the product from the place of manufacturing to the final consumer. Distribution deals with two aspects of product movement: marketing channels and distribution logistics. Marketing channels or

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channels of distribution is the system of relationship among the various persons and institutions involved in the process of movement and ownership of products and facilitating exchanges. Distribution logistic concerned with the physical movement of products” (Koirala, 1997).

a. Channels of Distribution

Meaning of Marketing Channels

According to William J. Stanton, “ a distribution channel consists of the set of people and firms involved in the transfer of title to a product as the product moves from producer to ultimate consumer or business user”. The channel of distribution involves several individuals and institutions such as producer, suppliers, industrial users, brokers, agents, wholesalers, retailers and consumers. It also includes several flows in the system. It consists of forward flows and backward flows. The forward flows move from producers to the market. There are three forward flows: product flow, communication flow and ownership flow. The backward flows move from the market to the producers. The backward flows are: money from sales, orders for products, and market information (Stanton, 1994).

Figure 4

Channel Structure for Consumer and Industrial products

Physical products

Communication

Ownership title

Money from sales

Order for products

Market information

Producer

Market

Source: Koirala, 1997.

The channel structure is a combination of channel components and channel levels. The channel components are the type of channel participants involved in the channel system. The channel levels are the number of channel components in the channel system. The channel structure of consumer products and industrial products are different. Similarly, the type of channel components also differs between the two type of products (Koirala, 1997).

b. Channel Designs for Consumer Products

There are four design alternatives for the distribution of consumer goods, ranging from a zero level to level three. Under zero level design, the producer may distribute the merchandise directly to consumers by passing all marketing intermediaries. Under level one channel design, the producer may use retailers to reach consumers. In level two designs, the product may reach consumers through wholesalers and retailers. In level three designs, the producer may use the agents to connect and execute.

Figure 5

Producers

Wholesaler

Retailer

Retailer

Retailer

Wholesaler

Agent

Consumers

Level - 3

Level - 2

Level - 0

Level - 1

Channel Design for Consumer Products

Source: Koirala, 1997.

The sales transaction to different categories of buyers, the four designs have been presented in the diagram above (Koirala, 1997).

c. Physical Distribution

In the marketing channels the products must be moved in the right quantity at the right time to the right place in order to deliver desired satisfactions to the end users or consumers. Physical distribution or marketing logistic is

concerned with their management of flow of goods from the point of origin to the point of consumption. Marketing organizations must manage the flow of goods and services from their production locations to the market, and also make arrangement for a flow of information between the two points.

2. 8 A Review of Previous Research Work

Lamichhane, (1998) concluded that advertising is considered as the primary source of information. The advertisement of Coke, Pepsi and branded cold drinks are found in Kathmandu. Coca-cola brand is more popular than other brand. Consumer gives more preference to the brand but less preference to quality and test. Television is the mostly favorite media for advertisement. The major reasons of brand switching are the taste of the product. Most of consumers are found brand loyal. If they don't get the desired brand, they use the alternative brand. So the marketers are suggested to give proper attention on their distribution system.

Thapaliya, (1999) concluded that the use of instant noodles has become a general consumption phenomenon in Kathmandu. There are various brands of instant noodles available in the market and market of noodles has turned to be competitive in recent years. The company does not have effective and reliable channel to collect information from wholesalers, distributors and consumers.

Bhandari (2007), conducted a researched on “ Impact of Sales Promotion Tools on Sales of Cold Drinks: A Case Study of Cold Drinks in Kaski”. This study shows that coca-cola brand is much dominant over other cold drinks brands in Kaski districts. It found that sales promotion activities has positive

impact upon sales and cash prize is the most effective and widely used mode of concluded that increasing sales of one brand does not affect negatively to the sales of other brands.

3. RESEARCH METHODOLOGY

A research methodology is the plan of action that is carried out in systematic manner. Research methodology refers to the various sequential steps to be adopted by researcher in studying with certain objective/objectives in view. Therefore, this chapter deals with the following aspects of methodology.

- * Research design
- * Population and sampling
- * Source of Data
- * Data Collection Procedures
- * Data processing and Tabulation
- * Analytical tool
- * Hypothesis

3. 1 Research Design

General objectives of the research study are to examine and evaluate the Market situation of cold drinks i. e. Coca Cola brand and Pepsi Cola brand, mainly of Pokhara Municipality. In order to achieve the objective, both descriptive and analytical research design has been followed.

3. 2 Population and Sample

The population of this study consists of all the buyers and consumers above 15 years age group of cold drinks and also consists of audiences exposed to different audio and video advertisement of concerned or mentioned products. Numbers of consumers selected from different age groups are as follows:

Number of Samples

Age Groups

45

15-24

93

25-34

35

35-44

20

45-54

7

Above 55

The sample consists of the respondents from the different sectors such as students, private service holder, government service holder, teacher and businessman. For the study purpose 200 consumers have been surveyed in Pokhara Municipality.

3. 3 Source of Data

3. 3. 1 Primary Sources

Primary data has been collected through questionnaire for different levels of consumers i. e. high school level consumers, higher secondary level consumers, graduate education holder, masters level consumers and Ph. D. holder consumers likewise, some necessary information was been taken from distributors and retailers.

3. 3. 2 Secondary Sources

As a regards supporting literature, relevant books, journals, bulletins, magazines, newspapers etc., have been studies.

3. 4 Data Collection Procedures

The problem of the study lies on the issues to the situation of market. Hence, various data are required. With the view of obtaining data, a questionnaire was designed which contained twenty-nine questions. The different levels or types of consumers/buyers have filled up the questionnaires. For the collection, in the first the researcher visited the market and the questionnaires were distributed to the consumers. In the second round, the questionnaires were got filled.

3. 5 Data Processing and Tabulation

Data obtained from the various sources cannot be directly used in their original form. Further, they need to be verified for the purpose of analysis. Data, information, figures and facts so obtained are checked, rechecked, edited and tabulated for computation.

According to the nature of data, they were inserted in meaningful tables, which have been shown. Considering homogeneous nature of data put sorted in one table and odd data were excluded. Various table have been prepared in understandable manner.

3. 6 Analytical Tool

In course of analyzing and interpreting the data, various statistical tools have been used in the research in order to draw out the reliable conclusion. They are:

- * Percentage analysis
- * Rank correlation analysis
- * Chi-square test analysis

3. 6. 1 Percentage Analysis

Sampling statistics are used to test whether the observed difference between two numbers is large enough to be considered statistically significant. probably the most common situation to which sampling statistics tests are applied are those where researcher have selected samples from two spare groups and have observed two difference percentage on a question that was asked of both group.

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3. 6. 2 Rank Correlation Analysis

Rank correlation coefficient is a measure of association between the two variables on the basis of their ranks. It is also called spearman's rank correlation coefficient and is defined (Gupta, 2002).

Where,

r_s = Rank correlation coefficient between two variables

D = Different between the ranks of the corresponding values of both variables.

N = Number of pairs of ranks.

3. 6. 3 Chi-Square Test Analysis

It is measure of squared deviations between observed and theoretical numbers in terms of frequencies in categories or cells of table, determining whether such deviations are due to sampling error or some interdependence or correlation among the frequencies. It involves a comparison of frequencies involving frequencies of yes-no questions (Panta, 2000). And it is defined by (Gupta, 2002).

Where, f_0 and f_e are the observed and corresponding expected frequencies respectively.

When Chi-square equal to zero, observed and expected frequencies agree exactly. It is clear that the greater the value of Chi-square, the greater the discrepancy between observed and expected frequencies.

3. 7 Hypotheses

In the light of the objectives of the study, following null and alternative hypotheses will be developed for this research.

H0 : There is no significant difference between the views expressed by coca cola and Pepsi cola consumers.

H1 : There is significant difference between the views expressed by coca cola and Pepsi cola consumers.

H0 : The rating scale of advertising of coca cola and Pepsi cola by consumers are independent.

H1 : The rating scale of advertising of coca cola and Pepsi cola by consumers are dependent.

H0 : There is no correlation in the ranked data.

H1 : There is correlation in the ranked data.

6. Research Timescale

Activities

“

Months’

May

June

July

August

weeks’

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

1. Literature read

2. Finalise objectives

3. Draft review literature

4. Study methodology of literature

5. Draft research strategy and method

6. Field survey with semi structure interview

7. Develop research questionnaire

8. Conduct interview

9. Enter data in to computer

10. Analysis

11. Revise draft, format for submission

12. Submission