

Experimental marketing study for pepsi

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Introduction

All Sport is a leading distributor of the famous soft drink Pepsi. However, to increase its sales the company intends to have a different chain of marketing. Marketing decisions play a vital role in the success of the business.

Experimental Design

This research formulates a question that enhances the research. Does Pepsi increase its sales after switching to a new marketing channel? Bar charts are used to indicate the different percentages recorded from the sales. Linear charts are used to illustrate the comparison between the two marketing channels (Shimp, 2010).

Dependent Variables

The main dependent variables are demand and cost parameters.

Independent variables

This study includes independent variables such as; wholesalers, manufacturers, retailers and promotions.

Relation between dependent and independent variables

It is evident that the dependent variables (demand and cost) are directly affected by the independent variables (wholesalers and manufacturers).

Design study

The analysis targets a domestic market of \$2 billion, where the sales are distributed from the manufacturer to the consumer. The what if analysis is used in the comparison scenarios arising from the sales.

Study results

It is clear that Pepsi will increase its sales by switching from Direct Store delivery channels to wholesale channel (Gatorade). There is a notable decline in cost in a scenario where Gatorade switches to a DSD system. Another scenario is the No Joint pricing of Gatorade and All sport, where Pepsi gives fixed prices for Gatorade while it defines its own prices. This results to Pepsi's increased profits as it exerts more control of the market (Shimp, 2010).

Reference

Shimp, T. A. (2010). Advertising, promotion, and other aspects of integrated marketing communications. Mason, Ohio: South-Western Cengage Learning.