

Research paper on coke versus pepsi

[Business](#), [Company](#)



- Determine how each corporate culture differs from the other.

Coca Cola stands for tradition, maintaining the communication line with its customers on this idea – the old American happy family, gathered around a table which always has a bottle of Coca Cola on it, to be served with the food. Pepsi represents “ the choice of a new generation”, being modern, illustrating kids having fun with their peers, enjoying who they are, expressing their liberty through dancing in the streets. Pepsi gained a lot of popularity when it brought Michael Jackson to be the image and the voice of this brand. People immediately associated Pepsi with the most famous musician on earth and drinking Pepsi was like a statement of being affiliated with Michael Jackson. Pepsi continued on this line, bringing other stars to promote it, such as Pink, Britney Spears, Beyoncé Knowles, Halle Berry, or famous football players, maintaining its corporate line of being associated with dance, movement, free expression, even rebellion, all attributes of youth (“ Over 100 Years of Fun”). In all this time, Coca Cola also maintained its communication line, promoting the normal American family and the joy and happiness of being together, and sharing loving feelings. The brand also started to adopt stars’ image to better sell it, but stars belonging to older generation such as Elton John or Gene Kelly (Barney 1995).

- Analyze three (3) ways that each unique culture has benefited by the other's competition.

The rivalry between Coca Cola and Pepsi Cola, also known as the “ Cola Wars” lasts since 1950, when Pepsi Cola proposed to become number 1 on the soft drink market, beating Coca Cola. Since then, for every move that Coca Cola made, Pepsi had a response. As such, each time Coca Cola was

launching a new product, Pepsi would do the same. McKelvey exemplifies that when Coca Cola launched Vanilla Coke and Sprite Re-Mix, Pepsi immediately responded, by presenting Mountain Dew LiveWire, Pepsi Blue and Sierra Mist. Then, the war between the two soft drink companies moved in the water market: when Coca Cola introduced Aquafina, Pepsi launched Dasani and it expanded in the packaging area, where both companies gained savings from realizing streamlined 1.5 liter bottle, with the purpose of phasing out the 2 liter bottles (McKelvey, 2006).

This war over the market share, played with products and packaging only emphasized the competition between companies, while they have diversified their line - up of products and services, attracting more clients, entering new market (water) and maintaining their market positions and competitive advantages one over the other.

Their promotional and advertising campaigns are also indicating a highly competitive market. For the aim of recognition, the two companies adhere to similar promotional strategies, as they have common targeted audiences: everybody can be their client, drinking Coca Cola or drinking Pepsi Cola products. Customized advertisements in India, China or throughout the world, are meant to say Coke or Pepsi. The classic, traditional image of the Coca Cola family, vs. the modern, new generation kids dancing in the streets, together with Michael Jackson, in a commercial that revolutionized dance, the beverages market and the advertising world, all at once (“Over 100 Years of Fun”), the distribution networks and promotions near schools, sport events sponsorships (McKelvey, 2006; Saedina, Salehi & Hashemi, 2012), indicate huge amounts spent on advertising and the result is brand

awareness.

Through its “Pepsi Challenge”, introduced by Pepsi in the seventies, the company imposed discounts, coupon campaigns and various celebrity endorsements. This powerful campaign signified a huge spending for Pepsi (Barney, 1995), but made Coca Cola know that Pepsi was a real competitor and it also applied discounts whenever its rival would. Nowadays the two companies have competitive prices for their products. The advantage in this case is that each company tested its capabilities and overcame them, becoming better positioned.

- Speculate how each would continue to thrive if its current corporate culture would need to change in the near future. Be sure to state what change(s) you are speculating on and what led you to identify that possibility.

If changes would be required in Coke or Pepsi’s corporate culture in the future because they would need to align with or to respond to the evolving society’s needs, they should be carefully incorporated into each brand’s values, promises and to still say Coke or Pepsi. We should perceive the brands as growing individuals, who are going through various phases in life, from childhood, to adolescence, adulthood and experience a wide range of changes throughout their development, but maintain their individuality. As such, Pepsi and Coke should constantly follow their path, permanently maintaining their individuality, while adjusting to the social or commercial environment.

Coca Cola is a family brand, but it was initially introduced as a headache medicine (Tobis, “How Coca - Cola”). The family connection should be its main value, adapted to the various changes that might appear. Changes in

the brand already appeared. The initial image of the brand was the American family, but because of the globalization, the brand became customized on each country, promoting the family of the specific country where it is commercialized, with its defining features. In the future, because the technological advancements and the changing rhythm of the family, the idea of the family could change, and Coca Cola should adjust its products on the changing habits of the family (family dinner could become irrelevant in the future, then Coca Cola would need to find the family connection elsewhere, maybe in the office, or wherever people are spending more time together). Pepsi Cola is the brand and the choice of the new generation, hence, for this company should be easier to integrate changes, because this is its selling statement. Therefore, whatever Pepsi would do to adapt to changes (flying in cosmos with astronauts, landing on Mars, being enjoyed in the long office meetings, being enjoyed in the streets while kids are playing Kinect or other gadget) would be just natural for Pepsi. Everything that is fresh, new, fun and young is Pepsi and incorporating this in its business should be no challenge for Pepsi.

References

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