Conduct a pepsi challenge in indonesia

Business

Spread too thin with other acquired companies outside of the soft drink beverage industry. Sold a 12 ounce bottle for 5-cent when their competition sold a 6 ounce bottle for 5-cents. Opportunities Investment in international market- China, Japan, and Mexico tap into Coca-Cola existing market.

Conduct a Pepsi Challenge in Indonesia. They have a high population, the median age is 18 and they consume only four Coca-Cola a year. Increase the price of their 12 ounce can Threats Alternatives to soft drinks – natural fruit smoothies, ice teas, water.

Private label soft drinks had a growth trend 9% – provide lower cost than name brand product with similar quality. Questioned national brand profitability. Cola wars- Naked the independent bottlers and required higher stakes in response to the competition actions Summary: Pepsi is a good business to work for and invest in because it strengths outweighs it Insaneness.

And if the company takes advantage of the opportunities it has will keep them as a front runner in the industry.

The threats will be a minor aspect to the business success. Having brand name recognition helps to promote the quality of the product and its focus on youth will help continue to build it customer base. Following through on the opportunity to invest in the suggested international arrest will eliminate the location weakness of Pepsi and keep the company on track Ninth its pursuit of a young population. A review and increase in the prices structure of it products will help insure that the company profits are in line with it expenses.

Pepsi will have to maintain its focus on the soft drink industry to help build and maintains efficient operations, so that when management look to respond to the Challenge of private label growth or key competitors growth or marketing tactics their response will be in line wit Ass's rue cap I t b lie less and business n s at that time. SWAT Analysis many: COCA-COLA Provided bottlers with capital and management expertise to promote growth in the international arena . International sales and marketing was 80% of their mummy Weaknesses industry. Unprofessional management For ten years management loss focus of the business operation due to focus on negotiation of new contract for bottling franchise and the FTC inquiry on exclusive franchise territories. Opportunities Allow Bottlers to focus on U.

S. Cities with more than 50, 000 Select a new ad agency to revamp the Coca-Cola image as hip and trendy to appeal to a younger population. The use of " anchor bottlers" will help build Coca-Cola presence in the international market through experienced bottlers that are looking to grow locally in their countries.

Coca-Cola is backing them with resources. Threats High level of discounting in industry cause loyal consumers to switch brand and start buying Anteater was on sale.

Pepsi ability to take over their U. S. Market share because Coca-cola has a high focus on sales outside of the U. S. Cola wars- weaken the independent bottlers and required higher stakes in response to the competition actions Summary: Coca-Cola is a good business to work for and invest in because it strengths and opportunities will help improve its weaknesses and lower its threats.

Coca-Cola needs to takes advantage of its opportunities to remain a front runner in the Industry. Having brand name recognition will helps to promote the quality of the product in its U. S. And the international markets. With 80% of its business profits coming from the international arena they want to maintain that lead and make the market as efficient as possible.

They should take advantage of the opportunity to roved resources to the " anchor bottlers" in the international market and share with them capital and management expertise to promote growth in the international arena.

They can duplicate those same resource efforts in the U. S. To eliminate the threat of Pepsi taking over their share of the U. S.

Market. Part of their bottlers Improvement can include the having the bottlers to focus on U. S. Cities with more than 50, 000 members to take advantage of the opportunity. The selection of a new ad agency to revamp its image as more hip and appealing to youth will help build it Eng customer base.

They can utilize this opportunity to revamp the professionalism of it management and the focus of the business operations to eliminate these weaknesses. Cola Wars Continue: Coke vs..

Pepsi in the 1 1. Is this a good business? Rhea soft drink industry is a very good business. It is a very lucrative business because t has many of the key elements which make the business a success.

These elements include the following: 1. It has an extensive customer base that rank in the millions and they are spread worldwide. 2. The products are known worldwide, they are dad available in multiple countries throughout several geographical regions. This helps the products to become a household name in many countries. 3.

Soft drink products are a staple in people daily beverage consumption.

This made the industry 26. 8% of the total beverage consumption. This was spearheaded by key producers Coke and Pepsi who shared the 73% soft drink market in the U. S. 4.

The product sales and profits have a steady growth pattern, putting the business operations in the billions. 5. There is a healthy volume of competition; there are only six top competitors in this industry. These are some of the elements all business should strive to have to be a success, especially those are operating international. Pepsi and Coca-Cola are models for all soft drink companies to follow and replicate.

The soft drink industry a profitable business Just based on its sheer volume of production helps it to be a good business.

If so, for whom? Irish business is good for all entities involved in the soft drink business, which includes the Concentrate Producers (CAP)- develop the core product ingredients; Bottlers- make the final product and package it for distribution; Distributors – expense the product to different venues such as food stores, vending, and fountain for final sale; and Suppliers – providing the sweeteners, and product packaging.

These elements collectively make the soft drink industry a profitable business for all Involved. Customers in America alone are consuming 48 gallons of soft drink per Hear. This requires multiple producers to meet this high demand for the product. Also to help control the supply cost and meet its volume needs, companies will hire multiple suppliers to help them meet both of these requirements.

However, in this elective the two primary entities that gain the most benefit are the Concentrate Producers such as Coca-Cola, and Pepsi. The second is the Bottlers companies, which are franchisers of the Concentrate Producers.

In many cases, Coca- Cola and Pepsi operate as both the CAP and the Bottler making their business an even greater success. The CAP produces the core ingredients of the product with the raw material and ships it out to the Bottlers. The Bottlers success is heavily dependent upon the CAP success, because they have to get their products from the CAP in order to develop the finished product. The CAP is the most successful in this group.

They have a lead role in the process gaining higher profits and their expenses are less. Their primary cost was in the areas of advertising, promotion, market research, and bottler relations.

For example their start-up cost is less stringent on their budget. Their plant cost is SO-SIS million to build and it can serve the entire U S. Operation.

Other hand the Bottler start-up and space set-up cost to build a plant is $20-$30 million for a small inefficient plant. For a large and efficient plan will cost

$30-$50 million to build. And it will take 80-85 plants to serve the U. S. Region.

Another element that makes the business better for CAP is that they are allowed to charge the tattlers and annual fee that increases every year, giving CAP a constant growth pattern. 2. Where is the money being made? 10th Coca-Cola and Pepsi businesses grew through the increase of their bottle franchises. For Coca-Cola the money was being made in their international sales Ninth 80% of its profits being made outside of the United States. Pepsi made it money through sales at supermarkets here in the U.

S. And with their focus on the young population through the " Pepsi Generation" campaign as well as the Pepsi Challenges helped Pepsi to grow and take a 1. 4 share lead of Coca-Cola. Another area that both Coca-Cola and Pepsi is making money is through the purchase and sale of business acquisitions.

For example Coca-Cola acquired Columbia Pictures in 1982 for $333 million, and then sold it to Sony in 1989 for $1. 55 billion.

Pepsi also made purchases and sale of companies however; they acquired many businesses through the exchange of company shares instead of chase. This helped keep their cash flow liquid and build up cash for the business. For example they acquired North American Van lines in 1968 for 638, 818 common shares and in 1985 they sold it for $376 million. 3. Why is the soft drink industry so profitable? They have learned to appeal to it consumers, through their advertising, marketing efforts, and package design.

Their products packaging offers versatility and convenience with the large bottles and case packages for big groups, and individual containers in 12 and 6 packs for smaller groups or one person.

Pepsi focus on the pun population to help them build their profits because this is the majority of the population in all regions of the world. By making the product tasty and sweet helped pull in the youth groups. They have used celebrity endorsements to help pull in consumers, because they know that fans will follow and do whatever they can to be like their favorite celebrity.

They offer a variety of flavors to meet consumer taste. On the business operation side, they learned to control their expenses to help them gain better profit.

They utilized technology and found efficient methods to produce their product, such as using high levels of automation to assist in the production lines. 4. NH shouldn’t it be so profitable? They should not be so profitable because their success is at the expense of their consumers’ health. The products are unhealthy because of the high fructose corn syrup and sweeteners they contain. Even the diet flavors have sweeteners included n them.

The nutritive sweetener product accounts for 12% of the $30-$50 million in Bottlers cost of goods sold. Consumers are taking in 8, 395 million cases with an average America drinking 296 eight ounces of Coke during 1993 alone. These products have an addicting element to them that makes it hard for some consumers to brake. It should not be profitable because it is causing consumers to put on mounds and become overweight and suffer from illnesses such as diabetes and heart disease because of the massive amount of soft drinks they consume each year.

The makers of the products know they are unhealthy and they constantly push the products on to consumers through their navy advertisements and marketing. Product ads can be seen everywhere, such as billboards, magazines, TV, internet, radio and had held electronic devises.

It is the individual responsibility to control it intake of the product, but the makers should also be social conscious of the effect their product is having on individuals.