

# [History about pepsi company marketing essay](https://assignbuster.com/history-about-pepsi-company-marketing-essay/)

The objective of this paper is intended to ensure that students understand more about the Marketing Communication and Advertising. Beginning of this paper should be done by making the history of the Pepsi Company. The next step is telling about innovative products and products that are not yet in the market in Malaysia. A chosen product is Wild Cherry Pepsi products.

The next step is to do situational analysis where it has two sub-headings of internal factors and external factors. In the SWOT analysis are internal factors, while the external factors are PEST analysis.

The next topic is about Sales and Objective Campaign where it tells about the Dagmar. Dagmar has a four-step process of awareness, Comprehension, conviction and action.

Then the paper should explain more about Creative Strategy which is divided into two, namely planning and development, and Implementation award and evaluation.

The next title of Integrated Marketing Communication, in this paper, this section should be emphasized because it tells us about the marketing plan will be carried out by PWC. Advertising, sales promotion and direct marketing are things that need to be described in this topic.

Then PWC should do Synergy between Press and Scheduling which tells about the travel plans that have been planned in advance.

Costing is a topic in which PWC has been given an allocation of RM1 million, and must show the allocation of funds according to plan.

This paper ends with references and appendix.

## History about Pepsi Company

Pepsi is carbonated soft drink produced and manufactured by PepsiCo. The drink was first made in the 1890s by pharmacist Caleb Bradham in New Bern, North California. The brand was trademarked on June 16, 1903. There have been many variants produced over the years since 1898. In 1903, Bradham moved the bottling of Pepsi-cola from drugstore to a rented warehouse. That year, Bradham sold 7, 968 gallons of syrup. The next year, Pepsi was sold in six-ounce bottle, and sales increase to 19, 848 gallons. In 1926, Pepsi received its first logo redesign since the original design of 1905.

PepsiCo is the second largest food and beverage company in the world. It manufactures markets and sells a variety of salty, sweet and grain based snacks, carbonated and non-carbonated beverages PepsiCo seek to achieve growth and long term value in its operational activities by creating competitive advantage through new product innovation.

In 2006, PepsiCo acquired Izze Beverage Company Naked Juicy and Stacy Pita chip in the US, Star Food in Poland, and Bluebird Foods in New Zealand. It has expanded its presence in the non carbonated as well as snacks. The company volume grew by 5. 5% in 2006 compared with 2005 in 2007, the company plans to expand its market share through further acquisition and joint ventures. In 2009, company has it revenue up to 43. 2 Billion US$ and its net income was 8. 04 Billion US$.

## About Pepsi Wild Cherry

One of the products is Pepsi Wild Cherry, where it is cherry-flavored cola which was introduced in 1988. This product is intended as other products for Cherry Cola Slice, it was introduced as part of the production in 1984. Pepsi Wild Cherry officially only available in the United States and has been available for a limited time beginning in June 2012 in Canada.

Now in 2013, PepsiCo has been keen to market the Pepsi Wild Cherry products in Malaysia. It aims to introduce new flavors in the market. In Malaysia, the existing flavors are Pepsi Classic, Pepsi Max, Pepsi Twist, and Pepsi Light.

## Situational Analysis

The importance of situational analysis for IMC plan is about doing some research to identify and justify the need for IMC implementation. Another factors is about as a foundation for future IMC decisions. In a two-sided analysis of the situation of internal factors and external factors

SWOT is a summary of the Strengths, Weaknesses, Opportunities and Threats. The meaning of strength (S) and Weaknesses (W) is the internal factors of which it has some control measures. Purpose for Opportunities (O) and Threats (T) is the as external factors which you have no control measures.

Internal Factors

## Strengths

Favorable reputation and a strong brand

Diversity of products available in Pepsi products

Broad distribution channels and sufficient stock

## Weaknesses

Coca cola is a competitor who has a larger market

only campaign targeting younger customers

Low productivity

product recall has ruined the reputation

External Factors

## Opportunities

Customer analysis – target audience analysis

The target market for Pepsi Wild Cherry is for teenagers.

The process begins with the purchase of the factors that influence such as the use of product ambassador.

Customers’ perception of Pepsi products is high because of the well-known brands.

## Threats

Tough competition from rivals

Raw material costs and increasing travel expenses

Replacement product due to a decline in demand carbonated drinks

The negative impact of government legislation

The negative impact of labor issues

## Environmental Analysis

Macro-environmental forces that will influence IMC plan.

## Political

Concerns about the impact of raw material costs

Difficult to obtain land for new plant

State law strictly against pollution

Competitive pricing

## Economical

Have new opportunities in other countries

Fluctuations in fuel prices

Having a large number of workers

The economic slowdown

## Social

Effects on teens

Cultural differences

## Technological

Almost all countries have marketable

A more recent design

New product development and more interesting

## Sales and Campaign Objective

Definition of DAGMAR

Pepsi would like to use DAGMAR in sales and campaign objective. DAGMAR is a summary to definitely determine Advertising Goals for Measured Advertising Results. This method is associated with a specific setting, the objective of the campaign carried out to ascertain whether the objectives are achieved or not. Generally, DAGMAR is intended to produce a specific message through four steps:

Awareness

Comprehension

Action

Conviction

## Awareness

In this step, Pepsi shall ensure that consumers are aware Pepsi Wild Cherry products already in the market. It’s not as easy as it looks, so Pepsi must use a variety of promotions to attract users. One example is the use of the slogan for Pepsi Wild Cherry products. In addition, Pepsi will also use celebrities as a promotion. This method will run in the newspaper, and the duration of this method over a period of one month.

Pepsi will also need to create brand knowledge where it can indirectly ensure Pepsi brand has always been in the minds of consumers.

## Comprehension

Comprehension is the next step after the step of awareness. In understanding step, Pepsi shall indicate to the user about the Pepsi Wild Cherry. An example is the Pepsi Wild Cherry is a unique product in which it is a combination of different flavors with competitors. In addition, Pepsi Wild Cherry is also the first joint in carbonated water. Next, Pepsi should ensure that the potential and benefits of a product can be understood by the customer. Potential product emphasis on youth and freshness benefits are able to give consumers drink. This method is promoted in television, radio and newspapers. Period will be undertaken in four months.

## Conviction

The next step is a conviction, where the Pepsi shall ensure that users will have confidence in the Pepsi Wild Cherry. In this method, Pepsi will give emphasis on sales promotion. It is to ensure that users will be satisfied with the Pepsi Wild Cherry. Therefore, the Pepsi can do promotions like giving tester Pepsi Wild Cherry to users. It aims to prove that a different flavor with previous releases. This promotion is conducted in supermarkets such as giving trial to the consumer feel. Period for this promotion will run for two months.

## Action

The final step in the process is the act of DAGMAR, where in this process after users are satisfied then they will make the purchase of Pepsi Wild Cherry.

## Creative Strategi

Creative strategy is advertising creativity refers to the ability to generate fresh, unique and appropriate ideas that can be used as solutions to communications problems.

## Planning and Development

Pepsi Wild Cherry will use the slogan to promote the brand. Slogan that will be used is ‘ We Are Young’. In this plan, Pepsi would utilize divergence as determinants of creativity. Divergence is shown in which, it will refer to the extent to which the advertisement contains new elements, elements that are different or unusual elements. Pepsi using the slogan ‘ We Are Young’ because it is a new element, it is aimed at attracting young people.

Ad to consumer relevance will be used in this planning strategy. Pepsi Wild Cherry use of this method is that it can refer to a situation where the ads contain elements of a meaningful implementation to customers. Pepsi Wild Cherry will use celebrities so that it can attract interest to the user. Pepsi Wild Cherry use Malaysia as a football player product ambassador. It is appropriate for the target market for the Pepsi Wild Cherry is for young people, and it also shows that this product looks energetic.

## Implementation and Evaluation

In the implementation and evaluation methods, the Pepsi Wild Cherry will use methods of advertising appeal. In this method of approach that will be used is to attract users to the existence of Pepsi Wild Cherry on the market. In addition, it also aims to influence consumer feelings toward the product.

Informational or rational appeals also have to use in the implementation and evaluation because Pepsi Wild Cherry is a new product in Malaysia. In this strategy, Pepsi have doing news announcement about the product.

## IMC Mix

Integrated marketing communications (IMC) approach to brand communication and cooperation for a seamless experience for the customer, other modes in the style of similar hue and strengthen the brand’s core message is provided. The goal of each to work in isolation, rather than allowed in either direction will be together, such as advertising, sales promotion, public relations, direct marketing, personal selling, online communications and social media marketing communications, including all aspects of a unified force that allows your own maximize the cost-effectiveness

## Advertising

Advertising is a form of marketing communication to where it is used to encourage, persuade or manipulate the audience to continue or take some new action. The purpose of advertising may also be to to reassure employees or shareholders that a company is viable or successful. Advertising messages are usually paid for by sponsors and viewed via various traditional media, including mass media such as newspapers, magazines, television commercial, radio advertisement, outdoor advertising or direct mail, or new media such as blogs, web pages or text messages.

Pepsi Wild Cherry will use several methods of advertising using the mass media, electronic media and print media.

Mass media is a term that began to be used in the 1920’s for the type of media termed specifically designed to reach a very wide community. In everyday conversation, the term is often truncated to the media. As well know, Pepsi Wild Cherry will use a company like The Star, New Straits Times and others. This method is designed to attract people who like to read; besides this ad can also be seen from day to day.

Electronic media are media that use electronics or energy electromagnet for the final feature to access the content. This term is a contrast from static media though often produced an electronically but do not require electronics to be accessed by the end of the article. Electronic media sources familiar to the general plan included the video recordings, audio recordings, multimedia presentations, and bold content. Electronic media can be digital or analogue form, although new media in general digital form.

Pepsi Wild Cherry will use advertising in video and audio recording. For video ads, it will be broadcast on television stations. An advertisement for television was as a football player Malaysia. The aim use of television advertising is to ensure that target a wider target audience. In addition, it also is intended to ensure that ads are served will be better understood and remembered by customers. For audio recording should it be advertised on the radio, the target market is the same but the cost of advertising on the radio is cheaper than advertising on television. The purpose of using radio advertising is that the ads presented by the Pepsi Wild Cherry may be more frequently recognized by customers because of the prevalence rate in the post more than advertising on television.

Print media also is advertising done through any kind printing. Among them is like broacher, brochures, posters, banners and billboards.

Pepsi Wild Cherry will use billboard advertising because it can survive in the long term. In addition, the billboard does not have a high rate compared to the cost of electronic media.

## Sales Promotion

Sales promotion is one of the seven aspects of the promotional mix. Various methods can be carried out to ensure the success of the marketing strategy. Among them is like giving coupons, contests, freebies, rebates and product samples. Sales promotion also is communication between the various activities attempt to provide added value or incentives to consumers to wholesalers, retailers or customers to increase sales.

Pepsi Wild Cherry use this method to provide trial samples to customers. Normally this method will be carried out in the supermarket.

The aim to provide trial samples to customers is due to introduce this product to the customer Pepsi Wild Cherry.

## Direct marketing (website)

Direct marketing is a form of advertising channels to be carried out by using a method of communicating directly with customers. Among these methods is to use the phone, text messages, e-mails and websites. In this method, the percentage of the target market for the producers is higher. In addition, direct marketing can also reduce the cost of hiring workers to meet with clients.

Pepsi will use the website to promote the Pepsi Wild Cherry to consumers. This method is appropriate to the current situation where the technology currently in use of the internet in Malaysia is also increasing. Users can access the site at any time using the phone.

## Synergy between Media and Scheduling

JAN

FEB

MAR

APRIL

MAY

JUNE

JULY

AUG

SEPT

OKT

NOV

DEC

Television

Radio

News Paper

Billboard

Sales Promotion

Direct Marketing

Television advertisements will be published every four months, starting in February until May, then followed during August to November. For radio advertisements; it will be published every three months ie February to April, June to August and October to December. Advertising newspapers it will be conducted every two months ie February to March, May to June, August to September and end in November to December. Billboard will be advertised from February to December. Sales promotion is only done at the beginning of the year as it seeks to make promotion to give free samples to consumers. Direct marketing will be made throughout the year as it will be published on the website of Pepsi Wild Cherry.

## Costing

Pepsi has allocated RM1 Million for Pepsi Wild Cherry to the market in the Malaysian market. Here is the percentage of allocation provided.

Advertising – 70%

Sales Promotion – 15%

Direct Marketing – 15%

Advertising is divided into several sections:

Television – 30%

Radio – 20%

News Paper – 10%

Billboard – 10%