

# [The background history of pepsi co](https://assignbuster.com/the-background-history-of-pepsi-co/)

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Carbonated soft drink Pepsi was first manufactured in 1890 by Caleb Davis Bradham in US. Since then there had been a significant alteration that has been brought out in the product in order to cope up with the changing external scenario. In 1898 it was named as Brad’s Drink, which was changed to Pepsi-Cola in 1903 and finally to Pepsi in 1961. It has a vital product line that includes Dr Pepper, 7 Up, Irn Bru, Cola Turka, Big Cola, etc. One of the most influencing people associated with Pepsi was Nickolas Dias who made vital contribution in defining the marketing strategy of the product that finally made high end influence over the consumer behavior. One of its prime competitors is ‘ Coca-Cola’. Heating up of this rivalry was first observed during 1970s that made Pepsi to conduct tests like ‘ Pepsi Challenge’, which could also be stated as blind taste test in order to retain its identity in the competition. In response coca-cola also changed its strategy by launching modified version of their classic drink. Such activities had always been there since then by both sides so that better share of consumer market could be attained without any discrepancy. (A Brief Pepsi History)

Although coca-cola was way ahead in this race Pepsi, but the difference is shrinking on a monotonous basis without any second opinion. This is due to the fact that Pepsi has now started realizing consumer behavior in an improved manner. If we talk about consumer behavior, it has always been tilted towards coca-cola at all points of time. One of the prime changes that had always been there in this product is its tagline which had been continuously altered as it is one of the basic entities that makes a deep impact over consumer behavior.

One of the milestones encountered in the history was when coca-cola announced that it has changed its formula to render the better and improved product to its customer, which was termed as Coke. This step was initiated for negating the initiation taken by Pepsi referred to as Pepsi Challenge. In a survey conducted in 2008, market share of Pepsi Co in US was found to be about 30. 8% as compared to that of 42. 7% of Coca-Cola. In most of the regions of US, coca-cola outperforms Pepsi, but the regions where reverse happen include New York, Buffalo, etc. Consumer behavior in Asian region could be understood from the fact that market share of Coca-Cola in this region was about 50% according to a survey conducted in 2005. A major proportion of world’s population was leaned towards coca-cola in earlier times, but now a new side of the coin has been stumbled upon.

## 1. 2 Statement of the Problem

This project needs to explain the consumer behavior towards Pepsi, i. e. whether they are satisfied from its current product line or is there any need to bring out the changed to make it more acceptable.

## 1. 3 Aim and Objective

## 1. 3. 1 The Aim of the Study

Aim of this study is to explore consumer behavior based over various factors towards Pepsi in order to better understand the customer needs and provide certain recommendations for changes if necessary to gain desired competitive advantage over its rival company.

## 1. 3. 2 Objective

Objective of the study is to analyze several strengths and weaknesses of the company to better understand its consumer behavior.

## 1. 4 Scope of the Project

Area of research is basically focused over youth as this segment is the largest consumer of Pepsi’s or this particular product line. In order to perform this activity successfully and in a hazel-free manner, Abu Dhabi University was chosen as the section over which this research would be based upon. In this research, both male and female lying in the category of 18 to 30 years are included so as to make an inclusion of all the facts and facets into account. This will also help in better understanding of the limits and constraints of Pepsi due to which it is always considered to as a follower of coca-cola and not as a market leader.

In order to conduct the research in an overall manner factors like

Price,

Advertising & promotion,

Its winning strategies,

Effectiveness of advertising campaigns,

Customer attraction towards advertisements,

Affect of celebrities in the advertisements,

Pepsi’s expansion in international spreading,

Customer satisfaction with shape & size of the product,

Changes required like color, flavor, shape, slogan, etc

All these factors as designed in such a manner that they will be covering most of the aspects of the customer behavior and any need to make changes in a way that it will be reflected in an explicit format by this research. But above all, this particular domain of the market will clearly reflect alterations that have come in the customers over the period of time towards carbonated soft drink. (Levis, 2005)

## 1. 5 Focus of the study

Focus of the study will be precisely over the improvement that can be brought out in Pepsi’s products in such a manner that it would be able to compete with its biggest rival in an efficient manner. Another factor over which focus is made is that what are the new features that are making effective change in the strategies of such companies in luring the attention of their consumers and enhance their customer base?

All these factors will be decided by the consumer behavior research along with certain previously available data regarding the same.

Thus primarily, our focus will be over following aspects,

Understanding Customer attitude towards Pepsi product base by observing their reaction against several questions asked by them in order to carry out the research.

Defining a clear relationship between various factors associated with the product and its impact over the sales as it is directly related to the success of the product.

Finally making recommendations about changes that could be brought out in the product line in order to make sure that survival could be made possible in such a fierce competitive scenario.

## 1. 6 Significance of the study

If we concentrate over present market situation, we would observe that it is highly volatile and flexible in nature that require constant changes by direct customer based organizations in order to retain their identity without any affect to its internal structure in a negative manner. For this purpose, companies have to conduct regular market researches in order to obtain current market situation in an accurate fashion and take initiatives to harness those opportunities to the maximum possible extent.

Another factor that would signify importance of this study is continuously changing global market. In past few years, globalization has made a deep impact over functioning of all the organization in one way or the other. Thus in no way it could escape from this particular facet which is affecting performance of all the organization without any exception. There is also a factor of understanding customers in such a situation if a company like Pepsi is willing to not only preserve, but also augment its dominance in the market.

This study will help in creation of detailed marketing plans that are a significant part of strategic planning and could not be skipped at any cost. Strategic plans are the entities that can be held entirely responsible for advancement of business and raising the profits beyond certain limits, thus policies of such researches are defined in such a manner that they will help in making it an effective measure to raise organizational productivity.