

# Pepsi rise to success essay sample

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Thousands of people love the irresistible taste of Pepsi and because of that it is one of the most famous carbonated soft drinks to this day. The PepsiCo started off their glorious franchise from the Pepsi soft drink in 1893 by Caleb Bradham, who made it in his drug store where the drink was sold. In 1931, at the depth of the Great Depression, the Pepsi-Cola Company entered bankruptcy, due to financial losses acquired by speculating on wildly fluctuating sugar prices as a result of World War I. After the horrible bankruptcy, the Pepsi-Cola Company went for sale, and so Roy C. Megargel bought the Pepsi trademark. Megargel was unsuccessful, and soon Pepsi's assets were purchased by Charles Guth, the President of Loft Inc. The Loft Candy Company was a candy manufacturer with retail stores that contained soda fountains. On three separate occasions between 1922 and 1933, the Coca-Cola Company was offered the opportunity to purchase the Pepsi-Cola Company and they decline on each occasion. It took time for the company to actually bloom to popularity.

During the Great Depression, Pepsi finally gained popularity following the introduction in 1936 of a 12 ounce bottle. They got their 12 ounce bottle ad out in an interesting style. The Pepsi-Cola Company used a radio advertising campaign featuring a jingle to get the word out. The jingle is arranged in such a way that the jingle never ends. Pepsi encouraged the price-watching consumers to switch, obliquely referring to the Coca-Cola standard 6.5 ounces per bottle for the price of a nickel, instead of the 12 ounce Pepsi sold at the same price. Coming into a time of economic crisis, the campaign succeeded in boosting Pepsi's status, and because of that, the Pepsi-Cola Company doubled in profits. Pepsi's success under Charles Guth came while

the Loft Candy business was faltering. Since he had initially used Loft's finances and facilities to establish the new Pepsi success, the near bankrupt Loft Company sued Guth for possession of the Pepsi-Cola Company. In a long legal battle, with the case reaching the Delaware Supreme Court, Guth ultimately lost everything. Walter Mack was named the new President of Pepsi and guided the company through the 1940s.

Mack, who supported progressive causes, noticed that the company's strategy of using advertising for a general audience either ignored African Americans or used ethnic stereotypes in portraying blacks. He realized African Americans were an untapped niche market and that Pepsi stood to gain market share by targeting its advertising directly towards them. He hired Hennen Smith, an advertising executive, to lead an all-black sales team, which had to be cut due to the onset of World War II. In 1947, Mack resumed with his plan, hiring Edward F. Boyd to lead a twelve man team. They came up with advertising portraying black Americans in a positive light. One interesting ad that they did was a picture of a smiling mother holding a six pack of Pepsi while her son (a young Ron Brown, who grew up to be the Secretary of Commerce) reaches up for one.

Racial segregation and the Jim Crow laws were still in place throughout much of the U. S, so Boyd's team faced a great deal of discrimination as a result, from insults by Pepsi workers to threats from the Ku Klux Klan. Besides the negative side of things, Mack's niche market was so successful, that Pepsi's market share as compared to Coke's shot up dramatically. After the sales team visited Chicago, Pepsi's share in the city overtook that of Coke's for the

first time. This focus on the market for black people caused some consternation within the company and among its affiliates. It did not want to seem focused on black customers for fear white customers would be pushed away. When Mack left the company in 1950, support for the black sales team faded and it was cut.