

# Pepsico swot analysis, india

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The recipe for Pepsi (the soft drink), was first developed in the 1880s by a pharmacist and industrialist from New Bern, North Carolina, named Caleb Bradham – who called it "Pepsi-Cola" in 1898. As the cola developed in popularity, he created the Pepsi-Cola Company in 1902 and registered a patent for his recipe in 1903. [4] The Pepsi-Cola Company was first incorporated in the state of Delaware in 1919. In the early 1960s the company product line expanded with the creation of Diet Pepsi and purchase of Mountain Dew.

Separately, the Frito Company and H. W. Lay & Company – two American potato and corn chip snack manufacturers – began working together in 1945 with a licensing agreement allowing H. W. Lay to distribute Fritos in the Southeastern United States. The companies merged to become Frito-Lay, Inc. in 1961. [7] In 1965, the Pepsi-Cola Company merged with Frito-Lay, Inc. to become PepsiCo, Inc. , the company it is known as at present. At the time of its foundation, PepsiCo was incorporated in the state of Delaware and headquartered in Manhattan, New York.

The company's headquarters were relocated to its still-current location of Purchase, New York in 1970,[8] and in 1986 PepsiCo was reincorporated in the state of North Carolina. [5] PepsiCo was the first company to stamp expiration dates, starting in March 1994. PepsiCo Inc. is an American multinational food and beverage corporation headquartered in Purchase, New York, United States, with interests in the manufacturing, marketing and distribution of grain-based snack foods, beverages, and other products. PepsiCo was formed in 1965 with the merger of the Pepsi-Cola Company and Frito-Lay, Inc.

PepsiCo has since expanded from its namesake product Pepsi to a broader range of food and beverage brands, the largest of which include an acquisition of Tropicana in 1998 and a merger with Quaker Oats in 2001—which added the Gatorade brand to its portfolio. Competition The Coca-Cola Company has historically been considered PepsiCo's primary competitor in the beverage market,[27] and in December 2005, PepsiCo surpassed The Coca-Cola Company in market value for the first time in 112 years since both companies began to compete. In 2009, the Coca-Cola Company held a higher market share in carbonated soft drink sales within the U. S. [28] In the same year, PepsiCo maintained a higher share of the U. S. refreshment beverage market, however, reflecting the differences in product lines between the two companies. [28] As a result of mergers, acquisitions and partnerships pursued by PepsiCo in the 1990s and 2000s, its business has shifted to include a broader product base, including foods, snacks and beverages. The majority of PepsiCo's revenues no longer come from the production and sale of carbonated soft drinks. [29] Beverages accounted for less than 50 percent of its total revenue in 2009. In the same year, slightly more than 60 percent of PepsiCo's beverage sales came from its primary non-carbonated brands, namely Gatorade and Tropicana. [28] PepsiCo's Frito-Lay and Quaker Oats brands hold a significant share of the U. S. snack food market, accounting for approximately 39 percent of U. S. snack food sales in 2009. [28] One of PepsiCo's primary competitors in the snack food market overall is Kraft Foods, which in the same year held 11 percent of the U.

S. snack market share. As of 2009, 21 PepsiCo brands met that mark: Pepsi-Cola, Mountain Dew, Lay's, Gatorade, Tropicana, 7Up, Doritos, Lipton Teas,

Quaker Foods, Cheetos, Mirinda, Ruffles, Aquafina, Pepsi Max, Tostitos, Sierra Mist, Fritos, and Walker's` PepsiCo in India Various products in Indian Market are Pepsi Cola, Mirinda, 7up, mountain dew, diet 7up, diet pepsi, lays, kurkure, aquafina, pepsi twist and Tropicana juices. Product in Spot light – Pepsi Cola Swot Analysis Of Pepsi

Swot analysis is based on thorough analysis of business (corporation, Product Category Competition, Customers and products) identifies and evaluates the internal strengths and weaknesses of the company well as its external threats and oppurtunities. The marketing mix is driven by the results of swot analysis. Strengths \* Company has a very established name and good reputation \* As the target customers of pepsi is young generation, so pepsi has mostly brand loyal customers. \* Most of the customers are satisfied with the price of pepsi. \* Pepsi spends a lot of budget on its advertising. Pepsi has a very vast distribution channel and it is easily available everywhere. \* Pepsi offers many discount schemes for customers time to time. \* Pepsi Cola is sponsoring sports, musical concerts etc. \* Stylish packaging like in my can. \* Since Pepsi is has youth Icons of India as its Brand Ambassadors (e. g. Sachin Tandulkar, Ranbir Kapoor, MS Dhoni etc. ) which is also a strong point for the company. Weakness \* Pepsi targets only young customers in their promotion. \* Pepsi tin pack is not available in far off rural areas. \* Like Coca Cola no Diet Pepsi is available to attract customers having low sugar preference.

Opportunities \* Company may start entering rural areas also. \* Increased interests of people in musical groups, cultural shows and sports has provided an opportunity for pepsi to increase its sales through them. Competitors \*

The main competitor of company is Coca Cola. Coke has started its advertisements more effectively and it is a very strong threat for pepsi. \* Cola drinks are not good for health, so awareness level of people are increasing, which is a big threat to company. How Internal and External factors affecting the strategies Marketer needs to be the good at building relationships with customer.

Others in company and external links. To do this effectively they must understand the major environmental forces that surrounds all these relationships company environment consist of forces outside the marketing that effects marketing management. Ability to maintain or build successful relations with target customers. Every company should know the vital importance of constantly watching or adapting to the changing environment . as the world moving fast today no one can be the certain about the future. The environment continues the change rapidly.

By carefully studying the environment, marketers can adapt their strategies to meet new marketplaces challenges and opportunity some of the external or internal environmental factors that affect the market trend of the companies are as following: EXTERNAL ENVIRONMENT: The macro environment consists of larger societal factors that affect the microenvironment. The external factors are not under the control of marketers. They can just observe them and make strategies in light of these factors. Some of these factors are: Demographic Factors \* Age: The requirements of different age groups are different.

Pepsi shoul target that customer group that consumes it the most and make promotional strategies according to their behavior. So their main target is

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young generation. \*Education: A company has to make promotional strategies according to the customer level. If the percentage of education is higher in a country; then through advertisements people can be made well aware of their product and can convey their messages easily. Promotion and education has a direct relationship. \* Population Distribution: It means how much people live in urban and rural areas.

Pepsi is focusing more on urban areas as people there are more inclined towards urban areas as compared to rural areas where people prefer drinking lassi and desi drinks. Economic Factors: \* Income and Income per capita: If the income or per capita income of people increases, it will have a positive effect on the people of pepsi. \* Inflation: If the country faces inflationary trend in market, the price of pepsi will ultimately increase, which will lower its demand. \* Fiscal policy: If the heavy price is levied on pepsi, its price will increase which will have negative effect on consumption. Monetary policy is made to restrict or increase the flow of money in market. If the policies are made to restrict the flow of money in market, the inflation can be controlled, which ultimately increase the consumption of pepsi. Natural/Physical Factors \* Region: India is divided into different geographical regions. Marketing and sale of pepsi is different in different geographical regions. In hot areas its demand is more. \* City size: The cities which are densely populated, the consumption of pepsi is more. \* Climate: Pepsi is more suitable for humid or hot weathered conditions. It is the source of refreshment when the person is thirsty due to hot weather. \* Infrastructure: Roads are the basic need for transportation of pepsi from one place to another. Pepsi cannot open factories in any city as it has to transport to

other cities where pepsi is demanded. Electricity is the basic necessity for production of any product. Constant load shedding slows down the process of production, which can lower market share. Technological Factors \* Research and Development: Through research and development, quality of product can be improved or better techniques or machinery can be developed which can increase the production.

When technology advances the supply of product increases, hence the company experiences growth in business. Political and Legal Factors: \* Political stability: Whenever the government is considered to be stable, the business will flourish, if there is political stability in the country the policies and strategies made by pepsi can be consistently implemented. Foreign Countries are also keen to invest in those countries which are politically stable where they have no fear of decline in their market share or shutdown due to sudden change of government. Mixed Economy: In mixed economy, government and private sector both play their role in developing the economy of the country. Investment by the foreign country like pepsi is more likely to flourish in mixed economy. \* Laws Formulation: The government has given copyright to Pepsi so that another company cannot sell their products by the name of pepsi. The countries where laws are formulated, the strategies and activities of the company are different. \* Social Responsibility: Pepsi's social responsibility is to provide its customer with clean and hygienic product.

So to do this, they have increased the use of disposal bottles. Social and cultural factors \* Psychographic: It is a combination of demographic and psychological factors. Psychological attributes mean how you perceive

things. The company will focus on the behavior of customers and make different changes in their product quantity or quality and in promoting their product so they can attract the customers. Keeping in view the behavior of different customers is not alike, they have to make their marketing strategies in accordance with their requirements so that they are convinced to buy their product. Religious : Religious factors can influence the market sales of pepsi as it happened in 2003, when US led attack on Iraq, wide sections of society in Pakistan have banned American multinational coke and pepsi. \* Social Status: Pepsi is a well renowned brand. People who are brand conscious will not drink beverages of lesser known brands such as Royal Crown cola. They will try to show their status by drinking pepsi which is known to all as quality drink. \* Media: It is a very important factor for marketing. Media these days is a very affective way of inspiring people to buy a specific product.

A good promotion can boost up sales to a great extent. Micro or Internal Factors \* Customers: There are 3 types of customers 1. Consumer 2. Business 3. Government Pepsi`s main focus is the consumers which are the end users. Pepsi has to make its marketing strategies keeping in view the consumer buying behavior. To forecast the behavior of consumer is a business problem. The physical aspect of consumer can be satisfied but it is difficult to satisfy the consumer psychologically. Consumer buying behavior is affected by the certain factors like cultural factors, social factors and psychological factors.

So the producer should keep these factors in mind while promoting their product so that they can acquire the customers and increase their market



share. There are different consumers in the society whose behavior is not the same. Every consumer has a different perception of different products. Some consumers are impressed by one quality of the product which may be in the view of other consumers may not that impressive. So to deal with the different consumers in a society, one should know about the consumer buying behavior process which may help in making a true picture of the product in the mind of consumers.

**Suppliers** He is the person who provides the raw materials to the producers and the sellers. Suppliers form an important link in the company's overall customer value delivery system. They provide the resources needed by the company to produce its goods and services. PepsiCo International provides raw material to Pepsi franchise in India. Supplier problem can seriously affect marketing. Marketing manager must watch supply availability i. e. supply shortage or delay. The company should monitor the price trends of their key inputs. Rising supply cost may force price increase that can harm the company's sale volume.

**Competitors** He is the person who is selling the same type of product in the market. The marketing concept states that to be successful a company must provide greater customer value and satisfaction than its competitor do. Pepsi has a tough competition with coca cola and it faces a little competition with local producers like Rc Cola, Alfa etc. The local producers hardly affect the sale of pepsi in the market.

\* **Market Intermediaries/ Distributors** Distributors maintain the image of the product and sale in the market. If items are not properly placed by the distributor, it will disperse the market.

**Channels of Distribution** The pepsi uses the following two channels for the distribution of their products: Intensive Distribution: Pepsi Co follows

an intensive distribution strategy. To support their ubiquitous feature they want to place their product in as many outlets as possible. ? Increases market coverage  
Distributors: 3 to 5 % is the profit margin  
Retailers: 10 % to 16 % is the profit margin  
DISTRIBUTORS Jain distributors -Munirka, New Delhi  
Manages buffer for 10 days and uses TALLY and EXCEL software  
SS drinks Private Limited  
WHOLESALEERS EKTA Wholesalers Private Limited  
Manages buffer for 2-3 days and uses EXCEL software  
RETAIL Amit Corner, Katwaria Sarai  
Transportation cost, vehicle cost at each stage is borne by intermediaries.  
CHANNEL MANAGEMENT PepsiCo has lot of control over the channel  
In case of Pepsi to Authorised distributor to retail shops (defined territory of distributor. Pepsi assigns a particular territory to the distributor under an agreement. No intervention into other`s territory without company`s knowledge. Retailers accountable to the authorized distributors. Suggestions Install vending machines for direct distribution  
Financial support to franchises.