Marketing communication of pepsi toward customer perceptions

At the moment, there are many kinds of soft drink in the market, but there is a brand that is attractive and has an interesting marketing strategy which is Pepsi Cola. It was launched into the world in 1890s by PepsiCo. Pepsi Cola had entered to Thai beverage market in 1952 by Sermsuk Company Limited. They came up with the slogan " More is Better, Better is More" and still popularity from then on (Sermsuk Public Company Limited, 2006). However, so far, a market situation of soft drink in Thailand had effect from healthy trend. Therefore, it was quite challenge for Pepsi Cola to maintain and increase their market share. They have to use appropriate strategies in order to survive and continuously growth in the market. Integrated Marketing Communications (IMC) is one of the effective strategies that researcher believe it will solve the existing problem in the business area. For that reason, researcher will critically analyze the use of IMC in which apply to Pepsi Cola toward to customer perception in Thai market.

Nowadays, competition in the market tend to increase, the customer also change their lifestyle and buying behavior become increasingly changed, then using only one tool for marketing communication is not enough. It is because many senders or organization try to reach to the same receivers or customers. So, using many of strategies and communication tools will help their brand to become well known. Integrated Marketing Communication (IMC) is a tool that suitable for encouraging the customer buying behaviors.

Many organizations employed the services of an advertising agency, Public Relation consultancy, sales promotion company, and may be media specialists and ensure that they all work towards the same objectives and

deliver a unified message. This can be a real challenge for the company at the centre of this effort (Yeshin, 2000).

In the Western European countries have been using Integrated Marketing Communication (IMC) more than 10 years. On the other hand, Thailand practiced on this issue only a few years (Lothongkum, 2002).

According to Gertner et al. (2005) in Brazil, the major competitor of Pepsi which is Coca-Cola made a mistake by making an unclear marketing strategy, but at the same time Pepsi still increased its share in the local market. This clearly shows that Pepsi has a better and clearer marketing strategy. In this research will demonstrate how Pepsi manage their marketing communication in Thai market.

Research Aims and Objectives

The aim of this study is to determine the use of Integrated Marketing Communications in Thailand in order to create brand equity within Pepsi Company. This objective can break down into five objectives as follows:

1. To understand the nature of Thailand's soft drink market.

2. To determine the need for and the benefit of IMC in Pepsi

3. To determine the important aspects of IMC in Pepsi

4. To determine the barriers in applying IMC in Pepsi

5. To study situation of Pepsi in the Thai market

6. To analyze and define the significant role of Pepsi as executed in sales promotion strategies in the soft drink in Thai market.

Terms of reference

It was described to fulfill purpose and structure of a research as follow;

Pepsi Cola

To define and discuss current market situation of Pepsi Cola in Thailand.

To explore Marketing communication strategy of Pepsi Cola.

Data collection and analysis

To collect primary data and describe conclusions based on research evidence.

Section 2: Literature Review

Integrated Marketing Communications

Kotler (2003) gave the explanation that the purpose of the marketing is to deliver higher standard of living. What marketer should be considered is value, which could be described as a ratio between benefits and costs, between what customers give and get. The main purpose of marketing communication is to find a balance in the customers' mind, in order to achieve the highest demand from the customer such as increase benefits, reduce costs.

As communication efforts become increasingly specialized in order to target fragmented audiences, the cost and inefficiency of marketing

communications has increased, whilst the ability to measure campaign effectiveness has decreased (Pickton and Broderick, 2005). Furthermore, the rise in competition in the market place means that products are becoming less and less differentiated, whereby consumers are facing with an array of choices (Fill, 2005). Smith et al. (1999) have defined IMC as management and control of all market communications.

The communication mix consists of personal selling, sales promotion, public relation, direct market, advertising and brands. In the last ten years, Integrated Marketing Communication (IMC) has become a powerful tool in the market field (Christensen et al., 2005). Duncan and Moriaty (1998, pp. 4) noted that " IMC offers the promise of becoming a strategic tool in helping to ensure synergy and consistency of messages regardless of the communication vehicle used to deliver that message". According to Kitchen and Schultz (2000), there have four stages of IMC which are tactical co-ordinations of promotional elements, redefining the scope of marketing communications, application of information technology, and financial and strategic integration; which mainly focus on the first two stages. In comparison with Nowak and Phelps (1994), they described that IMC is identified as a coordinated marketing communication campaign, one voice communication and integrated communication.

Brand the value of the people's mind as a consequence of a total marketing communications effort is known as " brand" (Pickton and Broderick, 2001). The product and company will differentiate by using brand as strategy and it is the perception of the customer because the customer consider before making purchase decision. Besides, brand are also symbol, logo, company,

legal instrument, cluster of values added value, image etc (De Chernatony 2003).

Section 3: Methodology

Primary and secondary data have been also planned to use in this report in many ways as below.

Data collection for primary data

James (1997) state qualitative research is a generic term for investigative methodologies described as ethnographic, naturalistic, anthropological, field, or participant observer research. It emphasizes the importance of looking at variables in the natural setting in which they are found. Interaction between variables is important. Detailed data was gathered through open ended questions that provide direct quotations. The interviewer is an integral part of the investigation (Jacob, 1988).

In addition, Wright and Crimp (2000) stated there are the many methods to collect primary data in qualitative research: focus groups, in-depth interviews, observation, accompanied shopping and the internet.

I will apply in-depth interview to collect data from Pepsi's marketing department staff related sales promotion that they used and also involve other marketing strategy. To know customer perception, the face to face interview method will be applied for.

Interviews can be divided into three types: structured interviews, semi-structured interviews and unstructured interviews (Saunders, Lewis and Thornhill (2003)

In this case, I will use Semi-structured interviews because the set of questions can be flexible for each respondent and right to the point that interviewer would like to study.

Data Collection for secondary data

Saunders et al., (P. 190) stated that secondary data is pre-existing data in the form of hardcopy and softcopy. There are three types of secondary data: Documentary, Multiple source and Survey data. I will use secondary data in this dissertation to clearly explain theory, strategy and market situation of Pepsi Cola in Thailand. The secondary will be applied as below;

Books: Books will be used in order to explain related theories and ideas.

Journals: Many journals will be used in order to explain the IMC of Pepsi cola in the Thai market such as positioning magazines, Bandage magazine etc.

Newspaper: Many newspapers will be used as they are able to provide more updated information. There are many newspapers such as Manager, The Nation and Post Today and Bangkok post (they are newspapers from Thailand).

Internet: The internet will be used to obtain corporate information regarding the company and its operation in the market about soft drink product, current trends and surrounding issues.

Data Analysis

Data is analysed as follows:

Qualitative research

Wright and Crimp (2000) suggested that qualitative research can be basically analysed by observing the data and supporting respondents' viewpoints and attitudes by quoting what they said.

Qualitative data will be analysed through these steps:

Taking note when interviewing respondents.

Writing down what the respondents said immediately after finishing the interview.

Reviewing of all issues.