

Pepsi marketing assignment

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As the cola developed in popularity, he created the Pepsi-Cola Company in 1902 and registered a patent for his recipe in 1903. The Pepsi-Cola Company was first incorporated in the state of Delaware in 1919. The company went bankrupt in 1931 and on June 8 of that year the trademark and syrup recipe was bought by Charles Gut who owned a syrup manufacturing business in Baltimore, Maryland. Gut was also the president of Loft, Incorporated, a leading candy manufacturer and used the company's labs and chemists to reformulate the syrup.

He further contracted to stock the soda in Loft's large chain of candy shops and restaurants, which were known for their soda fountains, used Loft resources to promote Pepsi, and moved the soda company to a location close by Loft's own facilities in New York City. In 1935 the shareholders of Loft sued Gut for his 91% stake of PepsiCo in the landmark Gut v. Loft Inc. Loft won the suit and on May 29, 1941 formally absorbed Pepsi into Loft, which was then branded as Pepsi Cola Company that same year. (Loft restaurants and candy stores were spun off at this time. In the early 1950s the company product line expanded with the creation of Diet Pepsi and purchase of Mountain Dew. And corn chip snack manufacturers - began working together in 1945 with a licensing agreement allowing H. W. Lay to distribute Frito in the Southeastern United States. The companies merged to become Frito-Lay, Inc. in 1961. (According to Nathan, Rachel 2006) 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, and in 1986 PepsiCo was reincorporated in the state of North Carolina. PepsiCo was the first company to stamp expiration dates, starting in March 1994. 3. 0 Extension Strategy Pepsi brand extension versions of the same parent Pepsi product that serve a segment of the target market and increase the variety of an offering.

An example of Pepsi brand extension is Pepsi Coke vs.. Diet Pepsi in same product category of soft drinks. This tactic is undertaken due to the brand loyalty and brand awareness they enjoy consumers are more likely to buy a new product that has a tried and trusted brand name on it. This means the market is catered for as they are receiving a product from a brand they trust and Pepsi Cola is catered for as they can increase their product portfolio and they have a larger hold over the market in which they are performing in. 3. Line extension Strategy Diet PEPSI Product line extension is intended to help a company “ serve different customer needs or market segments while taking advantage of the widespread name recognition of the original brand,” Line extension is one approach to growth for a company that wants to expand its presence in the marketplace. Adding products to serve different needs of existing customers is market penetration. Traditional Pepsi cola is carbonated beverage; it usually contains caramel color, caffeine and sweeteners such as sugar or high fructose corn syrup. According to the Andrew Adam 2010) But Diet Pepsi is a no-calorie carbonated cola soft drink produced by PepsiCo, introduced in 1964 as a variant of Pepsi-Cola with no sugar. First test marketed in 1963 under the name Patio Diet Cola, it was re-branded as Diet Pepsi the following year, becoming the first diet cola to be

distributed on a national scale in the United States. In the past and present its competition consisted of Tab, produced by The Coca-Cola Company, and Diet Rite soda, produced by Royal Crown.

Diet Coke was a later entrant to the diet cola market; though shortly after entering production in 1982 it became the primary competing diet cola to Diet Pepsi. Other flavors (such as wild cherry, vanilla, lemon, and lime) have been added to the cola. A caffeine-free version of Diet Pepsi is also produced. The availability and brand identification of Diet Pepsi flavor variants varies by country. PEPSI MAX (According to the Anonym Young 2010) Pepsi Max is a low-calorie, sugar-free cola, marketed by PepsiCo as an alternative to Pepsi and Diet Pepsi.

A different drink with the same name is sold in United States as "Pepsi Max". Unlike the international beverage, the US drink's ingredient label mentions ginseng, and that drink contains nearly twice as much caffeine as Diet Pepsi. A prime benefit of Pepsi line extension is the ability to use "paid-for brand equity," Pepsi can utilize its proven reputation in establishing new products. Another benefit cited is that the cost to add new products and enter new markets is usually lower as Pepsi do not face similar start-up expenses. 3. Multi-Brand Strategy Multi Brand Strategy refers to a marketing strategy under which two or more than two similar products of a firm are marketed under Different Brand names. In most of the cases, these products are competing ones and are marketed under the Brand Names which are completely unrelated. Pepsi take up this Multi Brand Strategy, as the strategy offers some advantages: First of all, by adopting Multi Brand

Strategy, Pepsi can obtain greater space in the market, where little space is left for the competitor business houses.

Secondly, by promoting similar products under different Brand Names, Pepsi can fill up the Price Gaps and Quality Gaps of the target market. In this way, the market can become saturated with the similar products of the same company. (According to the PepsiCo Annual Report 2009) The primary identifier of a food and beverage industry main brand is annual sales over \$1 billion. As of 2009, 19 PepsiCo brands met that mark: Pepsi-cola, Mountain Dew, Lay's, Tropical, JP, Auditors, Lipton Teas, Quaker Foods, Chests, Miranda, Ruffles, Aquifer, Pepsi Max, Dittos, Sierra Mist, Frito, and Walker's.

Pepsi's product mix as of 2012 (based on worldwide net revenue) consists of 63 percent foods, and 37 percent beverages. On a worldwide basis, the company's current products lines include several hundred brands that in 2009 were estimated to have generated approximately \$108 billion in cumulative annual retail sales. 3.3 New brand Strategy increases, therefore, Pepsi also according to the consumer needs make many new product strategies. (According to the PepsiCo, Inc Annual Reporter's) Storage is a new brand of PepsiCo group.

It manufactured sports-themed food and beverage products, built around its signature product: a line of sports drinks. Storage is currently manufactured by PepsiCo and distributed in over 80 countries. The beverage was first developed in 1965 by researchers at the University of Florida, to replenish the combination of water, carbohydrates, and electrolytes that the school's student-athletes lost (in sweat) during rigorous athletic competitions. Its

name was derived from the collective nickname of the university's athletic teams, " the Gators".

As of 2010, Storage is PepsiCo 4th-largest brand, on the basis of worldwide annual retail sales. Let only competes with Coca-Cola's Powered and Veterinary brands worldwide; plus, Located Sport in the United Kingdom. Within the United States, Storage accounts for approximately 75 percent market share in the sports drink category. 4. 0 Packaging Pepsi usually use metal beverage cans to do packaging. Pepsi metal beverage cans even with its popularity, many of the very real benefits of this highly efficient form of packaging go unrecognized.

For example: (According to the Jake Ireland 2010) – are great for the environment. They are 100% recyclable again and again and again – something no other package can achieve. -Have a long shelf life, keeping products tasting fresh -Chill easily and stay cold longer -Are convenient – they fit easily in the refrigerator or pantry -Are portable – grab them and go! -Are available in multiple sizes to fit various occasions or desired serving size -Are easy to transport, handle and display -Are lightweight and durable
Different countries have different standard metal beverage cans.

Most Pepsi metal beverage cans manufactured in the United States are made of aluminum, whereas in mom parts of Europe and Asia approximately 55 percent are made of steel and 45 percent are aluminum alloy. Steel cans often have a top made of aluminum. The aluminum used in United States and Canada are alloys containing 92. 5% to 97% aluminum, <5. 5% magnesium,

Another change to the logo was made in 1962 when the word “ Cola” was dropped from the logo, making it just “ Pepsi”. The logo again embraced some minor changes on its internal anniversary in 1998, with Pepsin’s success reflected by a sphere which still is part of the world’s most popular logo today. Shape of the Pepsi Logo: The Pepsi logo is three dimensional in nature. It comprises of a globe painted with two completely opposite colors complimented with a swirl in the center that separates the two disks of the globe.

The fonts appear along with the globe which gives the logo a simple but appealing look. Color of the Pepsi Logo: The beauty of the Pepsi logo is hidden in the use of two distinct and contrasting colors. The Pepsi font is inscribed in white. The top hemisphere’s color is red whereas the bottom one is blue in color. With red and blue combined, the logo produces an extremely tantalizing spectacle that challenges the consumer to taste Font of the Pepsi Logo: The Pepsi logo font is simple yet elegant and prominent, thanks to the use of italicized roman type face. . 0 Positioning Pepsi is undergoing a campaign in an attempt to re-position their brand image in the market. Coca Cola have always been ahead of Pepsi by being the number one cola drink, and the principles of brand positioning teach us that it is a mistake to try to force consumers to change their number one preference. Instead Pepsin’s advertisement campaign will convey the message to customers that Pepsi is the “ best second choice”; the best alternative. So, Pepsi wants to have the big change about Pepsi positioning.

Target Market: - Male and female, skewed male - 16-45 - Forward thinking - Middle class, middle income - High school plus educated - Rural and urban
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dwellers Pepsi positions itself on points of difference as well as points of parity. Pepsi's POD is their forward thinking attitude. The other cola brands (including Coke) are very strong in that area. This falls into image differentiation. Pepsi has the image of being action oriented and a large part of their target audience associates themselves with the brand because of that image. Pepsi's POP is their wide selection to fit every lifestyle of consumer.

They have regular Pepsi, Pepsi Max with more caffeine, Pepsi cherry vanilla, caffeine free Pepsi, diet Pepsi and Pepsi zero to name a few. Pepsi also considers themselves the bold, refreshing, robust cola which Coke and other colas could also claim. These points of parity are product differentiations.

7. 0 Conclusion This report introduced Pepsi origins, equity and extension Strategy, Packaging and Logo design, positioning. In conclusion, today's Pepsi is the world's second cola manufacturers and one of the largest beverage products manufacturers.