

Dr pepper analysis



**ASSIGN
BUSTER**

Individuals, companies, schools, restaurants Bargaining power: low, since Coke supplies a numerous variety of products buyers do to have a huge impact on pricing and quantity. Also, customers develop brandloyaltyto Coke, thereby making it difficult for buyers to affect prices and quantities as well. Suppliers: fasted restaurants, vending machines, school campuses. Bargaining power: very high, since companies can easily provide Pepsi products which serve as excellent substitutes.

Compliments: pizza, burgers, hot dogs, chips, etc SOOT Strengths

Weaknesses Concentrated in North America (US, Canada, Mexico where almost 70% of revenues come fromHealthCraze will hurt soft drink sales

Opportunities Acquisitions & alliances Bottled water growth Hipic growth in the US and Pepsin's ability to meet their tastes with current product lines (I. E. , Substrata chips) Growth In emerging markets Growing consumer health consciousness will help Pepsi as It Is already a leader In non-carbonated drinks with brands Storage, Aquifer, Lipton; and also with healthyfoodbrands such as Quaker oats.

Threats Declining economy/recession Sluggish growth of carbonated drinks Coca-Cola ; other smaller, more nimble operators Commodity price increases, fluctuating oil prices effect production and distribution gas, plastic) IV) SOOT annals; s of PEPSICO Soot consists of examining the current activities of the organization: its strengths and weaknesses, and then using this and external research data to set out the opportunities and threats that exist. A. Internal Strong market position PepsiCo NAS a tremendous presence on ten snack Ana sort rural market.

Inane, TN company owns 25% of the non-alcoholic drinks market and 39% of the snack market. * Good economic situation In 2008, PepsiCo was ranked 26th on the top 100 of the global brands ranking in 2008. The same brand value company has raised PepsiCo as an example during the recession: " Amazon, Pepsi, Audio, Panasonic, and Campbell have all prospered during a challenging year for marketing executives. " PepsiCo most famous brands are all very famous and successful. Thanks to this notoriety, PepsiCo annual sales reach \$35 billion. Rand's Popularity of Pepsi has a wide range of brands. These brands are more famous than the Coca Cola Company's ones. For example: people know what Lipton Teas, Tropical beverages or Traitors Tortilla Chips refer to, whereas: who has heard of Pike, Chino r Spur? On this point, PepsiCo is inexorably in a strong position. * Presence PepsiCo has spread its presence in over 200 countries. Products from this brand are sold all over the world. * Diversification PepsiCo brands include drinks and snacks such as ready-to-drink refreshments, bottled water, cereals, crisps or school-snacks.

This wide range of product enables the brand to settle down in any place of the world. Lack of capital constraints (availability of large free cash flow)
Strong market position Solid brand portfolio Strong revenue growth
Economies of scale Broader product line Popular brand of pop * Geographical concentration PepsiCo tends to focus its activity in North America (US, Canada, Mexico). Almost 70% of revenues come from this region. *
Dependence on important clients A big part of PepsiCo sales (12%) are made to Wall-Mart, which creates a dependence supplier-client.

Consequently, Wall-Mart's strategy influences PepsiCo actions, especially on lowering prices. * Bad remunerations PepsiCo employees are less paid than the competitors' ones. It may alter the employees' excellence or productivity: they might want to work for a company that revives higher salaries for the same Job. * High recall I en product recalls are Deterrent. I en problem nerve Is Tanat ten return causes are internal: the defects come from the production, they don't come from transports or storage.

For example: the salmonella case forced PepsiCo to recall \$200, 000 worth of pistachios in the US in 2009. Product recalls decrease the final customers' confidence in the brand. It inevitably alters the company's image. B. External Threats * New measures for health Many occidental governments are creating new regulations and campaigns in order to change people's eating behavior. Snacks and soft drinks are the first " victims" of this ideological renewal. Coca-Cola is the worst competitor for DRP Pepper because it is more powerful in terms of image and notoriety.

In this sector, competition is so sharp that it has a direct influence on prices and sales. * Many successful brands DRP Pepper brands are successful, well-known and they have a good reputation. The products sold by the company are still very popular to the public. A good marketing activity maintains the company in a good situation and confers it a good image. * Quest of other markets If the fact to be concentrated on North America is a weakness, let's say that this is also an interesting challenge of market conquest, for example in Russia or Asia.

PepsiCo is powerful; it has enough resources to develop all around the world.

* Customer's well-being An important value, which growth is correlated to new regulations on health, is the customer's well-being. It has become the guideline of a marketing operation in the soft drinks market. This notion gives PepsiCo the opportunity to increase innovation for soft drinks. Indeed, the more original and creative you are, the more successful your product will be.