

# Strategic management: internal analysis and swot



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Pepsi is a company with much internal strength, including such fortes as: a strong core brand, growing market share, broad product lines, environmental commitment, and being a diversity promoter. Pepsi has a very well known core brand that has maintained strength during many of their new product launches. This strong core brand has enabled Pepsi to have positive growth of new products while simultaneously supporting the future of the Pepsi brand. The Pepsi brand has many loyal customers who are willing to try new products solely because they are connected with Pepsi. In addition, Pepsi has been experiencing a growing market share and positive returns in both the beverage and snack industries.

They have been able to make many key acquisitions that have contributed to both their national and international expansion. Furthermore, PepsiCo offers a very broad product line, from a variety of beverages including SOBE, Aquarian, Pepsi, and Gatorade as well as a variety of snack foods such as Doritos, Lays, and Oatmeal. While PepsiCo has been successful marketing their products, they have also been successful in environmental preservation and diversity programs. Most of Pepsi's environmental issues are related to their packaging. As a result, Pepsi recycles, reuses, and reduces packaging whenever possible.

As a company named by Fortune Magazine as one of " America's 50 Best Companies for Minorities", and as one of Minority MBA Magazine's " Top Companies for Minority MBA's", Pepsi takes pride in their movement to promote diversity. They have a Minority & Women business Program along with another program to work with diverse suppliers. Although one of PepsiCo's strengths is their broad product line, it is also one of their weaknesses. Because PepsiCo sells so many products, it may be hard to

control each product line. In addition, Pepsi has been successful in launching many new innovative products, but once again too, much too soon can cause a backlash and some loss of control of the product.

With PepsiCo having much strength, they have many more external opportunities to pursue. First is PepsiCo's ability to continue expanding internationally with PepsiCo Beverages International (PBI). The Latin Market is continuing to grow both nationally and internationally, and PepsiCo is taking advantage of this huge market by promoting such products as Gatorade Xtremo, and having superstar Enrique Iglesias promote the Pepsi brand. Second, PepsiCo has made strategic alliances with the NBA, NFL, and fast-food franchises to help with their national and global growth. Another opportunity that PepsiCo is pursuing is to enter the growing Healthy Snack/Beverage Industry. With their alliances and acquisitions, PepsiCo has been able to promote healthy products like Tropicana Pure Premium Orange Juice, Aquarian, SoBe, Quaker Oatmeal, and one of their latest launches of broccoli chips. PepsiCo is even taking the initiative with their Gatorade product to implement a " National Dehydration Prevention Program". Finally, as seen with Pepsi's latest marketing campaigns, PepsiCo is trying to capture the young " new generation" market with spokeswomen like Britney Spears and Shakira. They believe that if they get their customers while they are young, they will have them for life. Like any company, especially an international one, PepsiCo faces the threats of competitors and economic uncertainty. Coca-Cola Company is PepsiCo's number one competitor and is currently number one in the industry. PepsiCo has to stay on top of market trends and try to make the first move when it comes to product innovation, mergers & acquisitions, as well as price setting in order to compete with

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Coke. The other threat of economic uncertainty threatens PepsiCo on two levels. First, PepsiCo faces the threat of a U. S. recession, and second, they face the threat of economic instability in their international ventures.

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