

**A COMPARATIVE STUDY OF CUSTOMER SATISFACTION TOWARDS THE SOFT DRINK WITH  
SPECIAL REFERENCE TO PEPSI AND COCA- COLA**

**UNDER THE GUIDANCE OF**

**Prof. Mr. R. Pazhanisamy**

**SUBMITTED BY:**

**Sparsh Uttam**

**Admission no: 22GSOB2010031**

**School of Business, Galgotias University**

# 1.

## INTRODUCTION



**Pepsi** was founded in New York in 1965. It is Producing Non-alcoholic beverage and Food processing items. **Pepsi** is a carbonated beverage that is produced and manufactured by PepsiCo. It is sold in retail stores, restaurants cinemas and from vending machines. The drink was first made in the 1890s by pharmacist Caleb Bradham in New Bern, North Carolina. The brand was trademarked on June 16, 1903. Pepsi arrived on the market in India in 1988. PepsiCo gained entry to India in 1988 by creating a joint venture with the Punjab government-owned Punjab Agro Industrial Corporation (PAIC) and Volta's India Limited. This joint venture marketed and sold Lehar Pepsi until 1991, when the use of foreign brands was allowed; PepsiCo bought out its partners and ended the joint venture in 1994. Others claim that firstly Pepsi was banned from import in India, in 1970, for having refused to release the list of its ingredients and in 1993, the ban was lifted, with Pepsi arriving on the market shortly afterwards. These controversies are a reminder of "India's sometimes acrimonious relationship with huge multinational companies." Indeed, some argue that PepsiCo and The Coca-Cola Company have "been major targets in part because they are well-known foreign companies that draw plenty of attention."

### **Ingredients**

Pepsi-Cola contains basic ingredients found in most other similar drinks including carbonated water, high fructose corn syrup, sugar, colorings, phosphoric acid, caffeine, citric acid, and natural flavors. The caffeine-free Pepsi-Cola contains the same ingredients minus the caffeine.



**Coca-Cola** is a carbonated soft drink sold in stores, restaurants and vending machines worldwide. The Coca-Cola Company in Atlanta, Georgia produces it. It was incorporated in 1886. The Coca-Cola Company claims that it is sold in over 200 countries.

The US soft-drink giant, Coca-Cola, reentered India in the 1990s after abandoning its businesses in the late 1970s in the wake of Foreign Exchange Regulation Act of 1973. The Act, meant to 'Indianite' foreign companies, made it mandatory for foreign companies to dilute their shareholdings to 40 per cent. Instead of diluting its shareholdings to the required limit prescribed by the Act, Coca-Cola opted to discontinue its operations in India.

Coca-Cola is a leading player in the Indian beverage market with an approximate 60 per cent share in the carbonated soft drinks segment.

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the wake of Foreign Exchange Regulation Act of 1973. The Act, meant to 'Indianize' foreign companies, made it mandatory for foreign companies to dilute their shareholdings to 40 per cent. Instead of diluting its shareholdings to the required limit prescribed by the Act, Coca-Cola opted to discontinue its operations in India.

### **Logo design**

The famous Coca-Cola logo was created by John Pemberton's bookkeeper, Frank Mason Robinson, in 1885. It was Robinson who came up with the name, and he also chose the logo's distinctive cursive script. The typeface used, known as Spenserian script, was developed in the mid 19th century and was the dominant form of formal handwriting in the United States

### **NEED FOR THE STUDY**

In the present scenario the competitions between the soft drinks increased very high. The companies are struggling a lot to keep up their market share in the industry and to improve the sales of their products i.e. the turnover of the company. For this the company has to know their position in the market and the opinion and the loyalty of the customers and the retailers when compared to their competitor. Because of this reason the comparative analysis is very important and useful to the Company.

By the use of comparative analysis the companies can understand the position of the company and the strength of the company in the market. Through the comparative analysis we can understand that what strategies the competitors are using for the increase their sales volume. From the study we can gather the information regarding the opinion of the retailers on the companies comparatively and this will help to plans for the future to increase the performance of the company and to gain the loyalty of the retailers when compared to the competitors.

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### **OBJECTIVES OF THE STUDY**

To study the overview of Pepsi and coca cola Company.

To know and compare the merchandising of Pepsi and Coke in retail outlets.

To identify the retailers opinion towards Pepsi products when compared to coke products.

To offer some finding and suggestions to the company for the improvement of its performance.

### **PRODUCT PROFILE**

Flavour	Ingredients	Pack	Product	Company
Cola	Cola Flavour carbonated water sugar	200Ml.	Coke, Thumsup	Coca-Cola
		300Ml. 500Ml. 1 Litre 1.5 Litre 2 Litre	Pepsi	Pepsi
Orange	Orange Flavour + Carbonated Water+ Sugar	200Ml.	Fanta	Coca-Cola
		300Ml. 500Ml. 1 Litre 1.5 Litre 2 Litre	Mirinda	Pepsi
Fruit Juice	Mango Pulp+ Treated water+ sugar	250 ML	Maaza	Coca-Cola
			Slice	Pepsi
Cloudy Lemon	Lemon Flavour + Carbonated Water+ Sugar	200Ml.	Limca	Coca-Cola
		300Ml. 500Ml. 1 Litre 1.5 Litre 2 Litre	Mirinda Lemon	Pepsi
Clear Lemon	Lemon Flavour+ Carbonated Water + Sugar	200Ml.	Sprite	Coca-Cola
		300Ml. 500Ml. 1 Litre 1.5 Litre 2 Litre	7'Up Dew	Pepsi

## CHANGING OF LOGOS DESIGN OVER PERIOD OF TIME



From the above picture we can observe that from origin itself Pepsi Company has been changing its Logos but Coke Company has not at all changed its Logo form the beginning. From this we can understand that Pepsi Company has been trying to create some place in a differently with its new Logos where as Coke Company tried to fix

the same Logo as brand name. Previously the name of Pepsi is Pepsi-Cola, and now it is changed to Pepsi. The reason for changing the Logos of Pepsi continuously was it merged many of the largest Food Companies with Pepsi like Tropicana, Fritos Lay and Galaxy Co. and etc. every time when merged with any Company it changed its Logos, because of this reason Pepsi became the largest food based products producer in the world. Coke Company is confined to the soft drink production only. As Coke Company has not changed its Logo, it is totally fixed in the

minds of the people of the world. The people of the world have some what confusion on the Logo of Pepsi Company as it changed its Logos Continuously.

Even though Pepsi Company changed its Logos continuously, it has not changed its slogans that much frequently. But in case of Coke Company, it has not at all changed its Logo but changed its slogans very frequently, sometimes thrice and trice's a year. From this it is concluded that Pepsi Company tried to create a brand image of the Company in the minds of the customers using its different Logos but the same Slogans about the products. But in case of Coke Company it tried to create a brand image of the Company with the same Logo and different Slogans about the products. In this manner the two giant Companies in the soft drinks industry compared and differentiated with each other.

This cola wars became very common to the soft drink Companies. Soft drinks became a part of every day life of the people in all over India and other countries of the world. The pop culture has made resisting the temptation of sugar based carbonated beverages virtually impossible for most. The soft drink war between Pepsi and Coke keep on going and increasing day by day. They are using the different techniques to attract the customers towards their products mainly the cola products. The cola products are:

**Pepsi**

Pepsi

Thumps up

**Coke**

Coca-Cola

Coke Company has the two cola brands, whereas Pepsi has only one brand of cola. Pepsi Company is using excellent marketing strategies, such as celebrity appearances to sell their products where as Coke's realistic approach has placed them at the top of the soft drink industry, mainly in the case of cola sales. We can observe the cola war through the Advertising of the two companies in the television. They prepare the Ads to compete with one another. They will hire the famous persons and the celebrities for their Ads. They will invest lots of amount on advertising. Through the advertising only the sales of the soft drinks are increased. Even though Pepsi trying to get the No-1 place in the soft drinks industry the statistics have shown that they are not able to get that position when compared to Coke Company for the past few years.

In case of Advertising Pepsi dominated Coke because most of the customers are attracted toward the Pepsi Company's Ads only not to the Coke Company's Ads because Pepsi is spending more on advertising preparation when compared to Coke Company. Pepsi Company is using the famous celebrities when compared to Coke Company and this increases the influence of the advertising on the customers. Both companies are conducting their operations successfully in more than 200 countries in the world. The war is going on in every country all over the world. Pepsi changed its Logos frequently 9 times from its origin but Coke Company has not at all changed its Logos, this is a great thing that we can observe.

**Comparison of the Slogans of the two Major Brands:-**

The slogans are very important for the advertising purpose. The slogans will attract the customers a lot. The slogans will give the views and the intentions of the company that what they want to share with the customers. We can say slogan is an appeal to the customers about the products of the company. Pepsi and Coke have very different

targeting strategies. Pepsi is promoting itself as something new , young and hip, which seems a little odd aver 100 years. Coke is tuning itself as the original, the authentic and appealing to a sense of traditional one. Pepsi has always targeted the youth market more aggressively than Coke. The companies have been changing their Logos continuously to attract the new customers. They are trying to create the new image and look to their Companies through changing the Advertisements taglines.

Slogans of Pepsi Company	Slogans of Coke Company
1903 – Exhilarating, invigorating, Aids Digestion. 1907 – Original Pure Food Drink 1909 – Delicious and Healthful 1915 – For All Thirst-Pepsi-Cola 1919 – Pepsi-Cola-it makes you Scintillate 1920 – Drink Pepsi-Cola. It will satisfy you 1928 – Pepsi you Up! 1932 – Sparkling, Delicious.	1886 – Drink Coca-Cola 1904 – Delicious and Refreshing 1905 – Good All the Way Down 1906 – The Drink of Quality 1906 – The great National Temperance 1907 – Delicious Coca-Cola, Sustain, Refreshes, Invigorates. 1908 – Sparkling-Harmless as Water and Crisp as Frost. 1909 – Delicious, wholesome, Refreshing

<p>934 – Refreshing and Healthful</p> <p>1939 – Twice As Much For A nickel Too 1943 – Bigger Drinks, Better taste.</p> <p>1949 – Why taken less When Pepsi is best? 1950 – more Bounce to the Ounce</p> <p>1950 – The light Refreshment 1954 – Refreshing without Filling 1958 – Be Sociable, have a Pepsi</p> <p>1961 – Now It's Pepsi, for those who think Young.</p> <p>1963 – Come Alive! You've in the Pepsi Generation.</p> <p>1967 – Pepsi Pours it on</p> <p>1969 – You got a lot to live and Pepsi got a Lot to give.</p> <p>1973 – Join the Pepsi People, feeling free 1975 – Have a Pepsi Day</p> <p>1978 – Catch the Pepsi Spirit</p> <p>1981 – Pepsi Got your Taste for life. 1983 – Pepsi now!</p> <p>1984 – Pepsi, the choice of a new Generation.</p> <p>1992 – Pepsi, Have it!</p> <p>1993 – Be Young, Have Fun, Drink Pepsi 1995 – Nothing else is a Pepsi</p> <p>1999 – The joy of Cola.</p>	<p>1910 – It Satisfies</p> <p>1911 – It's time to Drink Coca-Cola 1912 – Demand the Genuine-Refuse</p> <p>Substitutes.</p> <p>1913 – The Best beverage Under the Sun 1914 - Demand the Genuine by Full Name 1916 – just One Glass Will Tell You</p> <p>1917 – Three Million A Day</p> <p>1919 – Quality Tells the Difference 1920 – Drink Coca-Cola with Soda 1922 – Thirst knows no Season 1923 – Refresh Yourself</p> <p>1924 – Pause and Refresh Yourself 1925 – The Sociable Drink</p> <p>1926 – Stop at the Red Sign</p> <p>1927 – Around the Corner from Anywhere 1928 – A Pure Drink of National Flavours 1929 – The Pause that Refreshes</p> <p>1930 – Meet Me At the Soda Fountain 1932 – Ice-Cold Sunshine</p> <p>1933 – Don't Wear A Tired, Tired Face 1934 – Carry a Small Back to Work 1935 – All Trails Lead to Ice-Cold Coca-Cola</p> <p>1936 – What Refreshment Ought to be 1938 – The Best Friend Thirst Ever had 1939 – Make Travel more Pleasant</p> <p>1940 – Bring in Your Thirst and Go Away Without it.</p> <p>1941 – Completely Refreshing 1942 – Refreshment that Can't be Duplicated.</p> <p>1943 – The only think like Coca-Cola is Coca-Cola itself. It's the real thing.</p> <p>1944 – How About A Coke 1945 – Passport to Refreshment 1947 – Coke knows no season</p> <p>1949 – Coca-Cola.... Along the highway to Anywhere.</p> <p>1951 – Good food and Coca-Cola just Naturally go together.</p> <p>1954 – For people on the go</p>
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<p>1956 – Feel the difference 1957 – Sign of a Good Taste  1958 – The cold, Crisp taste of Coke 1959 – be really refreshed listen to Connie Francis  1960 – Relax with Coke  1961 – Coke and food-Refreshing new feel.  1962 – Coca-Cola Refreshes you best. 1965 – Something more than a soft drink 1966 – Coke...After Coke...After Coke 1970 – it's the real thing listen to the Carpenters  1971 – I'd like to buy the world a Coke 1976 – Coke Adds life  1979 – Have a Coke and Smile  1984 – Just for the taste of it (Diet Coke) 1985 – We've got a taste for you (new Coke)  1986 – Catch the Wave (New Coke) 1987 – You can't beat the real thing 1989 – Can't beat the feeling  1990 – Can't beat the real thing 1993 – Always Coca-Cola  2001 - Thanda Matalab Coca-Cola 2003 – Coca-Cola Enjoy</p>	
<p>When we compare the total slogans of the two companies we can first understand that Coke Company frequently changed its Slogans, some times trice and trice a year. But in case of Pepsi Company is not changing its slogans frequently. The slogans of Pepsi are not realistic and the company is exaggerating the features of the drinks and the company. Coke Company prepared its slogans in a realistic way and which is nearer to the features of the drinks and the company. Now Pepsi Company is not using any slogans for its drinks. Coke Company also not using the slogans that much frequently because the present day customers are taking care of the features of the product, taste of the products and packing of the products not the slogans of the Company.</p>	

The Cola Wars



### Over a Century of Cola Slogans, Commercials, Blunders, and Coups

There's little doubt that the most spirited and intense competition in the beverage world is between Coca-Cola and Pepsi. These two American companies long ago took their battle worldwide, and although there are other colas in the market, these giants occupy this high-stakes arena by themselves. The impact of Coke and Pepsi on popular culture is indisputable, and I have observed in my time managing this web site that America has not become jaded about the cola wars. The memorabilia, the jingles, the trivia - all still popular. So I am offering this page in an attempt to assuage a wee bit of the Coke and Pepsi thirst that is thriving on our planet.

#### IT ALL STARTED . . .

Coca-Cola was invented and first marketed in 1886, followed by Pepsi in 1898. Coca-Cola was named after the coca leaves and kola nuts John Pemberton used to make it, and Pepsi after the beneficial effects its creator, Caleb Bradham, claimed it had on dyspepsia. For many years, Coca-Cola had the cola market cornered. Pepsi was a distant, non threatening contender. But as the market got more and more lucrative, professional advertising became more and more important. These soda companies have been leading the way in advertising ever since.

#### ADVERTISING HISTORY & COMMERCIALS

Pepsi has definitely leaned towards the appeal of celebrities, popular music, and young people in television commercials, while Coke relies more heavily on images of happiness and togetherness, tradition, and nationalism, perpetually trying to cash in on its original lead. In a simplified sense, you could sum up the strategies as *Coke: Old, Pepsi: New*. In fact, as we will see, when Coca-Cola tried something *new*, it was disaster.

The first magazine ad for Coca-Cola appeared in *Munsey's* in 1902. Advertisements began to appear on billboards, newspapers, and streetcars. Soon there were serving trays with images of people enjoying Coca-Cola, and glasses with the cola's name on them. At this time, Coca-Cola and Pepsi were served in drugstore soda fountains.

In 1909, Pepsi used its first celebrity endorser, automobile race driver Barney Oldfield, in newspaper ads. In 1921, Pepsi went bankrupt, but continued to appear on the scene, although not nearly so successfully as Coca-Cola. In 1931, Pepsi went bankrupt again, but the new owner, Roy Megargel, would hit upon an idea that would finally give Coca-Cola some competition. In 1934, he marketed Pepsi in a 12-ounce bottle for a nickel. At the time, Coca-Cola was sold in a 6-ounce bottle for ten cents. Voila! Profits for Pepsi.

Pepsi racked up another first by airing the first radio jingle in 1939. It was so popular that it was played in jukeboxes and became a hit record. Coca-Cola hit the airwaves in 1941.

In 1946, inflation forced Pepsi to increase prices. And in 1950, Pepsi offered a larger 26-ounce bottle to court the young American housewife.

In the 1960's, the cola ad wars moved to television. Coca-Cola employed a host of celebrity singers to promote the product, including **Connie Francis**, **Tom Jones**, **The New Beats**, **Nancy Sinatra**, and **The Supremes**. As we moved through the years, both colas incorporated some of their best slogans ("Pepsi Generation" and "the Real Thing") into subsequent commercials.

In the 1970s, market research showed that consumers preferred the taste of Pepsi over Coke. The Pepsi Challenge is still being conducted today. But Coke came up with what is arguably the best of all cola commercials, the **1971 I'd Like to Buy the World a Coke** ad. This landmark was recalled in Christmas versions in **1983** and **1984**, and a **1990 Super Bowl ad**, which was enough to make some Baby Boomers weep with nostalgia.

In the 1980's, Pepsi lined up the celebrities, starting with **Michael Jackson**, then Madonna, Michael J. Fox, Billy Crystal, Lionel Richie, Gloria Estefan, Joe Montana, and others. Coke signed on Michael Jordan, New Kids on the Block, **Aretha Franklin**, Elton John, and Paula Abdul.

In 1985, responding to the pressure of the Pepsi Challenge taste tests, which Pepsi always won, Coca-Cola decided to change its formula. **Bill Cosby** was the pitchman. This move set off a shock wave across America. Consumers angrily demanded that the old formula be returned, and Coca-Cola responded three months later with *Classic Coke*. Eventually, New Coke quietly disappeared.

Pepsi, meanwhile, had its own flop, Crystal Pepsi, which was supposed to catch the strange wave of the times when everything colorless was clean and desirable (Zima, bottled water). And then there was **Pepsi Lite** with the lemony flavor and one calorie, introduced in 1975. Remember that one? Apparently they didn't expect us to because later they gave us Pepsi One, using the same concept, but a completely different taste. And, extending the idea even further, we are now getting Pepsi Twist, a new product with a twist of lemon flavor.

In 1991, **Ray Charles** sang, "You got the right one baby, uh-huh!" Also in the 1990s, Cindy Crawford and the **Spice Girls** pitched Pepsi. And then Pepsi aired commercials featuring the **aggravating little girl (Hallie Eisenberg) with her troubling male voice**.

In the new century, both colas continue to battle it out on the television screen. And celebrities continue to be important promoters. Recently, Pepsi has had commercials by **Bob Dole** and **Faith Hill**, among others.

**Battle of the beverages**  
A breakdown of Coke and Pepsi's financials and products

		
Stock Price*	\$56.50	\$52.06
52-Week High	\$57.91	\$53.50
Price change YTD	20.3%	7.2%
P/E	31.6	26.7
2002 Est Earnings Gr.	13.3%	13.4%
2003 Est Earnings Gr.	11.2%	12.3%
Market Value	\$140.4 billion	\$92.0 billion
2002 Est Revenue	\$19.8 billion	\$26.2 billion
New product	Vanilla Coke	Pepsi Blue
Top soft drink brands	Coke, Sprite, Fanta	Pepsi, Slice, Mountain Dew

\*All stock price data as of May 9  
Sources: First Call, CNN/Money, company reports

## **CONTROVERSY ON PRESENCE OF PESTICIDES**

In 2003 and again in 2006, the Centre for Science and Environment (CSE), a non-governmental organization in New Delhi, claimed that soda drinks produced by manufacturers in India, including both Pepsi and Coca-Cola, had dangerously high levels of pesticides in their drinks. Both PepsiCo and The Coca-Cola Company maintain that their drinks are safe for consumption and have published newspaper advertisements that say pesticide levels in their products are less than those in other foods such as tea, fruit and dairy products

## **PEPSI'S MARKETING STRATEGIES**



Pepsi's approach is radically different from that of Coke; Pepsi has gone in for *concentration* segmentation. Pepsi has targeted the youth segment instead of trying to be something to all segments.

Pepsi has since beginning strove to achieve its international position as 'a drink for the new generation' in India. Helped by HTA's forceful visuals and creative, Pepsi has been successful in positioning itself for the younger generation.

### **SELLING PROCESS**

Pepsi has a very well managed selling system. It takes a lot of care to ensure that the products (Pepsi bottles) are available to the consumers.

Pepsi soft drinks are produced in our plant in different SKUs (Stock keeping units) and distributed to our distributor and they further supply to the retailer. Sahibabad (GZB) has been divided around 14 routes which are called direct routes. For every route there is a Route Agent. Route Agent moves with the company owned truck and ensure that maximum shops are covered each day, so that regular supply of Pepsi soft drinks is made.

Route agents take the order from the shopkeepers and then with the help of loaders they give the required number of crates to the retailer or shopkeeper & then move to next.

Our plants also have some agency in each route. They supply in the areas where Pepsi's trucks are not able to reach. These areas are called indirect-routes.

## MARKETING STRATEGIES OF COCA- COLA

### a) PRODUCT

Coke was launched in India in Agra, October 24, in '93', soon after its traditional all Indian launch of its Cola. At the sparkling new bottling plants at Hathra near Agra. Coke was back with a bang after its exit in 1977. Coke was planning to launch in next summer the orange drink, Fanta-with the clear lemon drink, sprite, following later in the year.

Coke's product line includes, Coca-Cola, Thumps Up, Fanta, Maaza, Sprite, Club Soda, 7-up, Limca, Fanta apple, Diet Coke.

### PACKAGING

Coca-Cola India Limited (CCIL) has bottled its Cola drink in different sizes and different packaging i.e., 200 ml bottle, 300 ml. Bottle, 330 ml. Cans, 500 ml. And bottles of 1 and 2 litre.

### PRODUCT POSITIONING

One important thing must be noticed that Thumps Up is a strong brand in western and southern India, while Coca Cola is strong in Northern and Eastern India. With volumes of Thumps up being low in the capital, there are likely chances of Coca Cola slashing the prices of Thumps Up to Rs. 5 and continue to sell Coca Cola at the same rate. Analysts feel that this strategy may help Coke since it has 2 Cola brands in comparison to Pepsi which has just one.

Thumps Up accounts for 40% of Coca Cola Company's turn over, followed by Coca Cola which has a 23% share and Limca which accounts for 17% of the turn over of the company. We will sell whatever consumers want us to". Coca Cola India has positioned Thumps up as a beverage associated with adventure because of its strong taste and also making it compete with Pepsi as even Pepsi is associated with adventure youth.

### b) PRICE

The price being fixed by industry, leaving very little role for the players to play in the setting of the price, in turn making it difficult for competitors to compete on the basis of price.

The fixed cost structure in Carbonated Soft Drinks Industry, and the intense competition make it very difficult to change or alter the prices. The various cost incurred by the individual companies are almost unavoidable. These being the costs of concentrates, standard bottling operations, distributor and bottlers commissions, distribution expenses and the promotional and advertising expenditure (As far as Coke is concerned, it had to incur a little more than Pepsi as Pepsi paved its way to India in 1989 while Coke made a comeback in 1993.)

Currently a 300 ml. Coke bottle is available for Rs10 the 330 can was initially available for Rs. 15 and now Rs.20. The prices of 500 ml, 1 litre. And 2ltr being Rs20 Rs.35 and Rs.50 respectively (according to the current survey).

### c) PLACE

Coke may have gained an early advantage over Pepsi since it took over Parle in 1994. Hence, it had ready access to over 2, 00,000 retailer outlets and 60 bottlers. Coke was had a better distribution network, owing to the wide network of Parley drinks all over India. Coke has further expanded its distribution network.

Coke and its product were available in over 3, 00,000 outlets (in contrast with Pepsi's 2, 75,000). Coke has a greater advantage in terms of geographical coverage.

Coke and Pepsi have devised strategies to get rid of middlemen in the distribution network. However, 50% of the industry unfortunately depends on these middlemen. As of now, around 100 agents are present in Delhi. Bottlers of the 2 multinationals have strongly felt the need to remove these middlemen from the distribution system, but very little success has been achieved in doing so.

### d) PROMOTION

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It must be remembered that soft drinks purchases are an "impulse buy low involvement products" which makes



promotion and advertising an important marketing tool. The 2 arch rivals have spent a lot on advertising and on promotional activities.

**According to Paul Stobart**, Advertising encourages customers to recognize the quality the company offers. Price promotions often produce short-term sales increases.

Coca Cola has entered new markets and also developing market economics (like India with much-needed jobs.

#### STRATEGIES ADOPTED BY COCA COLA AND PEPSI



**The Pepsi Process:** Despite being a global brand, Pepsi has focused on meeting the Indian consumer's needs, particularly in terms of making the brand synchronize with localized events and traditions. Instead of harping on its global lineage, ergo, it tries to plug into ethnic festivals, use the vernacular indifferent part of the country, and blend into the local fabric. Pepsi is using both national campaigns- such as the Drink Pepsi, Get Stuff scheme, which offers large discounts on other products to Pepsi-buyers as well as local.

**The Coca cola Copy:** Instead of creating a bond with the customers through small but high-impact events, Coca-Cola chose to associate itself with national and international mega events like the World Cup Cricket, 1996, and world cup football 1998. But now coke is also entering into local actions. Coke is also trying to make their brand synchronize with localized events traditions and festivals. Coca-Cola new tag line in this advertisement is "Real shopping, Real refresher". In this way Coke is copy Pepsi.

#### EMPOWERMENT

**The Pepsi Process:** One of the strongest weapons in Pepsi's armory is the flexibility it has empowered its people with. Every manager and salesperson has the authority to take whatever steps he, or she, feels will make consumers aware of the brand and increase its consumption.

**The Coke Copy:** Flexibility is the weapon that Coca-Cola, fettered as it is by the need for approvals from Atlanta for almost everything. In the past, this has shown up in its stubborn insistence on junking the franchisee network it had acquired from Parle; in its dependence on its own feedback mechanism over that of its bottlers; and on its headquarters-led approach.

#### PRICE

**The Pepsi process:** Pepsi has consistently wielded its pricing strategy as an invitation to sample, aiming to turn trial into addiction.

It launched the 500 ml bottle in 1994 at Rs. 18 versus Thums Up's Rs. 9, in April, 1996, its 1.5 litre bottle followed Coke into the marketplace at Rs. 30 – Rs 5 less than Coke's. But it couldn't continue the lower price positioning for long.

**The Coke Copy:** Initially, coke carbon-copied the strategy by introducing its 330ml cans in January 1996, at an invitation price of Rs. 15 before raising it to Rs.18. By this time, it had realized that the Coca-Cola brand did not hold enough attraction for customers to fork out a premium.

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Coke Company has the two cola brands, whereas Pepsi has only one brand of cola. Pepsi Company is using excellent marketing strategies, such as celebrity

Appearances to sell their products whereas Coke's realistic approach has placed them at the top of the soft drink industry, mainly in the case vest lots of amount on advertising. Through the advertising only the sales of the soft drinks are increased. Even though Pepsi trying to get the No-1 place in the soft drinks industry the statistics have shown that they are not able to get that position when compared to Coke Company for the past few years.

In case of Advertising Pepsi dominated Coke because most of the customers are attracted toward the Pepsi Company's Ads only not to the Coke Company's Ads because Pepsi is spending more on advertising preparation when compared to Coke Company. Pepsi Company is using the famous celebrities when compared to Coke Company and this increases the influence of the advertising on the customers. Both companies are conducting their operations successfully in more than 200 countries in the world. The war is going on in every country all over the world. Pepsi changed its Logos frequently 9 times from its origin but Coke Company has not at all changed its Logos, this is a great thing that we can observe.

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## 2. METHODOLOGY

We have done **Descriptive research** to find out our objectives. In descriptive research we use the **primary and secondary data**.

Research methodology is the way to systematically solve the research problem. The method used for the research is Descriptive Research to find out our objectives.

In descriptive research we use the primary and secondary both data, **Sample Design** for primary data have been collected through probability sampling. In which I have used convenient sampling.

**Data is collected** through Market survey in **Tricity i.e. Chandigarh, Mohali & Panchkula**

**Data Collection Instrument:** - Well prepared **structured questionnaires** were used in this study, which includes both closed-ended and few open-ended questions to get information based on the objective of the research process. People of different age group from different economic background were asked to fill the questionnaire containing 15 questions.

**Sample Size** is taken **40** out of which **4 questionnaires** had been rejected due to Mistakes, which was made by the respondents.

### SOURCE OF COLLECTION OF DATA

All the useful data which were require for this research has been collected through Primary and secondary date.

**Primary data** collected through **Questionnaire**

**Secondary data** collected through Internet, Magazines and Newspaper

### ASSUMPTIONS

It is assumed that the chosen sample is the representation of whole population.

It is assumed that information provided by the samples is accurate and best of their knowledge.

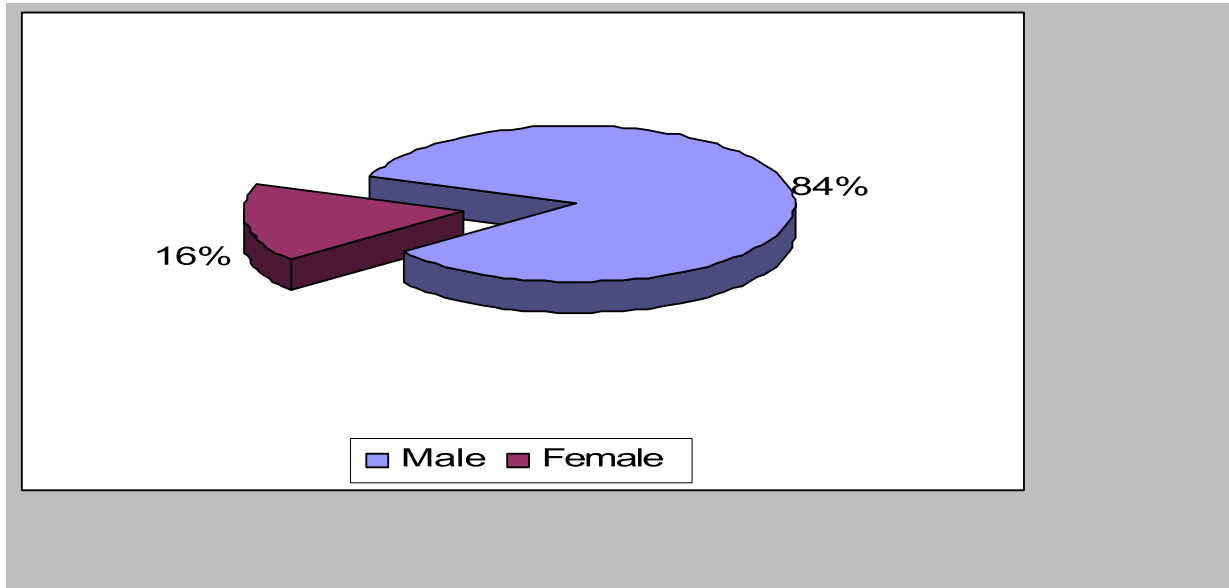
### REPRESENTATION OF DATA THROUGH CHART

#### RATIO OF MALE & FEMALE RESPONDANT

Total numbers of respondent were 40 out of which 4 questionnaires is rejected. So final date interpretation is done on the basis of only 36 questionnaires.

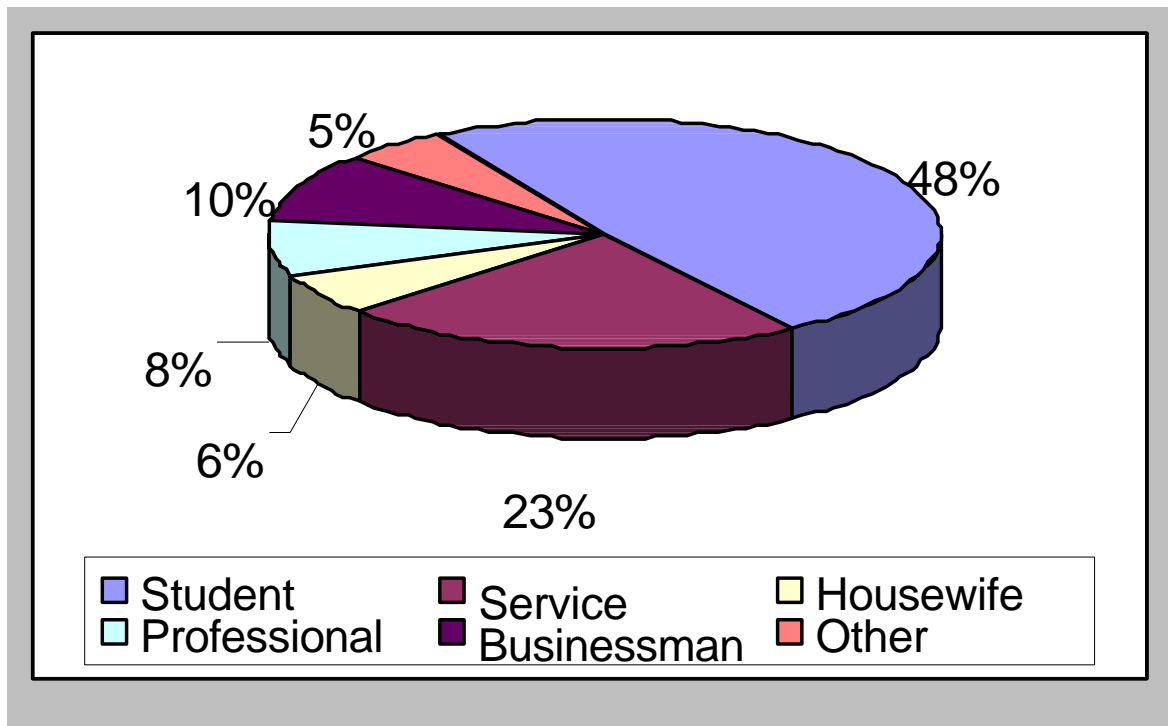
Total respondent were 36	
Gender	Number
Male	30
Female	6
- 16 -	





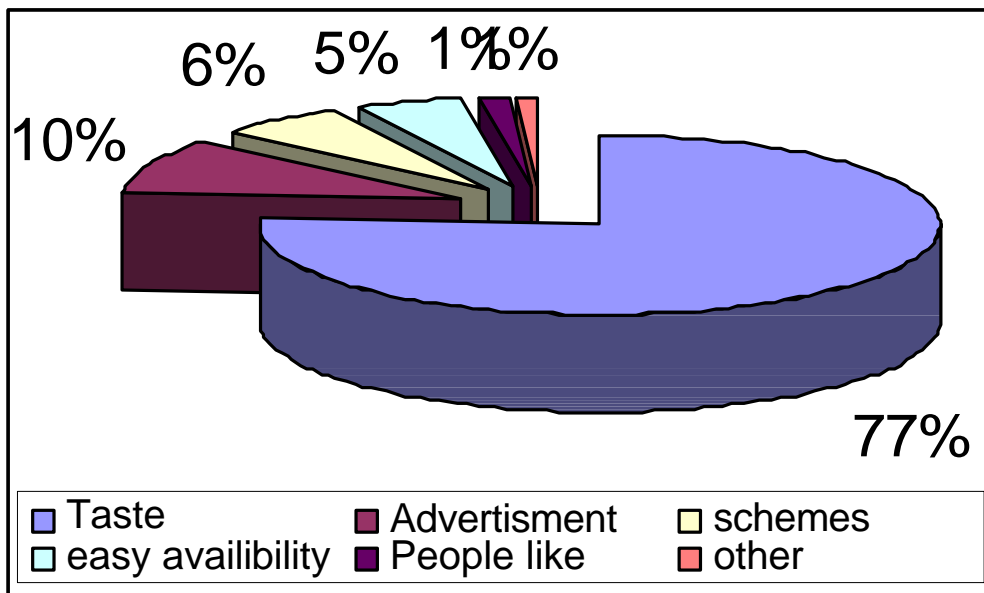
### PROFILE OF RESPONDENT

Total respondent were 36	
Profile	Number
Student	17
Service men	8
Housewife	2
Professional	3
Businessman	4
Others	2



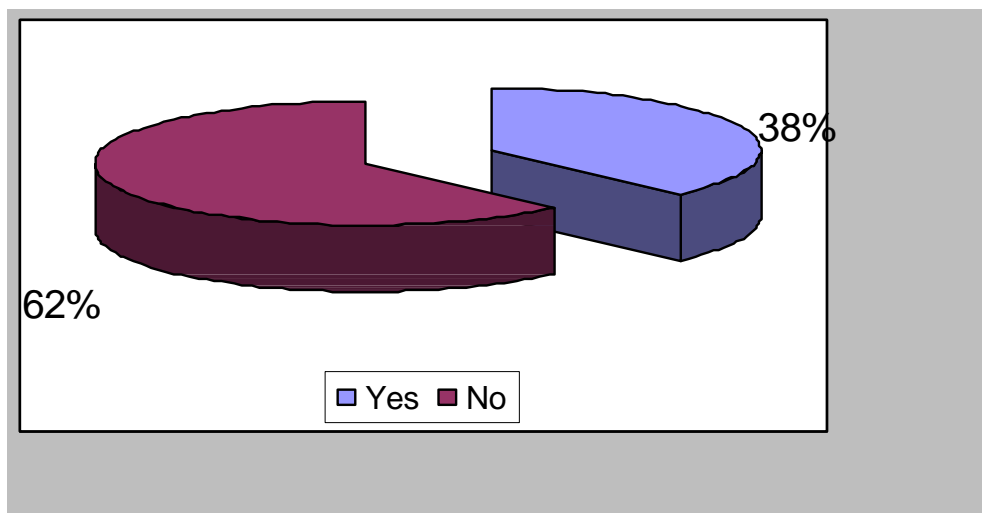
#### REASON BEHIND CHOOSING THE PRODUCT

Total respondent	36
Preferences	No of Respondent
Taste	28
Advertisements	4
Schemes	5
Easy availability	4
People Like	1
Others	1



### EFFECT OF ADVERTISEMENT

Total respondent 36	
Influence of Advertisements	No of Respondent
Yes	14
No	22

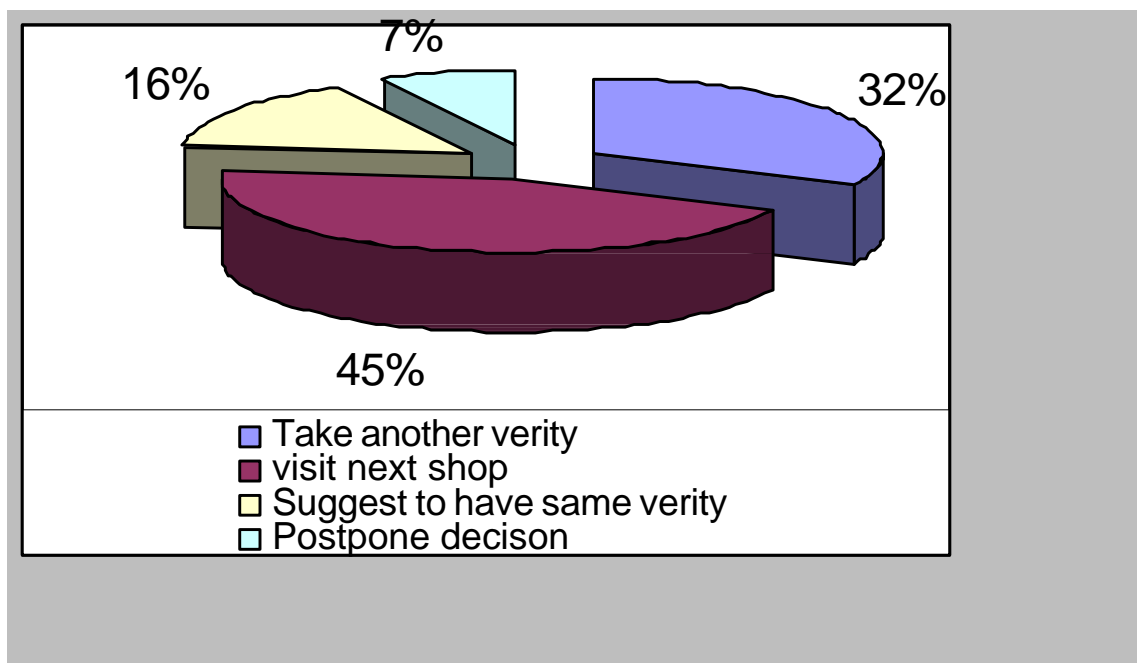


62% respondent said that Advertisements Influence their buying decision, While 38% said that it doesn't influence them for buying

## **BRAND LOYALTY**

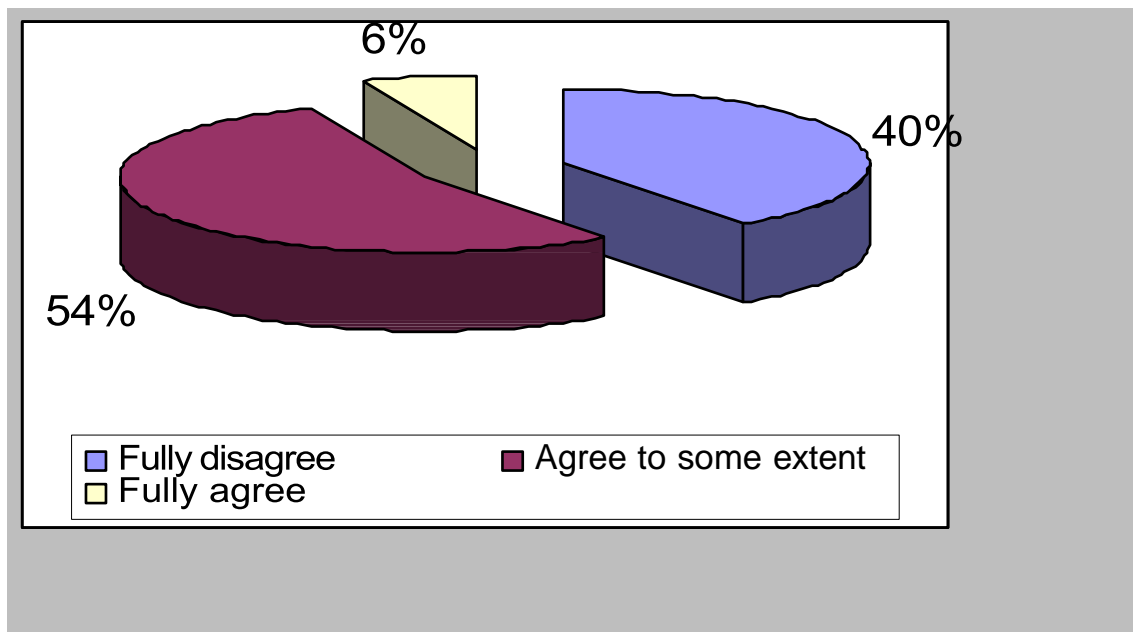
If the desired variety of beverage is not available at particular shop, how does consumer respond?

Total respondent 36	
Respond	No of Respondent
Take another variety	11
Visit next shop	16
Suggest to have same variety	6
Postpone decision	3



## PRESENCE OF PESTICIDES

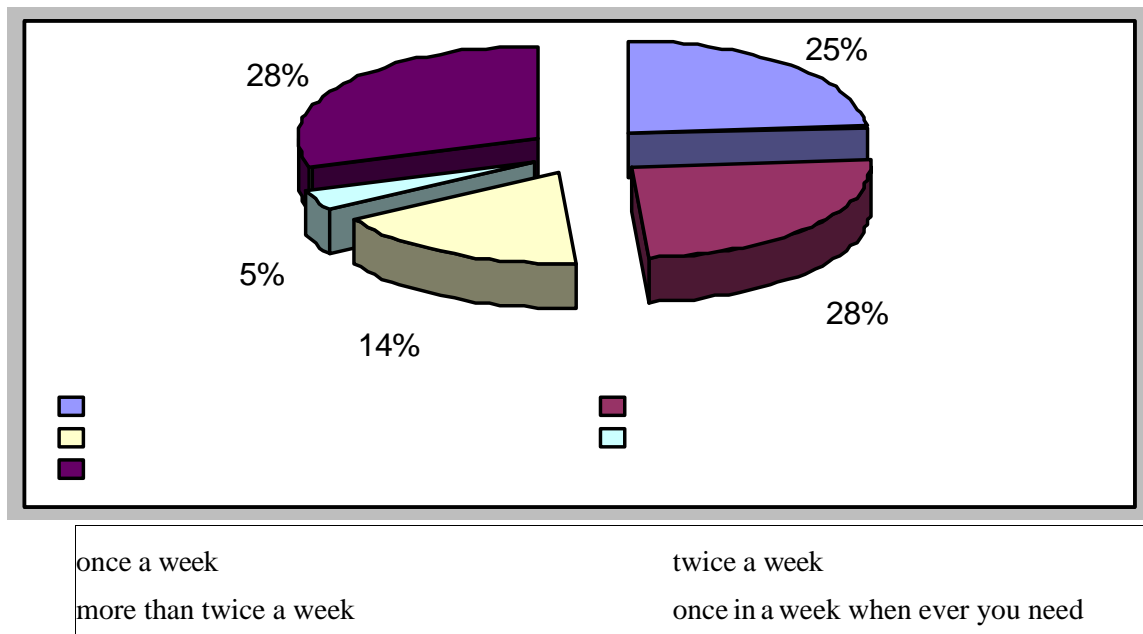
Total respondent 36	
Respond	No of Respondent
Fully disagree	15
Agree to some extent	19
Fully agree	2



## CONSUMPTION OF BEVERAGRS

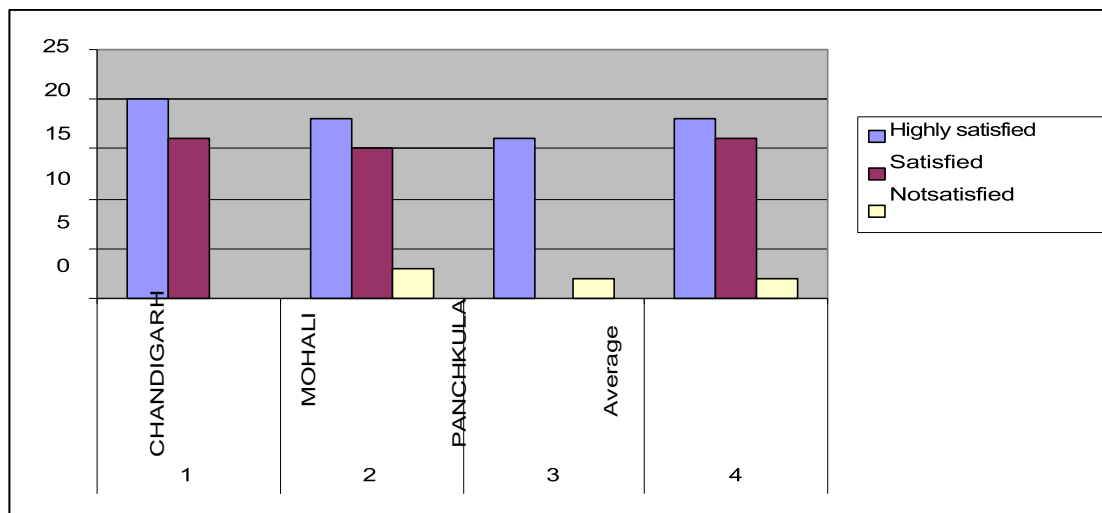
How often people consume beverages?

Total respondent 36	
Respond	No of Respondent
Once a week	9
Twice a week	10
More than twice a week	5
Once in two week	2
When ever you required	10



**SATISFACTION LEVEL WITH PEPSI COMPANY SERVICE (Supply):**

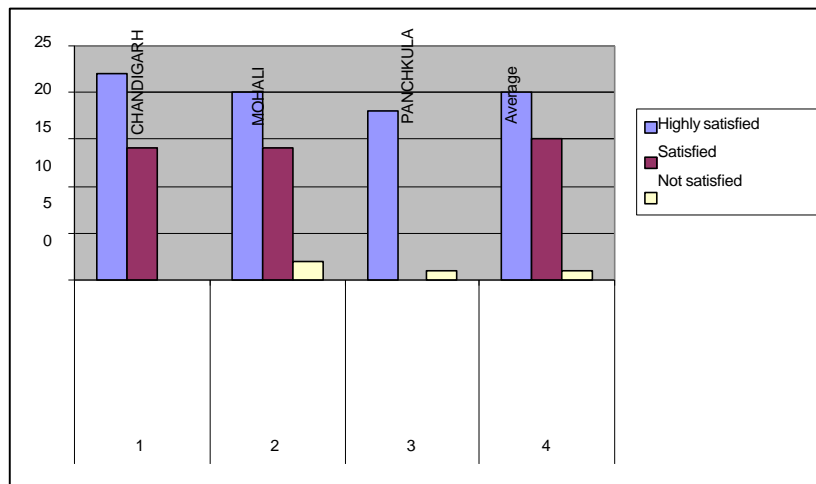
S.No	Market	Highly satisfied	Satisfied	Not satisfied
1	CHANDIGARH	20	16	0
2	MOHALI	18	15	3
3	PANCHKULA	16	18	2
4	Average	18	16	2



It is found from table 3.8 that in all these areas majority of the retailers are highly satisfied with the Pepsi service and less number of the retailers is satisfied with the service of the Pepsi Company. On an average of all the markets most of the retailers' i.e.65% is highly satisfied with the Pepsi service (supply), 33% retailers are satisfied with the service of the Pepsi and the remaining 2% are not satisfied with the service of the Pepsi Company. So it is concluded that the retailers are highly satisfied with the service (supply) of the Pepsi Company.

#### SATISFACTION LEVEL OF COCA COLA COMPANY'S SERVICE (Supply):

S.No	Market	Highly satisfied	Satisfied	Not satisfied
1	CHANDIGARH	22	14	0
2	MOHALI	20	14	2
3	PANCHKULA	18	17	1
4	AVERAGE	20	15	1





It is found from table 3.9 that on an average of all the markets 65% retailers only are highly satisfied with the Coke service (supply), 50% retailers are satisfied with the service of the Coke and the remaining 5% are not satisfied with the service of the Coke Company. So it is concluded that the service of the Coke Company is moderate when compared to Pepsi Company. So here Pepsi dominated Coke in terms of the service (supply) to the retailers.

### **INTERPRETATION**

On the basis research the facts which have come out:-

Under the brand name of coke Thumps up is market leader with 28% market share and Fanta is second largest with 23% market share.

The population between 12- 30 year prefer the cola products, while population above to 50 and below 12 prefer soft drinks, and population prefer both in Tricity.

Only 38% population only influenced by advertisement, rest 62% population believes that Advertisements are not much effective.

45% population are loyal to words there product.

54% population beliefs there cold drink have pesticide up to some extent. Instead of that they are using cold drinks.

77% of population is being influenced by taste only, while 10 % population by Advertisements only.

### **RESEARCH FINDINGS**

As it was 1<sup>st</sup> research Project of our life, so it gave us lot of experience which will be very helpful in our life

On the basis of that research we find that in case of beverages people are much influenced by taste rather than Advertisements and other things.

we come to know that Young generation is the biggest consumer of cold drinks than any other.

By this research we analyze that male prefer cola dinks, while female prefer soft drinks.

Frequency of consume to cold drinks is higher of male than female.

By combining all the beverage verities we come to know that Thumps up is the market leader with 14 % total market share while Pepsi is the second highest market leader with 13% market share.

If the Buying decision of consumer is rated -

1<sup>st</sup> preference will go to Taste,

3<sup>rd</sup> preference will go to schemes,

2<sup>nd</sup> will go to Brand,

4<sup>th</sup> preference will go to Price,

## **RECOMMENDATION**

Though the coke is enjoying about 54% of the total market share and it is market leader in Indian beverage industry. While with the 46 % market share Pepsi is on the second step.

If we are analyzing properly then we find Pepsi is small product portfolio than coke, which is responsible for its second position.

Pepsi should increase its product portfolio to capture the Coke's market share. Companies should focus on the taste of the product because 77% population is influenced by taste only.

Young generation is the potential consumer so companies should more focus on them. As we find that 40 % population consumes 200ml cold drinks. Which comes in glass bottles, these bottles are being returned back for refilling to companies? Which is incurred again cost of re-transportation. If company start to supply 200 ml cold drinks in pet bottles (plastic bottles) it will be good for company because 40% of population is using only 200ml.

## **LIMITATIONS**

It was our 1<sup>st</sup> research project so due to curiosity we put our whole heart on this project. But still there are certain limitations while doing the research work. Some of the limitations are as follows.

One of the biggest limitations with this project work is the **time factor**. As we did our project in Tricity which is not well known to us So it become difficult to conduct survey in Tricity.

The **sample size** of 40 respondents is too small to find out the consumer perception. Because we both were covering Pepsi & Coke both.

There might have been tendencies among the respondents to amplifying or filter their responses under the testing.

In some cases, the respondent was not giving us the proper reply. He/she might think that this is only wastage of time or this might create some problem etc. And as a result he/she has given some fake answers and fills the questionnaire very casually.

The area of study is limited and confined to certain limitation.

It is possible that some potential source might have remained untapped.

Since the result has been drawn on the basis of the information provided by the respondents therefore there is a chance of error.

The questioners were in English so many people were avoiding filling the questioners.

## CONCLUSION

After the completion of project we have seen the different aspects of this **Project**. Also we have gained some new experience about the consumer research. While surveying we have met a large number people, with different perceptions, with different nature, and as a result of this we have learnt a lot of things like how to talk with the different people with different behavior. We have benefited a lot and this will definitely help us a lot in the future.

Also the outcome that came out from this research work is that **in Tricity coke is the market leader with 54% market share. Pepsi is having only 46% market share. We come to know that Pepsi is the leading brand of Pepsi co. with 29% market share of its total market share and Thums up is the leading brand of coke with 28% market share of itself.**

**Through this research we also come to know that young generation is the potential market for beverage industry, taste is the 1<sup>st</sup> preference to choosing the product and one more important factor that below 12 years and above to 50years people like the soft drinks while people between 12- 30 year prefer cola drinks and rest people who comes in between 30 -50 year have common.**

## Questionnaire

Dear sir/ madam, \_\_\_\_\_

I am the student of Galgotia's University conducting a market research on "Comparative study of customer satisfaction toward soft drinks with special reference to Pepsi and Coca-Cola". We request you to fill this questionnaire and we will collect this data only for education purpose

Q1. NAME: .....

Q2.GENDER - MALE FEMALE Q3.OCCUPATION -

PROFESSIONAL BUSINESSMAN SERVICE STUDENT HOUSEWIFE ANY OTHER

Q4. AGE: 20-25 25-35

35-45 ABOVE 50

Q5. Do you take any soft drink?

- a) no
- b) yes

Q6. Do you take any soft drink regularly or occasionally?

- a) regularly
- b) occasionally

Q7. Which brand of cold drink you like the most?

- a) Pepsi
- b) 7up
- c) Dew
- d) Miranda

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- e) Mazza f) limca  
f) thumps up g) sprit
- Q8. What is the reason behind choosing your brand?  
a) Taste b) advertisement  
c) Easily available d) people like
- Q9. How many times in a week you take cold drink?  
a) Once b) thrice  
c) Twice d) more than 3 times
- Q10. Which quantity of your cold drink you often purchase?  
a) 200ml b) 300ml  
c) 500ml
- Q11. Which flavor do you generally prefer?  
a) Lemon b) orange  
c) Cola d) others
- Q12. If cola which particular brand you like?  
a) Pepsi  
b) thumps
- Q13. If orange which particular brand you like?  
a) Miranda  
b) Fanta
- Q14. If lemon which particular brand you like?  
a) Dew c) limca  
b) Miranda d) 7 up
- Q15. Since how much time you are using your brand?  
a) 1-6 month c) 1-2 year  
b) 6-12-month d) more than 2 year
- Q16. Advertisement of which cola drink you remember the most?  
a) Coke c) Pepsi  
c) 7 up d) spirit  
e) fanta f) thumps up
- Q17. If your desired brand of cold drink is not available at particular shop then  
a) Take any other brand b) visit next shop  
c) Suggest to have that brand d) don't take brand

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**Marketing research by NARESH MALHOTRA**