Marketing Mix Of Pepsi-Cloa Essay, Research Paper

AN OVER VIEW OF THE BEVERAGE INDUSTRIES

Contributing to this industrial revolution among other industries were Manufacturing, Agricultural, Automotive, Chemical, Hotel, Banking Business Services, Real estate, Tourism and information Technology to name a few.

But on such industry that has been holding onto its share of the market since its inception note in the USA – its birthplace – but all across the globe as well as the Beverage Industry. It has introduced icons that very few are oblivious to. The industry and its role in the Pakistan economy, the conditions under which it is working and the effects it has on the consumers is to remain the concern of this study.

According to Richard D. Brown and George J. Petrol (1986), the history of the Beverages industry start from 1886, when Atlanta chemist “Doe” Pemberton developed a reddish – brown syrup with a smidgen of cocaine (for medicinal purposes) to compete with the many patent medicines and cure – all elixirs of that time. His company recommended it for the relief of hangovers headaches, menstrual pains, and a host of other problem. One warm summer day Pemberton took some syrup down to will is venerable at Jacob’s Drug Store in Atlanta. An ounce of the mixture was put into a glass, which was then filled with water and ice, creating the first Coca-Cola.

The headquarters of Coca-Cola, now listed by fortune as one of the 50 top corporations in the United States, is still in Atlanta, Georgia. The actual sale and distribution of that magic elixir – which, needless to say, on longer contains cocaine – is handled largely by a number of independent bottlers. These bottlers buy syrup, mix it with carbonated water, and distribute it to retailers in their area. The number of retailers who sell Coke to the public almost exceeds counting. In this way a company with a magic formula but limited capital spread its name around the country and eventually around the globe. The organizational formula for merchandising apparently also had a bit of magic. But, of course, the product was one that people wanted, which is perhaps the first law of success in marketing.

Coke had been successful in establishing a strong loyal consumer force, on whom it still relies to this very day. Dong business was no sweat once the industry had set itself for good and the consumer?s tasted veered. Everything seemed to go smooth enough until hell finally broke loose. Trouble started creeping into the very foundations of coke who stated loosing a major share of its market. Thanks to Pepsi.

With virtually the same history Pepsi started gaining ground and proved to be an excellent example of how razzle-dazzle advertising sharp marketing and an efficient distribution system can turn a loser in to a winner in a remarkably short period of time.

Pakistan today has a very competitive beverages market. Opportunities for this industry to establish itself firmly in this country were grim at first because of the country’s low per capita income and because of the business’ status depending on consumer impetus. But much of it was more or less the same when the business took a start in the USA as well.

The Beverage industry has undergone a revolutionary change during the last couple of decades. The form of processing and the machinery used these days has developed and is very sophisticated. Automatic and computerized plants have been installed in the industry thus making it an industry which is dealing in million of gallons of beverages yearly.

Pakistan Beverages, the bottlers for Pepsi, and Coke bottlers National Beverages claim that their primary goal is not to undermine the competition but to expand the market as a whole. Market expansion, in fact, seems to be the buzzword these days in the beverage industry. Analysts believe the potential market in Pakistan is though to be enormous because the country’s per capita consumption is as low as 14 bottles per year. Compare this with a 120 bottles per year in the Philippines, and the scope for expansion becomes more than obvious.

HISTORY OF PEPSI COLA

It starts with a small drug store in North Carolina. This little store belonged to young chemist by the name of “DOC” BROADHAM. He invented a drink that the customers called BROAD’S drink. In 1903, Bradham got its drink registered formally by the name of PEPSI COLA. He set his own company and kept its sales improving gradually. By 1909, more then 250 bottlers in different American states had been allowed to sell under the PEPSI COLA license. PEPSI COLA was first sold in the standard size of 6.5 ounces.

In 1932 PEPSI COLA took courage enough to introduce a bottle of 12 ounces. In 1950 the PEPSI COLA’S formula had been changed by reducing its sweetness and calories and a new advertising campaign “Refresh without filling” had been launched effectively.

Under the supervision of the diligent sales staff and the Marketing experts, PEPSI COLA began setting new records of eminence. At 30 plants per year, new plants were established all across the globe.

A new attractively designed bottle had been introduced in 1957 in place for the 20 years old bottle, and the product line had been enhanced to introduce the new flavors of TEAM & MIRINDA.

Sindh Beverages (Pvt.) Ltd., claim that PEPSI COLA today is available to more than a billion people in 153 different countries which include the central independent states and China.

Progress Report

1996-98

1996

 Refranchised 655 restaurants

 Closed 379 underperforming restaurants

 Restructured Pepsi-Cola International

 Enlisted strong new bottler in Venezuela

 Created worldwide snack and beverage units

 Announced plan to sell non-core restaurant chains

 Repurchased 54 million shares

1997

 Spun off Pizza Hut, KFC and Taco Bell as Tricon

 Refranchised New Zealand restaurants via public offering

 Divested five non-core restaurant chains

 Divested PFS restaurant supply unit

 Received $5.5 billion in restaurant disengagement proceeds

 Divested Syrena candy business in Poland

 Divested Gerber baby food business in Mexico

 Placed more than 150,000 beverage coolers and vendors in the U.S.

 Enlisted new bottlers for territories in Brazil, Philippines, Japan

and Scandinavia

 Renegotiated bottler contracts to centralize fountain beverage

distribution

 Expanded U.S. fountain beverage sales and service group

 Acquired Pehuamar snack business in Argentina

 Divested Obregon flour mill in Mexico

 Repurchased 69 million shares

1998

 Acquired Tropicana, world?s largest branded juice company

 Announced public offering of The Pepsi Bottling Group

 Launched new blue globe logo for brand Pepsi

 Launched WOW! fat-free snacks nationally in the U.S.

 Launched Pepsi One, sweetened with Acesulfame K

 Acquired Smith?s Snackfoods Company, Australia?s market leader

 Acquired snack chip businesses in France, Holland, Belgium

 Divested BN biscuit business in France

 Entered joint venture to become snack chip leader in South and

Central America

 Acquired Barcel, Chile?s second-largest snack company

 Expanded stake in Tasty Foods Egypt

 Acquired bottling operations in four U.S. states and two

Canadian provinces

 Placed 190,000 beverage coolers and vendors in the U.S.

 Acquired Cracker Jack snack brand

 Agreed to sell Polish chocolate and biscuit units

 Consolidated Pepsi and Frito-Lay U.S. media buying

 Repurchased 59 million shares

HISTORICAL BACKGROUND OF SINDH BEVERAGES

The plant had been established in Phulali in 1974 at first, when it operated with the help of a few donkey carts for distribution of its products. It had been upgraded in 1988 and had moved to the rather industrial SITE area. It had been producing only local soft drinks unti