

Cola Wars Continue: Coke and Pepsi in 2010

Elizabeth Craig-Ward
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WAR

The Coca-Cola Company and PepsiCo, Inc. have been in a war for over a century.

Competition is what keeps the war going, and makes each company stronger.

The "Cola Wars" are fought over the \$74 billion Carbonated Soft Drink (CSD) industry.



Marketing in Other Countries



Strategies



Issues

1. There has been a change in competition.
2. Costs for manufacturing, advertising, promoting, market research, and logistics rose.
3. Both have a lot of the same opportunities.
4. Ethics has become a bigger issue in the CSD.
5. Consumers have become more health conscious, leaving much of obesity on the CSD.
6. Concentration and specializations.

Ethics

Do business the right way.
Performance with Purpose.

Strategies

- Focus on brand equity
- Innovation
- Distribution
- Marketing

Ethics

Do business the right way.
Performance with Purpose.

Thoughts

- Core
- Staying with the same formula
- Pepsi
- Steve as CEO
- Marketing

Any Questions?

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Marketing in Other Countries

India



China



Strategies



Issues

1. There has been a surge in competitiveness.
2. Costs for manufacturing, advertising, promoting, market research, and logistics rose.
3. Both have a lot of the same opportunities.
4. Ethics has become a bigger issue in the CSD.
5. Consumers have become more health conscious, fearing levels of obesity on the CSD.
6. Concentrations and Specializations.

ETHICS

Do business the right way.
Performance with Purpose.
The Coca-Cola Company is committed to social responsibility and leadership in the industry.

Strategies

- Corporate level
- Expansion strategies
- Entrepreneurial
- Coca-Cola Foundation

Ethics

Corporate level
- Coca-Cola Foundation

Market Overview Carbonated Soft Drink Industry



Thoughts

- Coke
- Staying with the same formula
- Pepsi
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pepsi

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Issues

1. There has been a change in competitiveness
2. Costs for manufacturing, advertising, promoting, market research, and bottlers rose.
3. Both have a lot of the same opportunities.
 4. Ethics has become a bigger issue in the CSD.
5. Consumers have become more health conscious; blaming much of obesity on the CSD.
6. Concentrations and Specializations

Market Overview

Carbonated Softdrink Industry

Threat of New Entrants

- Both companies have strong distribution networks
- Requires large capital
- Strong brand loyalty

Buyer Power

- 76.8% of total market volume sold in supermarkets
- retailers are forced to stock popular brands due to strong brand loyalty

Threat of Substitutes

- Switching costs between alternatives low
- Demand has shifted towards more healthier options

• Supplier Power

- Coke and Pepsi largest consumers of metal cans

Industry Rivalry

- Switching costs between alternatives is low
- Economies of scale encourage competition for limited consumers

Threat of New Entrants

- Both companies have strong distribution networks
- Requires large capital
- Strong brand loyalty

