Cola Wars Continue: Coke and Pepsi in 2010

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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 market industry.

Strategies
- Coca-Cola: Known for its strong brand and market presence.
- Pepsi: Known for its unique taste and innovative marketing campaigns.

Marketing in Other Countries
- Coca-Cola: Strong presence in many countries, with local adaptations.
- Pepsi: Known for its global campaigns, but faces challenges in certain markets.

Issues
- Sustainable sourcing: Coca-Cola faces criticism over its sourcing practices.
- Health concerns: Both companies face health-related challenges.

Questions
- Why is the Cola Wars continuing?
- How can Coca-Cola and PepsiCo improve their marketing strategies?

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Strategies

Marketing in Other Countries

War

Issues

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Peers

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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 Softdrinks 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 healthier options

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

Supplier Power
- Coke and Pepsi largest consumers of metal cans
Threat of New Entrants

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