

Business Analysis of PepsiCo and Coca-Cola Companies

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Abstract. This essay will analyze the business models of PepsiCo and Coca-Cola, their operations and marketing, and whether their models are suitable for other companies to learn from or quote, this essay will analyze the above information to see what the strengths and weaknesses of these two companies, and what are the special features of these two companies in these areas, and then if there are any problems with the two companies, how to solve these problems, this essay will provide some methods to do so, and then will compare the business models, marketing, pricing strategies, advertising strategies, and how these two companies became the oligopoly of cola drinks. If these two companies have problems, how to solve them, this essay will provide some methods for reference, and then this essay will compare and contrast the business model, marketing, pricing strategy, and advertising strategy of these two companies, and how these two companies became the oligopoly of cola drinks, and finally this essay will summarize the results of this analysis and the significance of the research.

Keywords: Coca-Cola company, PepsiCo, marketing, strengths and weaknesses, business models.

1. Introduction

This essay wants to examine the similarities as well as differences between PepsiCo and Coca-Cola, what are their respective strengths and weaknesses. For example, why they have become an oligopoly as well as one of the few largest companies in the world. Firstly, this essay will look at the business models of Coca-Cola and PepsiCo separately, such as their human resource management, operational issues and marketing, and how their advertising strategies appeal to consumers, then This essay will analyze why their business models have been so successful, whether their models are suitable for other companies to learn from, and what is so good about his model, then this essay will Then the article will compare the strengths of Coca-Cola in terms of operations or PepsiCo in terms of employee management, and identify the strengths and weaknesses of each company. Finally, this essay will summarize the results of this research to show what was learned the basics. Then this article will also compare the strengths and weaknesses of PepsiCo and Coca-Cola, to analyze their marketing strategies in the market, their pricing strategy, or their logistics is not the same as other companies, and what methods they use to attract consumers, is it their advertising, or their price point, or why they can become an oligopoly, this content will be detailed in the comparison of the comparison of PepsiCo and Coca-Cola will have a better understanding of the two limited liability companies, such a large company will have its own business model.

2. The Business Model of Pepsi

First of all, through the research of this paper, it is believed that Pepsi has a lot of problems in logistics because they don't have their own specialized logistics center, their logistics is completely outsourced to other logistics companies, which will lead to the emergence of some problems, for example, the logistics company in the distribution of problems will affect the reputation of Pepsi, as well as the loss of a part of the consumers, so if you want to choose logistics outsourcing Therefore, if you want to choose a logistics outsourcing company, you must carry out a strict review to convince that the condition will be reported as soon as possible. Thus, the company's senior management can make a timely response. In this way, the top management of the company will be able to react in a timely manner. This can be a good incentive for the outsourcing company to do a good job. Or you can consider establishing an extraordinary logistics and distribution center for PepsiCo, and building

an operation department of distribution center within the company, which is specifically accountable for the operation of the logistics and distribution system. This can efficiently implement PepsiCo's instructions, as well as can supervise and settle emergencies at any time, which can well guarantee the quality of service. In addition, PepsiCo has some loopholes, here are several ways to improve these loopholes. The first method: is not to evaluate the variation of product requirements by the level of ordering data, but to apply contemporary information techniques to introduce the marketing requirement information to all links in the supply chain, therefore all levels can determine the order quantity according to the marketing demands, not through the upper rank to assess the change of product demand, but to utilize modern information technology to bring the market demand information to the supply chain, consequently all levels are able to determine the order quantity and the market demand. market demand to determine the order quantity and safety stock. All of these methods can help PepsiCo with its logistics. There are many target distribution channels for PepsiCo in China, such as: conventional food retail channels, supermarket channels, shopping service methods, restaurant channels, fast food approaches, sports and fitness channels, entertainment ways, transportation window channels, hotel and restaurant channels, and tourist attraction channels.

Second, this article will introduce you to the human resources management of one of the PepsiCo companies. PepsiCo has established a good sales force compensation system and designed a reasonable sales force compensation structure so that the human resources compensation strategy is really in line with the company's development strategy. Analyzing the current situation of the company's human resources and the salary structure of the sales staff, exploring the issues existing in the wage structure of the sales category, analyzing reasons, and at the same time, combined with the domestic and accordingly, the objectives of redesigning the salary structure of the sales category employees, the principles to be followed and the specific strategies for designing the new salary structure are proposed, so as to design a set of reasonable salary system for the sales category employees of Chang PepsiCo Beverage Co. Accordingly, the objectives of redesigning the sales category employees' salary structure, the principles to be followed and the specific strategies for designing the new salary structure are proposed, so as to design a set of reasonable salary system applicable to the sales category employees of PepsiCo Beverage Co. and realize the effective incentive for the salary structure of sales category employees, promote core competence and cohesion of the corporation, in order to facilitate the further advancement of the enterprise.

3. The Business Model of Coca-Cola

Coca-Cola also uses consumer analysis to find potential customers. Coca-Cola entered the Chinese market in 1979, Coca-Cola has consistently utilized an undifferentiated marketing coverage tactics, so they have a mass of target consumers. The main opponents of Coca-Cola's business are other existing and potential competitors in the beverage market. Current competitors contain foreign competitors and domestic competitors. Foreign Pepsi is Coca-Cola's largest current opponent. PepsiCo is one of the most successful consumer commodity enterprises around the world and, frankly, Coca-Cola's most powerful competitor. Together, the two companies constitute a major monopoly in the cola market. As for these two oligopolies, competition between them is inevitable. However, both companies have their own consumer base as their products have their own characteristics. The Coca-Cola Company sells mainly through retailers in China, so competition in China is mainly between retail stores and wholesale channels, and in this competition, customer service is the key to success.

Secondly, Coca-Cola has three main partners in China - Kerry, Swire, and COFCO. These three partners are responsible not only for production at each plant but also for sales in the region where each bottling plant is located. Coca-Cola sets a minimum price for the three partners but does not participate in the profit sharing of each bottle of beverage, charging only the cost of the "concentrate," so the more it sells, the more it earns for each partner's sub-factory. For example, Kerry Group's Shandong Coca-Cola bottling plant in Qingdao is responsible for the entire Shandong market. Coca-Cola promotes direct sales. Although there are still wholesalers in the distribution network, the

wholesalers are not monopolistic large wholesalers, but the wholesalers are kept to a very small area. In addition, in order to control the market completely, Coca-Cola's logistics are all handled through its own bottling plants. Coca-Cola bottling plants around the world use the generic basis system, which is especially customized for Coca-Cola, but each partner can enhance it further and add functions according to their demands. Coca-Cola Bottling Company is a division of the Coca-Cola Company, which has always placed a high priority on motivating its employees. In order to motivate its employees to perform well in their position, Coca-Cola has invested considerable resources and often supplies a wide variety of rewards for its employees, such as gift cards and items with the company's logo. In Coca-Cola Company Limited, "Humanized management is always advocated by the managers, Coca-Cola Company has established a very perfect management system after 117 years of development, and the humanized system management proposed by Coca-Cola (China) Company Limited has made the employees quite loyal to the company, and the employees are very willing to work conscientiously and diligently under this kind of management system. Under this management system, employees are willing to work conscientiously. In addition, there is a close connection between the management and the grassroots. This is a high degree of close harmony between the top and bottom levels of the company. Of course, Coca-Cola Company also attaches great importance to employee training, which is an important reason for Coca-Cola Company's victory.

4. The Comparison of PepsiCo and Coca-Cola companies

4.1. The Comparison of the Marketing Strategies

The rivalry between Coca-Cola and Pepsi began with a confrontation between their founders, John Spearman, the founder of Coca-Cola, who created the drink in 1886. A few years later, Pepsi was born, and there was no discernible difference between the flavors of the two beverages, so they remained competitors for many years. In the 1950s, Pepsi came up with a new marketing strategy that became known as the Pepsi Challenge. This challenge asked consumers to taste two drinks without knowing which one it was and choose their favorite. Pepsi often won the challenge because it was sweeter than Coca-Cola, and Coca-Cola launched its challenge called the "New Beverage Challenge. The challenge asked consumers to taste a new beverage and pick their favorite. The new drink was Coca-Cola's new formula using a new sweetener called "New Stevia. The challenge quickly escalated and the advertising campaigns for both brands became more intense [1,2].

Coca-Cola and Pepsi began their international expansion. Both brands wanted to take their products to the world and become the global market leader. This global market war was equally intense. Both brands invested a lot of money and resources to win the favor of consumers around the world. They both used similar marketing strategies, including TV commercials, supermarket promotions, and sponsorships at events such as sporting events and music festivals. However, the two brands perform differently in the international marketplace. In many countries, Coca-Cola remains the market leader, while in others, Pepsi is doing better. In India, Pepsi outperformed Coca-Cola, largely because Pepsi is better adapted to local tastes. In Japan, Coca-Cola's sales peaked in the 1970s and have gradually declined since then, while Pepsi has grown steadily in the Japanese market. These different market performances reflect the challenges the two brands face in different countries and regions. In some countries, consumers preferred the sweeter taste of Pepsi, while in others they preferred the more refreshing taste of Coca-Cola. PepsiCo has also found many famous spokespeople in China, such as singers, actors and athletes, and has created many advertising songs, such as "We Will Rock You". In the light of aural performance, Pepsi's commercial music is fast-beat, rock, hip-hop or punk, which is also in accordance with the music preferences of most young people. Pepsi's united music melody establishes Pepsi's characteristic auditory image identification system. Pepsi combines music with visual identity as far as possible, which enables the audience's impression about the commercial more profound and enduring in contrast with Coca-Cola's TV advertisements, and Pepsi's commercials are more dynamic and fuller of passion, whatever the figures, behaviors, garments, as well as other elements. Besides, in terms of the features of the music itself, it expresses

a sense of cool feeling. Blue is the visual image color of Pepsi, so Pepsi's TV commercials always present powerful visual effect similar to "blue storm", delivering a sense of energetic and enthusiasm. Pepsi's spokespeople are always the most popular singers of the moment. For example, pop stars Michael Jackson, Wu Mochou, Wang Mochou, and so on. Jackson and other singers of the new generation are passionate power singers. Using popular singers as spokesmen to attract young people today brings the halo effect of singers and the idol role of stars. Singers serve as a reference group in advertising, and their behaviors, lifestyles as well as consumer manners are imitated by the audience. When choosing spokespersons, Pepsi considers not only popularity, but also the match between the singer's characteristics and the brand's personality. Although Coca-Cola has been the market leader, Pepsi has performed equally well in some countries and regions. This shows that brands face different challenges in different countries and regions and the key to success lies in developing appropriate strategies to meet these challenges. Coca-Cola's another advantage is customer loyalty. Coca-Cola is one of the most emotionally connected brands in America [3-5]. In addition, Coca-Cola has more market share than PepsiCo in the beverage field. For example, Coca-Cola's fastest growing brands include Diet Coke, Sprite, Limca, Maaza and Fanta. The enterprise possesses more comprehensive and effective distribution network all over the world. In the case of PepsiCo, its product portfolio is truly diversified, and each product is valued equally. The customer packaged commodity industry is another field which PepsiCo has invested into. In reality, PepsiCo's casual food goods accounts for about half of the firm's gross revenue. This diversification of the corporation has enabled it to create and attain several complementary goods in the field of food and beverage.

4.2. The Comparison of the Pricing Strategies and Advertising

Coca-Cola's pricing system relies on the value its goods create for consumers under different circumstances. Coca-Cola's commodities are priced about the same as its competitors since Coca-Cola needs to be viewed as distinct, yet reasonably priced [6-9]. PepsiCo has promoted such value-based pricing tactics with its model. This pricing strategy is devised to guide consumers to purchase Pepsi not merely when it is on sale. The company sets up different prices for different sizes of Pepsi. The price depends on the beverage's availability. While Coca-Cola wanted to bring friends and college students together to relive their youth and toast their camaraderie, PepsiCo marketed its product in a way that contemporary people could relate to. On the other hand, PepsiCo has been able to infiltrate or inject new zeitgeist elements into its advertising campaigns that are a little funny, a little "cool," different, and superior to other flavors. Pepsi also likes to work with celebrities for its commercials. Over the years, the brand has worked with many of the biggest names in singing and acting. This has multiplied the overall sales of the brand. Pepsi had a popular commercial in which a young boy stood on two Coke cans to get a can of Pepsi. This type of advertisement proved to be quite successful for a brand that likes to use humor in its advertisements. However, Coca-Cola has had several excellent advertising campaigns that have not only boosted Coca-Cola sales but also imprinted the brand in the minds of consumers. "Share a Coke" was one of those campaigns. This campaign featured people's names on Coke bottles. Consumers not only wanted to see their names on Coca-Cola bottles in television commercials, but they also wanted to carry the bottles around as souvenirs. Another famous Coca-Cola commercial, "The Holidays are Coming," was also a huge success. When most people think of vacations, they think of fun and travel. As a result, Coca-Cola as a beverage is associated with these emotions and has a strong impact on consumers [10-12].

4.3. The Differences of Business Strategies

The Coca-Cola Company insists that it is wise to concentrate on a certain business and thus dominates almost exclusively in the beverage field. Consequently, Coca-Cola minimizes cross-promotion of various goods intersecting multiple fields, while PepsiCo has managed to brand all of its beverage brands and consumer packaged products in intriguing ways. Unlike the Coca-Cola Company, PepsiCo uses its unique branding to ensure that each of its products receives the same amount of attention, which allows each product to gain exposure, which results in consumers buying

the first Pepsi-branded product to go for a similar product, which can increase sales of all the company's products. After the success of Coca-Cola and Pepsi in the beverage industry with their sodas, the public's increasingly growing concerns for staying healthy and fit made them have to choose newer and healthier beverages. This led to the emergence of energy drinks. Massive new beverage companies entered the market with their new products, but instead of backing down and giving in, Coca-Cola and Pepsi took a bold step and even made their mark in this new part. In order to further diversify their offerings, they continue to develop new products to meet the market and remain popular.

5. Conclusion

This article analyzes the Coca-Cola Company's business model, logistics company, advertising strategy, and marketing, which analyzes the advantages of Coca-Cola Company is that he has a wide range of users around the world, and also has its own logistics company in charge of transportation, which is more reliable, Of course, Coca-Cola Company has some disadvantages, that is, it does not have a detailed positioning of its target users, and secondly, this article studies how Coca-Cola Company attracts a lot of consumers, what are its methods, and why its customer loyalty is very high, and why it can surpass the sales of PepsiCo many times. How does Coca-Cola attract a lot of consumers, what is its method, and why its customer loyalty is very high and can surpass the sales of PepsiCo many times. Second, this article also analyzes PepsiCo's business model, logistics, marketing, advertising strategy, and target users, first of all, PepsiCo is very good at finding spokespersons for their advertisements, and it will use these famous singers to fit its own theme for marketing Because Pepsi's target users are more young people, he will create some energetic songs to attract these young people, so Pepsi can attract more young people, of course, Pepsi is sweeter in taste, so the people who prefer sweet drinks will choose Pepsi, but the problem of Pepsi is that he doesn't have his own logistics company. However, the problem with Pepsi is that they don't have their own logistics company, they outsource it, so there are some risks. After analyzing these two companies, this article will summarize what a successful large company needs to have and analyze their shortcomings.

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