SWOT Analysis of PepsiCo

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| **STRENGTHS**   * Product Portfolio * Strong leadership * Customer loyalty * Brand Recognition * Clear Target audience * Sponsorships * Strong brand image * Large-scale global production network * Large-scale global distribution network | **WEAKNESSES**   * Rivalry with Coca-Cola, Nestle, Mondelez, etc. * Failed products * Poor sponsorship ideas * Weak marketing strategy * Low success outside America as compare to other rivals * Products considered unhealthy * Value addition |
| **OPPORTUNITIES**   * Categories of products * Market penetration in developed countries * Healthy options * Move into other industries * Less drinking flavors * Technological innovation * Partnership with related industry * Growth through assets * Cost cutting * Product Innovation | **THREATS**   * Competition * Health factor * Economic downfall * Environment problems * No backup policy * A bad economy * Legal threats * Regulatory threats * Fluctuation in the rate of the dollar * Competitive pressure |

**Introduction**

PepsiCo is one of the leading brands in the world which is known for its beverages and snacks. They are focusing more on marketing and making strategy for the faster growth of their products. PepsiCo has many competitors who are challenging them in the beverage market. Therefore, they are focusing more on investing in marketing. The products of Pepsico are popular currently in more than 200 countries. The SWOT analysis will be used to analyze the strength, weaknesses, opportunities and threats for Pepsico.

**Company Background**

Pepsico.inc is an American food and beverage company. It is one of the biggest company in the world whose products are available in more than 200 countries. PepsiCo was found in 1965, and its headquarters are located in New York. The most popular brands of Pepsico.inc include Pepsi, Mirinda, 7up, Mountain dew, Gatorade, Doritos, Lays, Quaker oats, Lipton, Fritos, etc. In the 21st century Pepsico.inc focused more on expanding their business in other developed countries. However, they focused more on selling their products in Russia because it is their second largest market.

**SWOT Analysis**

**Strength**

PepsiCo is one of the most popular companies all over the world. It has a strong portfolio and is known for its food and beverages products across the globe. PepsiCo has a strong public image and reputation that is why it is growing rapidly in the world market. It is ranked 29 in the Forbes most valuable brands list (Akter, 2019). The key factor for the success of PepsiCo is their leadership. Strong leadership skills are very important for the growth of the brand or company. The strength of PepsiCo is their beverages because all of its soft drinks are having an iconic taste which is the main reason why their customers don’t prefer other soft drink brands over them.

However, their snacks are also globally popular which include Doritos, Lays, Cheetos, walkers, etc. PepsiCo has a global distribution in more than 200 countries which is one of the main strength of the company. They have a clear target audience as they are more focused on targeting youth through advertisements. Another strength of PepsiCo is its sponsorship tie-ups with different sports leagues and sports clubs. They have a strong relationship with different sports leagues which helps in increasing their brand image. The strengths of Pepsico.inc are enough to support its global distribution and production strategy (Frue, 2018).

**Weakness**

PepsiCo has the biggest rivalry in the market with Coca-Cola products. They have strong competition in beverages with Coca-Cola. PepsiCo has some other rivals as well, but their major rivalry is with Coca-Cola. However, both companies are facing problems in the health community. PepsiCo beverages are not considered hygienic for health because they contain a heavy amount of sugar and calories. There are many products of Pepsico that were failed in different countries which is one of the main reason for the brand's bad image in those countries. A failure in a single product can create an adverse impact on overall products of the company (Jurevicius, 2013).

PepsiCo's net revenue has fallen in the year 2017 in some countries of the middle east. The fall was due to fluctuation in the international currency. PepsiCo is totally dependent on the market of the United States as they earned about 58% of its revenue from their and 42% from the remaining countries. One of the weakest points of PepsiCo is that they don't have an appropriate marketing strategy and they are only focused in the United States as compared to their rivals. Pepsi is known for its advertisements because they have targeted more towards the young generation. However, their focus has to be more on positive values of life like Coca-Cola to increase their brand reputation (Frue, 2018).

**Opportunities**

PepsiCo is known more for its beverages as compared to its food products because they provide different flavors of soda drinks which is one of the main reason for their brand reputation. They have the opportunity to increase their market in developed countries to gain more success in the future like their other biggest rival Coca-Cola. PepsiCo should work more on improving health problems and also advertise those products like their other products to make the customers aware of those products. However, they have invented diet Pepsi and 7up which is a positive step towards their future success (Frue, 2018).

PepsiCo has the opportunity to partner with the companies who are producing the same products like them in different countries to increase their brand production and distribution in more countries. They have funds and talented people in their company, so they have to chance to step up into other industry and grow their company. Pepsi is known for its Cola flavor because they don't focus on more flavors as compared to their rivals, so they have a chance to bring those flavors which are not produced by their rivals. Technological innovation can offer PepsiCo several opportunities from marketing to supply chain department. It will help them to grow their network which will make it easy for them to expand their products in the global market.

**Threats**

The biggest threat to PepsiCo is their strong rivals in the market like Coca-Cola and Nestle who are focusing more on producing products which fulfill demands of health. PepsiCo is lacking in producing healthy products which will create some adverse impact on the image of the company in future. PepsiCo doesn't have a proper policy of economy which is one of the reasons they are facing downfall in the economy. They are focused more on their competition with Coca-Cola which is one of the main reason for their downfall. PepsiCo is facing a huge competitive pressure which is causing major risks to their business and brand (Frue, 2018).

PepsiCo is more focused in the United States, so fluctuation in dollar cause losses for Pepsi. They have legal and regulatory threats which oppose a high risk to a business company like PepsiCo. A bad economy will always be a huge threat for the company like PepsiCo because people will save their money in that phase for buying only necessary products and PepsiCo products are not necessary for people. PepsiCo doesn’t have a backup plan or any alternatives to face health issues, and they have seen a massive drop down in sales of soft drinks in recent years which is likely to decrease more in coming years.

**Conclusion**

PepsiCo is more renown for its beverages all over the world. However, still, PepsiCo is expanding its products portfolio and have included more products in beverages and snacks to compete in the market with other competitors. The company is facing a lot of challenges in the market due to the fluctuation of the dollar and competitive pressure. They need to create a strategy which will help them overcome these problems which they are facing currently. The company needs to do a partnership and invest more in marketing to increase their network and achieve their goal.

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