PepsiCo Case Study

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Pepsico is one of the largest food company in the world. It is known for its beverages and snacks all over the world. Pepsico is considered as the second largest beverage company in the world. It is a multinational company and its headquarter is situated in Harrison, New York. Pepsico is a company having a good reputation and it has distributors all over the world. However, Pepsico is currently facing a certain number of issues in the market due to its external environment. According to research, soft drinks have brought some serious health issues. Soft drinks contain a massive amount of sugar which is not good for health. However, Pepsico introduced their diet drinks which contains zero calories and have no serious side effect on the health.

There are certain external factors which have brought new challenges for PepsiCo. PepsiCo is having strong competition with Coca-cola in the soft drink market. PepsiCo has made a contract with some sports leagues to make a good impression for Pepsi. They are also focusing currently on developing new products which are good for health. PepsiCo heavily relies on technology so they are currently working on how they can improve their IT systems. The main objectives of PepsiCo are to expand its distribution of products in the other developed countries. Soft drink market is highly competitive, so PepsiCo is currently focusing on doing a partnership with the locals of different developed countries to expand their market in other developed countries (Venkataraman et al., 2017).

PepsiCo is having a lot of challenges in the market. They are having a lot of competitors in the market who can easily take over PepsiCo if they will not change their current strategy and objectives. PepsiCo has the opportunity to expand their market in developed countries and create advertisements to address concerns on health effects among people (Venkataraman et al., 2017). PepsiCo’s supply chain and brand image are linked to environmental concerns. They are also having threats of climate change. PepsiCo is highly dependent on the technology but they have not upgraded themselves which is a real concern for them. They have to upgrade themselves according to technology. PepsiCo has always focused more on youth because they think that youth is less health conscious and they drink more soft drinks as compared to old people.

If PepsiCo continuous to work like this, they will lose their market position because of the high competition in the market. There are also environmental issues which are becoming a huge concern for PepsiCo. People are more aware of the side effects of the beverages which is a real concern for PepsiCo. They have to develop such products which are beneficial for health in order to become competitive in the market. PepsiCo is focusing more on the beverages but not on its other products. If they don't advertise their other products just like their beverages they might lose their brand image in the market in future.

If I was the CEO of the company I would have focused on the other products as well because every company should have a backup. Beverages market is decreasing day by day because people are more aware of the health issues concerned with beverages. I would have advertised the other products as well in the other developed countries just like Pepsi. PepsiCo can use its strengths effectively and respond to the certain issues which they are currently facing in the market. They need to grow their brand image in other developed countries and improve product healthfulness to gain more customers (Andersson et al., 2016).

 PepsiCo has many opportunities to improve themselves. They can easily use the name of their brand and can create effective marketing campaigns. As a CEO, I will also drop the price of the products to gain more customers (Aslan et al., 2012). I will set up the prices according to the currency rate of different countries and will also produce products with a lower amount of sugar and calories. However, the prices will not be lower than the price of our competitors in the market because low prices show low-quality products according to point of view of customers. I will recommend developing the brand reputation of PepsiCo in other countries as well just like the United States.

 The main competitor of the PepsiCo is the coca-cola company. Coca Cola always has tried to focus on people of all ages which is one of the reasons why they are successful in the market. They have always targeted celebrities from different sports to advertise their products. Coca Cola has a lot of customer loyalty. People always prefer products of Coca Cola over PepsiCo because they know that Coca Cola has never compromised with the quality of the product. Coca Cola is present in around 200 countries which is one of the reasons they are above PepsiCo (Renz & Vogel, 2016).

 The most effective strategy of Coca Cola is that they have always targeted people of all ages. There are people with different health issues. Coca Cola has always developed products for people of all ages. They introduced the diet soft drinks for people who are facing with diabetes problems or other health issues (Renz & Vogel, 2016). Coca-cola would have been the clear market leader but PepsiCo will not give up and continue to compete with them. However, PepsiCo has edge over Coca-cola in the sense that they also sell snacks.

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