Comparative brand analysis of Pepsi and Coca-Cola

1. Introduction:

I have chose two very famous FMCG brands, Pepsi and Coca-Cola for this study. The reason behind selecting these brands were

a. Both of these brands are very close to my heart.

b. I am a regular consumer of these brands.

c. I was receiving an opportunity to study these brands in and out which otherwise I would have never done.

d. Upon doing a detailed analysis of these brands, through (Source: www.interbrand.com) I found that in the year 2015, the brand valuation of Pepsi was 19,622 Billion USD and its ranking was 24 out of top 100 global brands, the brand value of Pepsi has grown by +3% over 2014. The similar story was also revealed by Coca-Cola. Here the brand valuation of Coca-Cola was 78,423 Billion USD, which was 4% down compared to the same of 2014. However Coca-Cola has a global ranking of 4 out of top 100 global brands. There seems to be a great difference between the valuations of these two brands. This attracted my attention.

(Source URL: www.interbrand.com/best-brands/best-global-brands/2015/ranking/)

I hope to learn from this study: I wish to learn from this study that, both these brands have lot of similarities. Hence how they are positioned? Both of these brands seem to have been positioned to attract the similar target market. Whether it is just appropriate and right? Has Pepsi been positioned to the youth segment while Coca Cola has been positioned to the youngsters fond of adventures? And I wanted to explore the reasons behind the growth of Pepsi and of Coca-Cola. The gap between the brand valuations of these brands was also very large. I wish to explore the reasons for this.
2. Brand Architecture Pyramid of Pepsi & Coca-Cola

**Pepsi**

- A brand full of youthfulness
- Youthfulness
- Feeling of being Charged/energized
- Instant Energizer, Quench the thirst
- Non-alcoholic Soft Drink, Sweet in Taste, Lesser Sodium Content

**Coca-Cola**

- A refreshing brand for adventurous People
- Adventurous
- Feeling of being Reshreshed
- Feeling of Chill, Quench the thirst
- Non-alcoholic Soft Drink, Fizzy, Higher Sodium Content

Sources:

1. www.pepsico.com
2. www.cocacola.com
3. Brand Comparison _Similarities & Differences _ Pepsico & Coca-Cola

A. PepsiCo

1. Mission Statement:

“To provide the consumers around the world with delicious, affordable, convenient and complimentary foods and beverages from wholesome breakfasts to healthy and fun daytime snacks and beverages to evening treats. We are committed to investing in our people, our company and the communities where we operate to help position the company for long-term sustainable growth.”

Analysis of mission statement:

The mission statement of PepsiCo gives a clear idea about their purpose of business. PepsiCo strives to provide delicious, healthy and affordable food available at convenient places for all times to their consumers. Statement also reflects PepsiCo’s readiness to invest in human capital, the communities and the company for sustainable growth. That shows PepsiCo’s pro-investment and pro-growth approach.

2. Vision of PepsiCo:

“At PepsiCo, we aim to deliver top-tier financial performance over the long term by integrating sustainability into our business strategy, leaving a positive imprint on society and the environment. We call this performance with purpose”.

Analysis of Vision Statement:

The vision statement of PepsiCo gives us the direction about their long term objectives and goals. PepsiCo strives to provide a wide variety of nutritious foods & beverages to their consumers, conservation of natural resources, upliftment of communities in which they operate and nurturing the talents of their employees. Thus PepsiCo strategizes into human, environment and talent sustainability.

PepsiCo’s Guiding Principles (Core Values):

PepsiCo’s policies and decision making process is governed by the following principles,

a. Care for our consumers
b. Sell only those products which we can be proud of

c. Speak with truth and candor

d. Win with diversity and inclusion

e. Balance short term and long term risks and benefits

f. Respect others and succeed together

(Source: www.pepsico.com)

B. Coca-Cola

1. Mission Statement :

“Our road map starts with our mission which is enduring. It declares our purpose as a company and serves as a standard against which we weigh our actions and decisions, to refresh the world, to inspire happiness and optimism and to create value that make a difference.”

Analysis of mission statement :

If we carefully analyze the mission statement of Coca Cola we could find that Coca Cola wants to focus only on being identified itself as a Refreshing Beverages Company and creating values and differentiate through moments of optimism and happiness.

2. Vision of Coca-Cola :

“Our vision serves as the frame work for our roadmap and guides every aspect of our business by describing what we need to accomplish in order to achieve a sustainable, quality growth.”

a. People: Be a great place to work and employees are inspired to be the best they can be.

b. Portfolio: Bring to the world a portfolio of quality beverages brands

c. Partners: Nurture a winning network of customers and suppliers.

d. Planet: Help to build and support sustainable communities.

e. Profits: Maximize the long term returns to share owners.

f. Productivity: Be a highly effective lean and fast moving organization.
Analysis of Vision Statement:

The vision statement of Coca Cola clearly envisions us that Coca Cola want to be a beverages company having a strong focus on employees, partners, profits and productivity. Coke wants to maintain the size of the organization as lean and fast moving organization but in beverages segment only.

3. Core Values of Coca-Cola:

“Our values serve as a compass for our actions and describe how we behave in the world. Our core values focus on,

1. Leadership: Courage to shape future
2. Collaboration: Leverage collective genius
3. Integrity: Be real
4. Accountability: If it is to be, it’s up to me.
5. Passion: Committed to heart & mind.
6. Diversity: As inclusive as our brands.
7. Quality: What we do, we do well.

(Source: www.cocacola.com)

Similarities and differences between the brand values of PepsiCo & Coca Cola:

The brand values of PepsiCo and Coca Cola are similar which includes practically all the aspects of business. But when it comes to differences, I could find two stark differences between them,

A. PepsiCo is more focused on sustainability factors, may it be Human Capital or Environment or Talent, the Coca Cola is more focused on profitability and productivity parameters.

B. As far as business strategies are concerned, PepsiCo would like to offer delicious, quality, nutritious, affordable breakfast, food and beverages at convenient places from morning till evening, where as Coca Cola wants to focus on beverages only. It has developed its product portfolio in that way only.
4. Brand Value/Equity:

On conducting a research on these two brands, through the official website of Interbrand, I found that in the year 2015, the brand valuation of PepsiCo was 19,622 Billion USD and its ranking was 24 out of top 100 global brands, the brand value of Pepsi has grown by +3% over 2014. The similar story was also revealed by Coca-Cola. Here the brand valuation of Coca-Cola was 78,423 Billion USD, which was 4% down compared to the same of 2014. However Coca-Cola has a global ranking of 4 out of top 100 global brands. There seems to be a great difference between the valuations of these two brands. Apparently it appears from these figures that the since the brand valuation of Coca Cola is high (78,423 Bn USD) hence Coca Cola is a big brand, and its true also. But if we see the growth rate we can conclude that PepsiCo is catching up very fast due to its diversified product portfolio and focus on sustainability of Human Capital, Environment and Talent. And I am sure very soon PepsiCo would become a brand with comparable size of Coca Cola. It is not at all possible to determine the brand equity on a table unless we know the figures such as brand strength index, brand knowledge index and other financial parameters.

5. Sources Consulted:

a. www.pepsico.com

b. www.cocacola.com

c. www.interbrand.com