Building Brand Architecture: Coca-Cola vs. Pepsi

Introduction

This report discusses and compares two very similar brands Coca-Cola and Pepsi with respect to the carbonated beverages market. Coca-Cola and Pepsi offer very similar array of products yet differ in their approach towards branding and advertising. Coca-Cola has a wide product portfolio and is the maker of the two most popular soft drinks Coke and Diet Coke. Pepsi on the other hand is a beverage and foods company with Pepsi, Tropicana and Frito Lays as its most popular brands. This report tends to discuss similarities and differences between both the brands through the brand architecture model. The specific reason for choosing these brands is to portray, how very similar category of products can have stark differences and associations in the mind of the consumer.

Brand Architecture

To explain and compare the brands on the brand architecture model, first the brand pyramids have to be constructed. A brand pyramid will help in understanding brand core i.e. the essence through a step-by-step construction and explanation of various aspects of the product/brand.

Brand Architecture: Coca-Cola

Coca-Cola is known as the original beverage drink with its signature Coke offering and various other products designed around it. The brand recall with Coca-Cola is very high with its classic red background and iconic coca cola signature in all its marketing communications. The brand retains the original coke drink, which has a raisiny-vanilla taste to it. The product is marketed as a thirst quencher and has a
distinct emotional connect with its consumers. Coca Cola has its unique “share a coke” and “open up good times” campaigns, which offer the consumer a sense of celebration & happiness by acts of sharing and drinking coke together. Its brand personality is that of a very refreshing and wholesome drink. Overall the brand essence of coke is being “classic and timeless”, and therefore it is still known as “The original cola”.

**Brand Architecture: Pepsi**

Pepsi is identified with its iconic blue background. The drink is considered to be sweeter and therefore a bit tastier, which was established in 70s and 80s through Pepsi’s blind tasting tests. The brand is always up to date with the trends and relies heavily on endorsement by popular youth icons and celebrities. Its association with Beyoncé has however been done to attract people from all age groups. The emotional benefit for a Pepsi consumer is the sense of youthfulness and individualism the brand brings with itself. Hence the brand is more fun and cool and is always in tandem with “what the current generation wants”. The core essence of Pepsi has always been that of a modern drink for the younger generation.

**Brand Comparison**

Coca-Cola and Pepsi share the following similarities: used for quenching thirst, are priced equally and share almost similar tastes. This means a consumer drinks a carbonated soft drink when he/she is thirsty and as both products are brands price themselves equally it can be well assumed that a consumer will end up buying any of them. However both the brands share very distinct personalities and have different perception in the consumers mind. Beginning with their packaging, Coca Cola has its trademark red color packaging and branding with its unique bottles, which can be easily identified anywhere. Whereas Pepsi is usually identified with its blue color and is usually consumed in cans. Coca Cola
represents a refreshing drink with an emotional appeal to the consumer. It represents happiness and sharing a drink over a celebration or social gathering. Whereas Pepsi is the more fun and trendy drink with its modern appeal to the youth.

Coco Cola is a timeless classic drink. Pepsi is the drink for the new generation.

**Brand Equity**

According to Interbrand rankings 2015\(^1\), Coca Cola has brand equity of $78,423 m as compared to Pepsi’s $19,622 m. However Coca Cola offers only beverage products where as PepsiCo has its snack/food businesses (Frito Lays and Quakers) as well. Therefore, if compared in the beverage context, Coca Cola beats Pepsi in terms of market share and revenue. Whereas in terms of total group earnings and revenue, PepsiCo has an upper hand given its diversified business of snacks and beverages. Interbrand however considers only the beverage business of PepsiCo while calculating its brand equity.

Hence, in terms of brand equity and popularity, Coca Cola as a soda is rated above the Pepsi soda drink.

**Sources Consulted**

http://academia.edu

https://us.coca-cola.com/home/


\(^1\) [http://interbrand.com/best-brands/best-global-brands/2015/ranking/]