

PERFORMANCE ANALYSIS COMPARISON OF COCA COLA AND PEPSI

by:

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³tumewufj@gmail.com**ABSTRACT**

All companies fight to get as many consumers as they can and it makes, product, price, place and promotion become important factors to make a company has a successful marketing campaign. The companies spend much money for create an attractive product at an affordable price, a place that can be reached, and the promotion that can be well-received by the public. So, regarding that fact, the researcher writes a study about the performance analysis comparison of Coca Cola and Pepsi in Manado by using Coca Cola and Pepsi marketing mix(product, price, place, and promotion).The researcher analyzes data based on primary data and secondary data by using SPSS software while, primary data is collected by distributing questionnaires to 100 Manado people. Secondary data is collected by reading various books and browsing the internet. The researcher uses Semantic differential scale. Which shows that coca cola has superior from the product, price, place and promotion compared with Pepsi. Finally, the researcher recommends Coca Cola Company to keep maintaining the advantages, while Pepsi has to make changes to further develop the marketing process.

Keywords: *performance ,product, price, place, promotion*

INTRODUCTION**Research Background**

Nowadays, we are living in a competitive world while, competitive brand will do everything to be the winner and the owner of market share. In soft drink industry, Coca Cola and Pepsi are competitors that obviously show that their promotions are intended to beat another brand. Pepsi and Coca Cola are competing companies who want to be the leading soft drink company in the world. Unique marketing strategies are often conducted by these two big companies. For instance, On Christmas, Pepsi used Saint Claus as its icon while, based on the information from Wikipedia, Saint Clause has been used as the icon of Coca Cola Company since 1930s and starred by Haddon Sundblom. This condition showed the great competition between Coca Cola and Pepsi regarding promotion. Even though Coca Cola has been determined as recognizable company, Pepsi never gives up. Pepsi starts to be more innovative in selling products whose price is the same with Coca Cola but has the twice size than Coca Cola Product.

The competition of Pepsi and Coca Cola never stops. In spite of promotion aspect, these two companies also competes in products. Pepsi had launched its first products in the beginning of 1992, which were Crystal Pepsi and Dietary Crystal Pepsi products. In fact, consumers had no idea about the real taste of Pepsi Cola. As a result, Pepsi had failed in launching the two products and even the products were failed, the company keeps the spirit of innovation. The competition between Pepsi and Coca Cola encourages this researcher to analyze the comparison of marketing mix between Coca Cola and Pepsi.

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Research Objective

Are things that will be achieved through the research process, to compare the strategy Product, price, place, promotion of Coca cola and Pepsi

THEORETICAL REVIEW

Theories

Marketing Mix

Kotler and Armstrong (2001:67), states marketing mix as the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consist everything the firm can do to influence the demand for its product. The many possibilities can be collected into four groups of variables known as the Four Ps (Figure 1):

1. Product means the goods and services combination the company offers to the target market.
2. Price is the amount of money customers have to pay to obtain the product.
3. Place includes company activities that make the product available to target consumers.
4. Promotion means activities that communicate the merits of the product and persuade target customers to buy it.

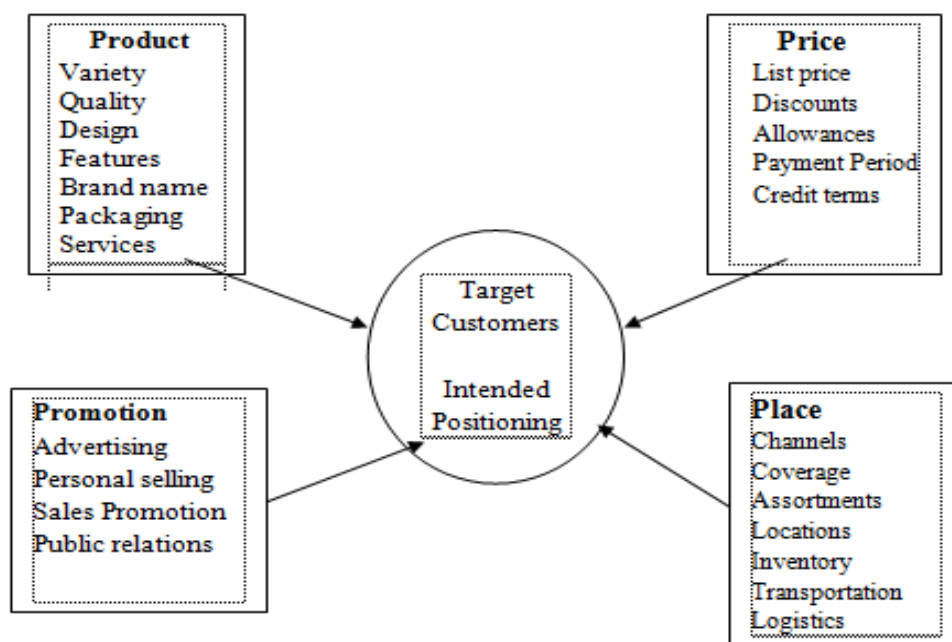


Figure 1. The four Ps of the Marketing Mix

Source : Kotler and Armstrong (2001:67)

Promotion opportunity analysis is the process marketers use to identify target audiences for a company's goods and services and the communications strategies needed to reach these audiences. (Kenneth Clow and Baack (2010:114). Kotler (2003: 609) states that a key ingredient in marketing campaigns, consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade. Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy.

Kotler and Keller (2009:423) a firm must set a price for the first time when it develops a new product, when it introduces its regular product into a new distribution channel or geographical area, and when it enters bids on new contract work. Kotler and Armstrong (2004:283) product attributes are: Product Quality is one of the marketer's major positioning tools, Product Features is a product can be offered with varying features and Design is a larger concept than style. Advertisement often pair a product with a positive stimulus to create a desirable association. Various aspects of a marketing message, such as music, humor, or imagery, can affect conditioning (Solomon, 2011:124).

Previous Researches

Moghaddam and Foroughi (2012) in the research titled *The Influence of Marketing Strategy Elements on Market Share of Firm*, product strategy, promotion strategy, pricing strategy and place strategy are important to increase the market share. Munusamy and Hoo (2008) in the research titled *Relationship between Marketing Mix Strategy An Consumer Motive : An Empirical Study In Major Tesco Stores*, Price and Promotion bring positive impact for customers to buy the product, while Product and place bring negative impact for customers to buy the product. Paracha and team (2012) in the research titled *Consumer Preference Coca Cola VS Pepsi-Cola*, that people like coca cola, as it tastes better than another brand.

RESEARCH METHOD

Type of Research

Type of this research is practical research that compares Coca Cola and Pepsi for the better performance.

Place and Time of Research

This research is conducted in Manado from June 2013 to November 2013.

Research Procedure

In conducting this research, there are several procedures :

1. Finishing the questionnaire
2. Collecting data of respondents
3. Contacting the respondents
4. Assisting respondents in filling the questionnaire
5. Collecting the questionnaire and start to analyze the data which is conducting by using semantic differential scale

Population and Sample

Population is the entire group of people, events, or things that the researcher desires to investigate. (Sekaran and Bougie 2009:262). Population in this research is Manado people who consume Coca Cola and Pepsi. A sample is thus a subgroup or subset of the population. By studying the sample, the researcher should be able to draw conclusions that are general to the population of interest. (Sekaran and Bougie 2009:263). This research discusses about the comparison of marketing mix between Coca cola and Pepsi by having 100 Manado people who consume Coca Cola and Pepsi as sample. The sampling design of this research is convenience sampling that is considered as the best way of getting some basic information quickly and efficient. (Sekaran and Bougie 2009:268) Convenience sampling is a non-probability sampling design in which information or data

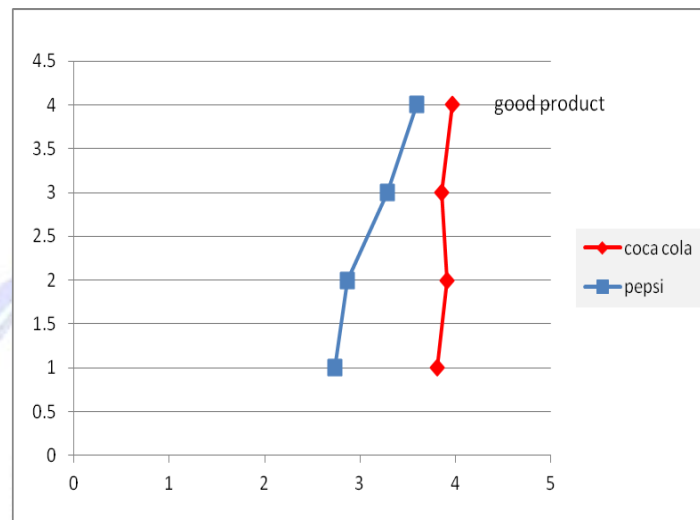
for the research are gathered from members of the population conveniently accessible researcher. (Sekaran and Bougie 2009:276)

Data Collection Method

In this research, there are primary and secondary data. Primary data in this paper is collected through Self-Administered Surveys (without Computer Assistance). In this method, the researcher distributes 100 questionnaires and let the respondents answer all questions in questionnaire on their own. Secondary data in this research is collected by browsing information in library and internet.

RESULT AND DISCUSSION

Result



Graph 1. Coca Cola and Pepsi comparison (product)

Source: Data Processed, 2013.

Graph 1. Coca Cola is superior than pepsi regarding product, price, place and promotion.

Discussion

The chart shows the comparison between Coca cola and Pepsi Company. Y4 shows that Coca Cola is superior in making product than Pepsi. Coca Cola makes a more appealing product and preferably by the community especially Manado people. Based on the result, people in Manado prefer the product of Coca Cola to Pepsi and one of the reasons is because Manado people treat Coca Cola as a compulsory beverage for every occasion. In Manado, only few people know about Pepsi because most of them only know Coca Cola. Coca Cola and Pepsi are two giant companies that always compete against each other on creating the best product while the fact states that Indonesian citizens, especially people in Manado are more familiar with the products of Coca Cola rather than the products of Pepsi.

Y3 shows that Coca Cola is superior in price rather than Pepsi although the price comparison is not too different but, based on the research made by researcher, it shows that Indonesian citizen, especially Manado people, mostly prefer Coca Cola as the company that provides the affordable price which is suitable with the expectation of the people in Manado, even though in reality, the price comparison of both companies is not too big and the price of Pepsi is still considered fair. As the additional strength of Coca Cola, it also does price promotion such as buy 2 get 1 free, and also gives discounted price on holidays. It makes Coca Cola is preferable by Indonesian citizen, especially the people in Manado. In the journal of Paracha and Teams (2012) it is said that in their research, most people prefer Coca cola because besides having the good flavor, its promotion and price are also the important factors that make people love the product. Also, in the research conducted in Pakistan titled "Consumer preference: Coca Cola versus Pepsi", it is obvious that Coca Cola is

superior than Pepsi. It shows the importance of price to the community, especially in the case of Coca Cola and Pepsi.

Y2 is the third point that shows the superior level of Coca Cola in the aspect of place. Based on the research conducted by researcher, most people in Manado prefer Coca Cola because Coca Cola has more strategic place rather than Pepsi, although the comparison is not too far. The people in Manado prefer Coca cola because at the time when they want to buy the beverage, it is easier to get Coca cola rather than Pepsi. At the marketplace in Manado, it is easier to search for Coca Cola than Pepsi.

Y1 is the fourth point that shows the superior level of Coca Cola in the aspect of promotion. Basically, promotion is needed in developing a company. In Indonesia, especially in Manado, based on the research that is made and based on the survey, it shows that most people in North Sulawesi are familiar with the product made by Coca Cola company rather than product made by Pepsi company. The people in North Sulawesi are also familiar with Coca cola because in their opinions, they often see the advertisement made by Coca Cola than the advertising made by Pepsi. In Indonesia, Coca Cola has more advertisement and creates more promotions that makes the people feel that Coca Cola is close with their daily life.

Although the comparison between Coca cola and Pepsi in the aspect of promotion is not very different, but it also influences Indonesian citizens especially the people in Manado to buy the product from Coca Cola and Pepsi. In Indonesia, especially Manado, the promotion of Pepsi is rare. Most promotions are only in their website. On the other hand, Coca Cola shows and creates more promotions in order to make Indonesian citizens especially the people in Manado know more about its product and love the product that is made by the Coca cola company. It makes Coca cola become more superior and more favored by Indonesian citizens, especially the people in Manado. The fact that Coca Cola has been a compulsory beverage in most of the occasions made by the people in Manado shows that the promotions made by Coca cola has succeed in making its product widely known by the people in Manado, and it makes them consume more products of Coca cola than Pepsi.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Coca Cola is more superior to Pepsi regarding product, price, place, and promotion because the research shows that the respondents tends to choose Coca Cola rather than Pepsi for the best product, affordable price, strategic distribution/place and attractive promotion.

Recommendations

1. Coca Cola management is recommended to keep its superior level regarding product, price, place and promotion by doing more improvement, innovation and development.
2. Pepsi needs to make a change regarding product, price, place and promotion so it can bring the improvement and Excellency for the company. Pepsi management needs to increase their promotion and make a more memorable one so that the community, especially the Indonesian citizens, will be more familiar with the product. Pepsi is recommended to make a special promotion on holidays, market their products in a more strategic and extent places for the community, make a more interesting product with the taste that can make its consumers familiar with Pepsi.

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