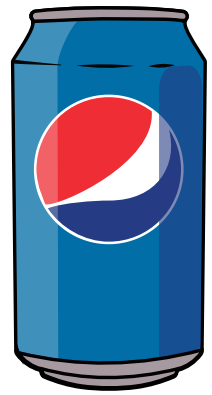


# CASE STUDY



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**Pepsi Co.**

# PROBLEM STATEMENT



PepsiCo, a global leader in the beverage industry, is facing stagnation in market share for its flagship cola product line. Despite extensive brand recognition, consumer preferences are shifting towards healthier beverage alternatives. The challenge is to develop and launch a new line of low-sugar and natural ingredient beverages that resonate with health-conscious consumers. This requires comprehensive market research to identify emerging trends, formulation of innovative product recipes, and strategic marketing to communicate the new offerings' health benefits effectively. The goal is to regain market leadership by capturing a 15% share in the health beverage segment within one year.

# Deciphering the Problems

## ! Shifting in Market Trends

- Increasing demand for healthier beverage options.
- Growth in sales of products labeled as organic, low-sugar, and free from artificial ingredients.
- Rising consumer awareness about the negative health impacts of high-sugar diets.

## ! Existing Competition

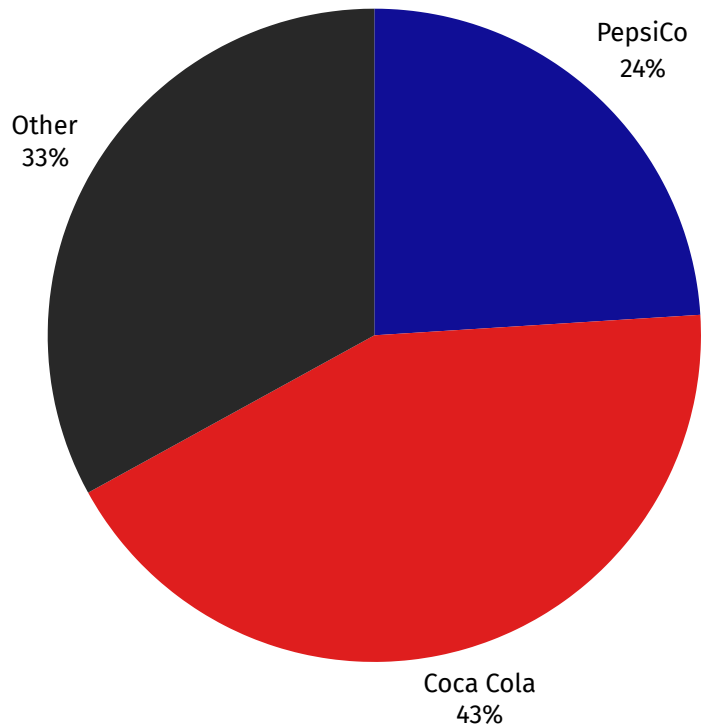
- There are already many established global beverage companies that target this sector of consumers
- The competitors are changing their marketing in accordance to the growing trend of 'Health is Wealth'.

## ! Our Drawbacks

- Our marketing campaign does not align towards promoting healthier beverages.
- Diversifying into other sectors, PepsiCo lost focus on core cola brand, Pepsi

# Size the Market

In July 2024, PepsiCo's market capitalization stands at approximately \$225.44 billion, positioning it among the world's largest companies. Despite this significant valuation, PepsiCo's market cap has experienced a decline of about 12.18% over the past year



676.11 Billion

Total Available Market (TAM)  
The overall revenue opportunity available if a product or service achieves full market penetration

200 Billion

Serviceable Available Market (SAM)  
The portion of the TAM that a company can realistically target and serve with its products or services

63 Billion

Serviceable Obtainable Market (SOM)  
SOM is the specific portion of the SAM that a company expects to realistically capture within a specific time frame

# Global Market Share

The global soft drinks market size was valued at USD 676 billion in 2024, and it is anticipated to reach USD 930 billion by 2030 at a CAGR of 5.23%. From observing the world trends, it can be concluded that Coca-Cola and PepsiCo dominate the market.

# Analyzing Competition

Coca-Cola had a market cap of \$261 billion as of the end of the first quarter of 2024.  
For Coca-Cola number of units sold rose 3% in December from 1% in October in the United States

PepsiCo had a market cap of \$242 billion as of the end of the first quarter of 2024.  
The number of units sold by PepsiCo's beverage business in the United States fell 8% in November and was down 7% in October and December.



# UVP of Client

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We have come up with a new Unique Value Proposition for the company and the central idea behind our proposed UVP is healthy and sugar free drinks for healthier future incorporating the concept cultural diversity and launching new flavours to fit the taste of people all across the world.

Customers tend to feel closer to a brand if it can cater to their preferences and taste. Our UVP will make the customers feel associated with the brand and build long term relationships with them.

Alongside, we are also addressing the growing demand of functional drinks, beverages targeting other benefits like energy boosting.



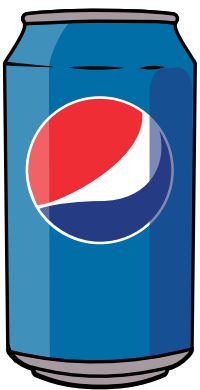
# Areas to Focus





## ● Alternative Product Development

Creating alternative health beverages involves using monk fruit sugar and other natural ingredients like herbs, superfoods, and functional additives to offer nutritious options with natural sweetness, appealing to health-conscious consumers seeking alternatives to sugary drinks.



## ● Form Strategic Alliances

Our brand will be partnering with leading health and wellness brands to co-create innovative beverage products tailored for health-conscious consumers. Collaborations with fitness centers, nutritionists, and wellness influencers will endorse our offerings, ensuring they resonate effectively in the market and are supported by trusted voices in the health community.

## ● Funtional Drink

These beverages are marketed for their specific health benefits beyond basic hydration. These benefits can target a wide range of areas, from boosting energy and immunity to improving cognitive function and gut health.

## ● Sustainability

- Packaging: Using recycled plastics and environmental-friendly bulk packaging
- Implement water-saving technologies in production processes.
- Adopt renewable energy sources such as solar or wind power for manufacturing facilities
- We need to emphasize on these sustainability practices during marketing to gain wider consumer interest.

## ● Diversified Pilot Launch

Launching a diverse range of health beverages in various test markets involves creating drinks that appeal to local tastes and health trends. By tailoring our offerings to each region, we aim to increase sales and market penetration, ensuring our products resonate with consumers and meet their specific preferences and nutritional needs.

# Solutions

## ◆ **Market Penetration**

Launching a diverse range of health beverages in various test markets involves creating drinks that appeal to local tastes and health trends. By tailoring our offerings to each region, we aim to increase sales and market penetration, ensuring our products resonate with consumers and meet their specific preferences and nutritional needs.



## ◆ **Product Differentiation**

Introducing unique products like energy-boosting drinks and gut health beverages helps us differentiate our brand through innovative ingredients and advanced formulations. By focusing on specific health needs with products containing adaptogens for stress relief or probiotics for digestion, we aim to stand out in the market. This strategy emphasizes our commitment to providing functional beverages that cater to diverse consumer demands and support overall well-being, enhancing our brand's appeal and market position.

## ◆ **Technology Integration**

Moreover, leveraging technology allows us to engage with consumers in real-time. By collecting and analyzing feedback through digital platforms, we gain valuable insights into preferences and concerns, enabling us to continually refine our products and services. This proactive approach strengthens our brand's connection with consumers, fostering trust and loyalty in an increasingly tech-savvy marketplace.



# FIVE YEAR PLAN

1

**Market Assessment  
and Alternative  
Product  
Development**

**Q1-Q2:** In-Depth  
Market Assessment  
**Q3-Q4:**  
Conduct small-  
scale tests and  
gather initial  
feedback.

2

**Diversified Pilot  
Launch and  
Strategic Alliances**

**Q1-Q2:** A diversified  
range of health  
beverages in different  
test markets  
**Q3-Q4:**  
Partner with health and  
wellness brands to co-  
develop products

**Aggressive Marketing  
and Technology  
Integration**

**Q1-Q2:**  
Launch an aggressive  
marketing campaign  
highlighting the unique  
benefits of each  
product.  
**Q3-Q4:**  
Use technology to  
enhance consumer  
engagement and track  
feedback in real-time

3

**Product  
Differentiation and  
Niche Markets**

**Q1-Q2:**  
Introduce unique  
products that cater to  
specific health needs,  
such as energy-  
boosting drinks or gut  
health beverages  
**Q3-Q4:**  
Focus on niche markets  
such as athletes,  
vegans, and individuals  
with specific dietary  
needs

4

**Market Penetration  
and Leadership  
Reassessment**

**Q1-Q2:**  
Increase market  
penetration through  
expanded distribution  
channels and strategic  
partnerships  
**Q3-Q4:**  
Develop a long-term  
strategy for sustained  
growth and market  
leadership in the health  
beverage segment.

5

# Case Summary

We have analysed the factors and causes why our company was not able to perform well in the market and formulated product-specific strategies to resolve the issues.



While planning a five year growth strategy, we need to keep in mind that with constantly changing market scenario, our strategy needs to be flexible enough to accommodate changes as required.



We have also kept in mind issues such as resource exhaustion and henceforth we have focused on sustainable practices which minimise waste of any resource. One of our central idea is to launch flavours according to regional preferences that will have huge appeal to the local customers.



During the whole five year tenure, our prime task is to track our growth and success through appropriate Key Performance Indicators (KPIs) that will guide us towards further planning.