



PIRRODENTH
EZ DODATIH
CD 1886.

sadrži
Kalcijino

THESTREET

**Business Case Study
of
COCA COLA vs PEPSI, THE
BEVERAGE WAR**

By
Oishik Biswas

Crystal Pepsi

- In 1992, Pepsico came up with crystal Pepsi, recorded a sell of \$474 million.
- Capture 2.4% of entire American soft drinks market.
- After 9 months, they have to withdraw from market.
- A big failure.

Crystal Pepsi

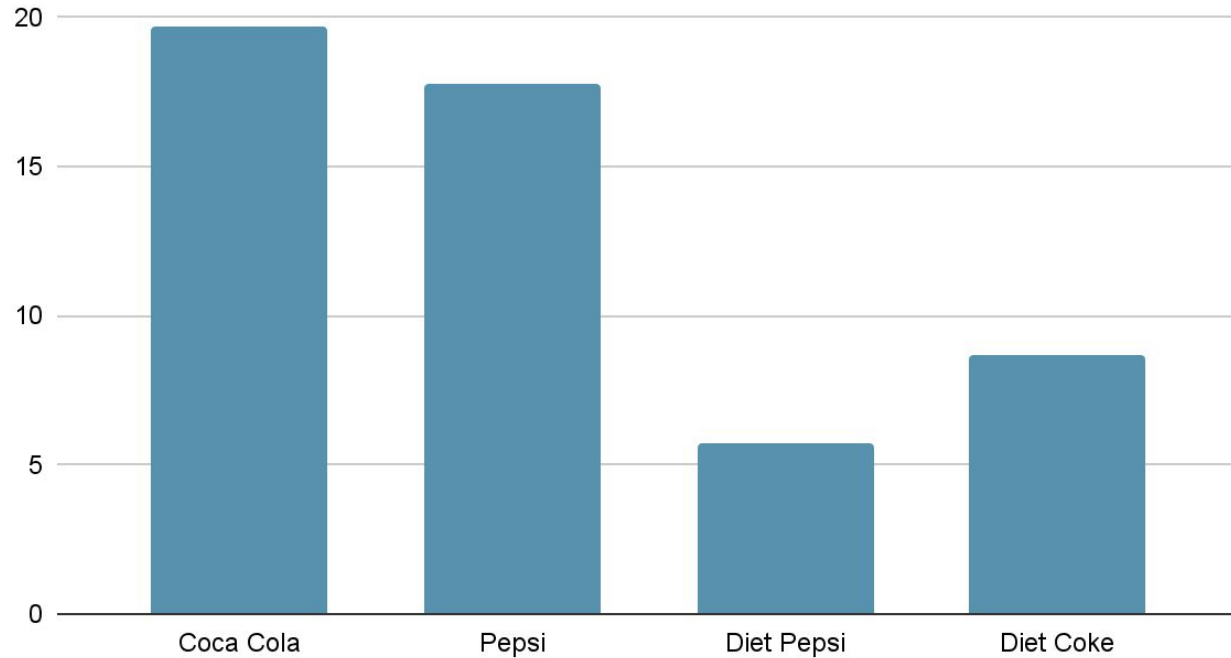


Clear Craze

- Any new product with clean and transparent color was thought to be a cool product.
- Crystal Pepsi was launched in 9 months, whereas other products are launched in 3 years time.

Market Share

US 1992 Soft Drinks Market Percentage



3 Year Period of Product Launch

- Product market
- Lab test
- Sample audience test
- Supply chain design
- Marketing campaigns
- Product launch

Super Bowl Competition

- 2021 super bowl competition ads delivered an average return on investment of \$4.60 per \$1, with many brands receiving double digits.
- In 2023, 30 second super bowl commercial ad costs a record high average of \$7 million.

Super Bowl Competition



What went wrong with Crystal Pepsi?

- Bottling issue.
- 7up is packaged in green bottles.
- Soft drinks contain some flavors and preservatives to break down or react with other ingredient leads to off flavors and odors.
- Made the drink smell and taste like shoe polish.
- Made a caffeine and preservative free clear soda that tastes like the original Pepsi.

What went wrong with Crystal Pepsi?

- After exposure to sunlight, the taste of drink became a little different.
- Incongruent drink, lack of consistency.
- There is a very dep relationship between the degree to which consumers can sense of a new product and the evaluation of a product.
- Congruence of people perception with the expectation of how product looks, feels, operates.

What went wrong with Crystal Pepsi?

- Crystal Pepsi was healthy, 12 ounce can of regular Pepsi had 150 calories.
- Crystal Pepsi came close to 130 calories.
- Caffeine free, but filled with high fructose corn syrup.
- Looked like a health drink, but did not taste or operate like a health drink.

Kamikaze Strategy by Coca Cola

- Decided to launch a product that would purposefully fail and while failing, it will also fail crystal pepsi.
- Coca Cola launched Tab Clear, version of clear soda.
- That made a confusion between consumers, about what a clear cola is supposed to be.
- Customers got a second option, split the market and difficult for crystal pepsi to survive.

Kamikaze Strategy by Coca Cola

- Coca Cola launched this brand under the name Tab so that Coca Cola's brand name would not suffer.



Pepsico SWOT Analysis

SWOT ANALYSIS OF PEPSICO

S



Strengths

- Strong Brand Recognition
- Strong Leadership
- An Efficient and Well-Performing Supply Chain
- Strong Marketing and Sponsorships
- Customer Loyalty
- Strong Financial Position

W



Weaknesses

- Unhealthy Perception of PepsiCo's Products
- PepsiCo's Involved in Numerous Lawsuits
- Over-dependence on Carbonated Drinks
- They Don't Always Get it Right With Their Marketing

O



Opportunities

- E-Commerce and Online Customers
- Health and Organic Foods/ Beverages Market
- Consumers in Developing Markets

T



Threats

- Changing Customer Preferences
- Intense Competition
- Changing Government Regulations



THE BUSINESS
MODEL ANALYST

businessmodelanalyst.com

Coca Cola SWOT Analysis

SWOT ANALYSIS OF *Coca-Cola*



Business Lessons

- In the race of fast tracking the process of your product launch, you should never compromise on the fundamental qualities of your product.
- Clear product positioning was by far the most important step in marketing.
- If marketing is slightly confusing, please pull back all your campaigns, evaluate it, then roll it.

Business Lessons

- Marketing is used to convince people, not to confuse them,
- Confusion will kill your products in no time.
- Never stop yourself from failing miserably, only brave attempts lead to game changing inventions.
- World will definitely call you fool, until you succeed. When you succeed, your success will be called as overnight success.