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Consumer Preference Coca Cola Versus Pepsi-Cola

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Abstract - This study is conducted between two global giants Coca Cola & Pepsi-cola. This research paper is basically a comparative study of two well known competitors in beverage industry of Pakistan which are Pepsi Cola & Coca Cola. The primary purpose of this paper is to find out which company is leading the market. This research required us to conduct the consumer research on why they chose the drink. To find out the factors & reasons that influence to choose their preferred drink.

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1. INTRODUCTION & LITERATURE REVIEW

The world's soft drinks market is totally subject by just two players: - Coke & Pepsi. Coke, 'The genuine thing' other than a century old was born eleven years more on of its competitor & a century later on, still maintains the original lead. Pepsi, 'The challenger', even now poses as the hurried, young upstart & is struggle the cola was as the drink for the younger age group.

The tale of Coke was 1st geared up by pharmacist John Styth Pemberton in 1886. at first, the drink was introduced in Atlanta, Georgia, & was sell for five cents. In 1886, sales of Coke averaged 9 drinks per day. In 1891, Atlanta entrepreneur Asa G C&ler acquire entire ownership of the Coke business & in 1919; The Coca Cola alliance was sold to a set of investor for twenty five million. In the history 112 years, Coke has surrounded itself into American society. In 1994, the American consumption was further than 773 million helping of Coke, diet Coke Sprite, Fanta, & other foodstuffs of The Coca Cola Company.^[1]

The company's beverage products consist of bottled & canned beverages produced by independent & company owned bottling & canning operations. A variety of products of the business are Coke, Coca Cola classic, diet Cherry Coke, caffeine free Coca Cola classic, diet Coke, caffeine free diet Coke, Cherry Coke Fanta & soft drinks, Sprite, diet Sprite, Mr. PiBB, Mello Yellow, TAB, Fresca, caffeine free Coca Cola, Barq's root beer & other flavors, Surge, PowerAde, Fruitopia, Minute Maid flavors, Saryusaisai, Aquarius, Bonaqa & other products developed for particular countries,

including Georgia & ready-to-drink coffees. The Minute Maid Company, with operations first & foremost in the US & Canada, produces, distributes & markets mainly juice & juice-drink products, as well as Minute Maid & products; Five lively & refreshment beverages; Bright & breakfast beverages; Bacardi & tropical fruit mixers & Hi-C & geared up to serve fruit drinks. The mainly fashionable company of the US at currency value is \$ 17 billion.

The tale of Pepsi-Cola was shaped in the late nineties by pharmacist Caleb Bradham, & Frito-Lay Inc was created by the 1961 joining of the Frito Company, establish by Elmer Dolin in 1932, & the H W Lay Company, found by Herman W Lay, also in 1932. PepsiCo Inc was found in 1965 by Donald M Kendall, president & chief executive officer (CEO) of Pepsi-Cola & Herman W Lay, chairman & CEO of Frito-Lay, through the merger of the two companies. Herman Lay is chairman of the board of directors of the new business; Donald M Kendall is President & CEO. The company from its beginning had strong on the diversified portfolio of products. With sales of \$ 510 million & 19,000 staff, the products of the new corporation were Pepsi Cola, Diet Pepsi, Mountain Dew, Fritos & corn chips, Lay's & potato chips, Cheeotos & cheese flavored snacks, & Ruffles & potato chips & Rold Gold & pretzels.^[2]

In the year 1984 with a move to merge core businesses, PepsiCo was restructured to focus on its 3 businesses: soft drinks, snack foods & restaurants. Transportation & sporting cargo businesses were sold off. At current, Pepsi-Cola products are offered in nearly 150 countries & territory all over the world. Snack foods operations are in 10 inter- national markets. At present, Pepsi-Cola is a \$22 billion company with approximately 140,000 employees worldwide.

In 1886, when Atlanta & Fulton County approved prevention legislation, Pemberton responded by increasing Coca Cola, basically a non alcoholic edition of French Wine Coca.^[3] The 1st sales were at Jacob's Pharmacy in Atlanta, on May 8, 1886.^[4] It was at the begin sold as a patent medicine for five cents a glass at soda fountain, which is well liked in the United States at the occasion due to the trust that carbonated water was fine for the fitness. Pemberton claims Coca Cola cure many diseases, comprise morphine addiction, impotence, dyspepsia, headache, & neurasthenia. Pemberton run the 1st advertisement for the beverage on 29th May of the similar year in the Atlanta Journal.^[5]

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In 1888, 3 versions of Coca Cola sold by 3 part businesses were on the market. Asa Griggs C&ler obtain a stake in Pemberton's corporation in 1887 & integrated it as the Coca Cola business in 1888. The similar year, while suffering from an constant habit to morphine,^[6] Pemberton sold the rights a 2nd time to 4 extra businessmen: J.C. Mayfield, A.O. Murphy, C.O. Mullahy & E.H. Bloodworth. In the meantime, Pemberton's alcoholic sons Charley Pemberton start selling his personal story of the manufactured goods.

In 1892 C&ler integrated a second company, The Coca Cola Company, & in 1910 C&ler had the earliest report of the company burn, further obscuring its lawful origins. By the position of its 50th anniversary, the drink had reached the position of a nationwide icon in the USA. In 1935, it was expert kosher by Rabbi Tobias Geffen, later than the company made tiny changes in the sourcing of some ingredients.^[7]

On April 23, 1985, Coca Cola, among lot publicity, attempted to modify the method of the drink with "New Coke". Follow-up taste test showing that the majority consumers favored the taste of New Coke together Coke & Pepsi, but Coca Cola administration was not ready for the public's wistfulness for the older drink, leading to a criticism. The company gave in to protests & returned to a difference of the old formula, below the name "Coca Cola Classic" on 10 July, 1985.

On 7th February, 2005, the Coca Cola Company publicize that in the 2nd quarter of 2005 they designed to start a Diet Coke product sugared with the artificial sweetener sucralose, the similar stimulus at present use in Pepsi One. On 21 March, 2005, it announces 1 more diet product, Coca Cola Zero, sweetened to a certain extent with a mix of aspartame & acesulfame potassium. In 2007, Coca Cola begin to put up for sale a innovative "healthy soda" Diet Coke with vitamins B12, niacin, magnesium, and B6, plus zinc, marketed as "Diet Coke Plus."

In November 2009, due to a clash over general prices of Coca Cola products, Costco closed restocking its shelves with Coke & Diet Coke, However, some Costco locations (like the ones in Tucson, Arizona sell imported Coca Cola from Mexico.^[8]

In 1903, Bradham motivated the bottling of Pepsi-Cola from the drugstore to a borrowed storehouse. This year, Bradham sold 7,968 gallons of syrup. The next year, Pepsi sold in 6 ounce bottles & sales better to 19,848 gallons. In 1909, automobile race establish Barney Oldfield was the first celebrity to endorse Pepsi-Cola, telling it as "A bully drink refreshing, refreshing, a fine bracer before a race." The advertising idea "Delicious & Healthful" was then used over the next two decades. In 1926, Pepsi expected its 1st logo redesign since the unique drawing of 1905. In 1929, the logo was altered once more.

In 1931, at the depth of the Great Depression, the Pepsi-Cola Company entered bankruptcy in

outsized part due to financial losses incur by speculate on eccentricly changeable sugar price as a consequence of World War I. Property were sold & Roy C. Megargel buy the Pepsi trademark. 8 years later, the company went bankrupt another time. Pepsi's resources were then purchase by Charles Guth, the President of Loft Inc. Loft was a c&y creator with put up for sale stores that contained soda fountains. He requisite replace Coca Cola at his stores' fountains subsequent Coke refuse to give him a price cut on syrup. Guth then had Loft's chemists reformulate the Pepsi Cola syrup formula.^[9]

On three separate occasions between 1922 & 1933, the Coca Cola Company was offered the chance to buy the Pepsi Cola company & it declined on each occasion.^[10]

II. METHODOLOGY & EMPIRICAL RESULTS

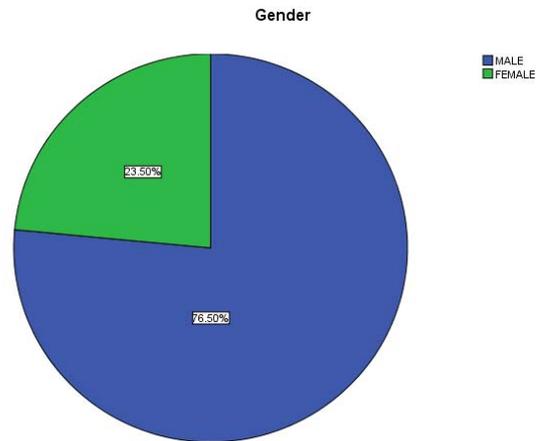
A total of 400 samples were selected from different population. The samples should be such that the consumer of cola drinks. We also tried to get an adequate ratio of men & women in the samples. The main demographic targeted were the younger age group as they are more conscious & aware about the brand. Also we tried to focus more on students & young professionals as they would be more interested in trying out new products & were more conscious.

Buyers who have been consuming cola drinks were better able to answer the questions regarding the influencing factors & the reasons for their consumption & purchase.

Simple random sampling was use in this study. In this study population was divided into mainly four samples that were found as follows:

- Sample 1: (Students)
- Sample 2: (Employees)
- Sample 3: (Businessman)
- Sample 4: (Labor)

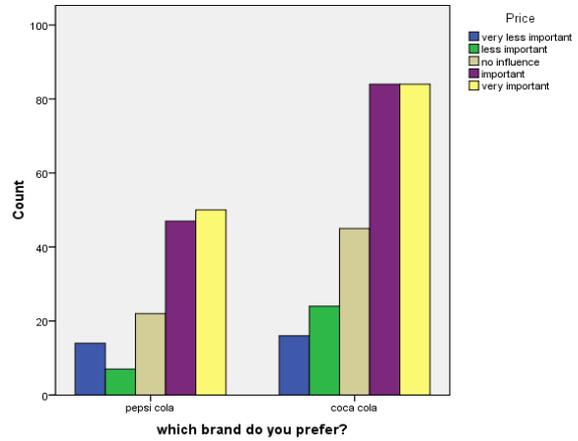
Questionnaires were distributed to sample and after few minutes questionnaires were collected.



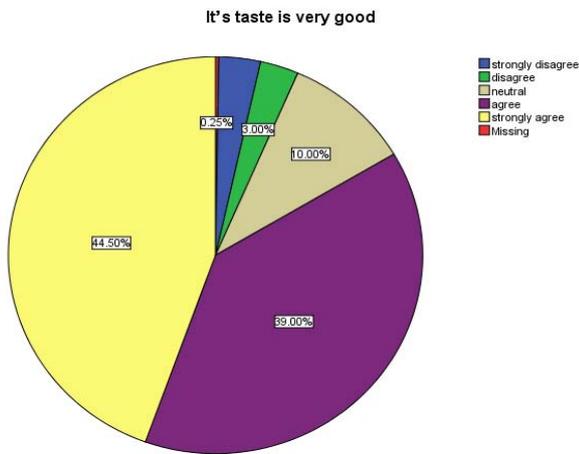
The Pie Chart shows that we have collected data from 76.50% males & 23.50% females.



This Bar chart shows that out of 400 questionnaires 259 prefer Coca Cola & 141 prefer Pepsi-cola no value was missing which means 64.75% people prefer Coca Cola & 35.25% prefer Pepsi-cola.



This Bar chart shows that price is an important factor to choose the brand according to our study.



In this Pie chart 44.50% sample is strongly agree that the taste of their preferred cola is good, 39.00% only agree, 10.00% people neutral, 3.00% disagree & 0.25% strongly disagree with this statement.

Gender vs preferred cola

| Count | | which br& do you prefer? | | |
|--------|--------|--------------------------|-----------|-------|
| | | pepsi cola | coca cola | Total |
| Gender | MALE | 102 | 204 | 306 |
| | FEMALE | 39 | 55 | 94 |
| Total | | 141 | 259 | 400 |

Chi-Square Tests

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|--------------------|----|-----------------------|----------------------|----------------------|
| Pearson Chi-Square | 2.096 ^a | 1 | .148 | | |
| Continuity Correction ^b | 1.754 | 1 | .185 | | |
| Likelihood Ratio | 2.063 | 1 | .151 | | |
| Fisher's Exact Test | | | | .174 | .093 |
| Linear-by-Linear Association | 2.091 | 1 | .148 | | |
| N of Valid Cases ^b | 400 | | | | |

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 33.14.

b. Computed only for a 2x2 table

Table 1 is shows that When comparing gender versus preferred cola 102 male preferred Pepsi & 204 Coke while 39 female preferred Pepsi & 55 Coke since p value is greater than 0.05 therefore there is no association between preferred cola & gender.

Table 2

| Age | | |
|------------------------------------|---------------|---------|
| Questions | No of Samples | P-value |
| Which br& do you prefer | 393 | 0.000 |
| From whom do you buy cola | 390 | 0.000 |
| What quantity do you prefer to buy | 393 | 0.000 |
| It's satisfy my basic thirst | 385 | 0.012 |
| Frequency of advertisement | 387 | 0.006 |
| Br& ambassador | 385 | 0.001 |
| Br& value/Br& name | 387 | 0.004 |

Question of table 2 are associated with age in which some questions p value is 0.000 which is highly associated with age so H0 is rejected & H1 is accepted.

Table 3

| Average Income | | |
|--|---------------|---------|
| Questions | No of Samples | P-value |
| From whom do you buy cola | 275 | 0.002 |
| How often do you have drink cola | 276 | 0.044 |
| What quantity do you prefer to buy | 276 | 0.006 |
| Which is your most preferred channel for purchasing this drink | 276 | 0.027 |
| It's provide enjoyment | 276 | 0.032 |
| Flavor | 273 | 0.049 |
| Cleanliness of bottles/not damaged | 272 | 0.015 |
| Manufacture & expire date | 274 | 0.018 |
| Br& value/Br& name | 270 | 0.033 |

Questions of table 3 are associated with average income because there p value is less than 0.05 so here our null hypothesis is rejected & alternative hypothesis is accepted.

III. CONCLUSION

According to this research 259 sample prefer to drink coca cola out of 400 & 149 prefer Pepsi cola. One of the reasons is that people like Coca cola as it taste is very good. Another reason is that Coke also acts as refreshment to our sample which influence on them to preferred coke. Price is also very important factor that influence to choose their preferred brand. Frequency of advertisement is also important factor for coke customer to choose their brand. It will be also notice in our study that promotion scheme & discount are also important to purchase their preferred brand. Mostly people come to

know about their preferred brand through advertisement on TV so people who watch TV are more aware of their preferred cola as compare to other medium of advertisement. Availability of convince is also important factor to choose the proffered brand. The customers of Coca Cola give importance to the brand ambassador while Pepsi-cola customers have no influence on brand ambassador. Coca cola customer are think that it is not only used to fill their basic thirst but also for other purposes while Pepsi cola customer think that there preferred cola is important because it fill their basic thirst. Both brand customer think that manufacture & expire date is very important so that they proffered there cola according to their perspective. Thus Pepsi have to work more to compete with Coke & to lead the market.

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