

COCA-COLA & PEPSI: THE WAR OF GIANTS

There are two types of wars that will never finish. They are information war and the war between competitors.

Everybody who works in a world of business are feeling business struggle all the time. It can either fair battle or not. But the one of the most rough competitive wars is Coca-Cola v.s. Pepsi battle. You can hardly find the tougher one. It is not just bloody aggression you when competitors bet in the dark all they have. When did this competition begin? Why did it turn into "Giants' war"? Why does Coca-Cola is always one step ahead?

The most interesting things is that between Coca-Cola and Pepsi taste almost identical. If you close your eyes, you won't find any difference between them. But if you open your eyes, will probably choose Coca-Cola after all. You can always find Coca-Cola in every bar or cafes, malls etc. It means that the war is not about taste but about marketing and advertisement.

First of all those two drinks are very different because of brand. What can explain this business struggle as at the early fifties those two brands were at the same top position?

The advertisement is a quite aggressive thing. If Brand 1 wants to be the best brand, it needs to destroy Brand 2 by creating bright and distinguished videos. Brand 1 must be contrastive. As for the first example, if Coca-Cola emblemizes Christmas and Santa Claus, Pepsi decided to symbolize summer. They launched new slogan "The summer is Pepsi time". That was very clever way to take away the Coca-Cola's audience in the summer. Thus, we can see that Coca-Cola plays with timeless values that are much stronger than new young heroes or fashion trends of Pepsi.

The youth is growing old and changes its tastes. That is why Pepsi needs to reconsider its target audience each year. But Coca-Cola just keeps its usual program for already existing consumers' groups. But if too look from other angle, Pepsi has other interesting promos as working with ethnic groups or environment-friendly policy. Pepsi has launched new bio and fitness products line recently.

As Internet is one of more powerful media now, the war between Coca-Cola and Pepsi started to grow at social network platform.

Both Coca-Cola and Pepsi started a new page in their histories in 2010. They announced about their new program of direct communications with consumers. That was a change in the whole marketing basis that required a new strategy and new way of thinking. From that moment they concentrated on social network to be closer to people and to gain confidence of their direct clients. This way they wanted to receive fast feedbacks from consumers and to use them to build further marketing strategy. But if PepsiCo started to develop social network platform, Coca-Cola started its "4R" marketing strategy that was created to succeed in a social marketing market.

Coca-Cola announced about new strategy in 2010. It should have been aimed on creating consumers' loyalty. You must have heard about Democracy and Pepsi Refresh Project.

Pepsi Refresh Project was made for ideas promotion. People should have written their ideas about development of world industry or technologies that could influence on society. PepsiCo invested about \$20,000,000 in this project.

In order to build up audience's interest to Coca-Cola's products in social network they created a new strategy so-called "4R". It included the following steps.

1. Review. It was a monitoring and destroying of negative attitude to Coca-Cola brand.

2. Respond. That was the constantly lasting process for creating a dialog and gathering the feedbacks from the audience in social network. As a result, the new methods should keep the interest of network users. They needed to take part in different promo projects and to visit Coca-Cola's profile over and over again.

3. Record. That was a creating of interesting media material in the most popular internet canals as Youtube, Twitter, Facebook, Digg etc. In this case serious information tasted as comedy that unnoticeably brought interest of audience to Coca-Cola's hands.

4. Redirect. That was a spreading of information using SEO and SMM methods (messages exchange, search optimizing, posting exchange, virus marketing and many others).

To sum up the results of this ineffective 100-year war, we can say that PepsiCo lost the first battles but its position became stronger each year. It can happen that Pepsi will become more popular in future. But Pepsi must create something truly amazing and new to overcome Coca-Cola's family values and traditions. But for now all the marketing specialists can take this War of Giants as a model.