Marketing Strategies In The Indian Soft Drinks Industry- A Case Study of PepsiCo And Coca-Cola Limited

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INTRODUCTION

The Indian soft drinks industry has witnessed a radical change in the last few years. In India, after the exit of Coke in 1977, Parle and Pure drinks controlled the soft drinks market. By the end of 1970s, Campa Cola was practically alone in the cola market. Parle introduced Thums Up in the beginning of 1980s. Until 1991, the domestic market was ruled by Parle, with a 60% market share. Its 3 brands - namely Thumps Up, Gold Spot and Limca were the undisputed leaders. The regional brands took up the remaining market.

But the market scenario changed drastically when in 1991, Pepsi Foods Limited (PFL) made an entry in India. Since then, the face of Indian soft drinks industry has changed completely. Today, the soft drinks industry in India is dominated by two major players - Pepsi and Coca Cola Limited. Like each industry, this industry too has its own contours of strategies. In the current research paper, effort has been made to identify and elaborate upon the strategies used by these two major players in the Indian market.

MEANING OF STRATEGY

Strategy of a business enterprise consists of what management decides about the future direction and scope of the business. According to Thompson and Strickland, "A company's strategy consists of the combination of competitive moves and business approaches that managers employ to please customers, compete successfully, and achieve organizational objectives." Strategic decisions are mainly concerned with the selection of product-mix which a company may produce and the market in which it may sell its products.

The Levels At Which Strategies Have Implications Are:

1. Corporate Level Strategies : At the corporate level, strategic decisions relate to organization-wide policies. These are most useful in multi-division companies. These strategies are more value-oriented, conceptual, futuristic, innovative and pervasive, but less concrete. It includes major policies like diversification, mergers and structural redesigning.

2.Business-Unit Level Strategies: At the business level, the concern of decision makers is more with the immediate industry or product market issues. It also seeks to integrate the policies of functional units. These strategies try to translate the general statements of direction at the corporate level into concrete functional objectives and objectives for strategic business units (SBUs). It includes policies on new product development, personnel, research and development etc. These strategies apply to the individual businesses within the firm.

3. Functional Level Strategies : It involves decision making with respect to functional areas i.e, production, marketing, personnel and finance. These are often defined as tactical decisions. But these decisions are guided by corporate strategies and business-unit strategies.

4. Operational Level Strategies : It is concerned with initiatives for managing operating units like plants, sales districts etc. Handling of the day to day tasks of strategic significance like advertising campaign, inventory control etc., come under the scope of operating level strategies. These strategies add detail and completeness to functional strategies.

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OBJECTIVES

The objectives of the study are:

1. To study some of the major strategies implemented by the soft drink companies (Coca- Cola Ltd. & Pepsi Foods Ltd.).

2. To know about the effect of these strategies.

RESEARCH METHODOLOGY

SOURCES OF DATA

PRIMARY DATA

In this research, the primary data has been collected through survey method. Data was collected from both consumers and retailers. Questionnaires were used to collect data. The survey was conducted in Faridabad district of Haryana. Sampling procedure adopted was convenience sampling. 140 questionnaires were printed and distributed to consumers. Questionnaires filled by consumers were 120 in number, out of which, 110 were completely filled. Retailers were also surveyed. Number of questionnaires printed and distributed to retailers were 65 in number. Out of these, 51 completely filled in questionnaires were received by the researchers.

SECONDARY DATA

The secondary data was collected through Newspapers, Journals, Magazines, Reference Books and Internet.

RESEARCH ANALYSIS

The analysis has been done in a very simple manner. The use of jargons in the analysis has been kept to a minimum level. Tables have been used to present survey results in an easy to understand manner.

MAJOR PLAYERS IN THE SOFT DRINKS INDUSTRY

The major players in the soft drinks market in India are Coca- Cola and PepsiCo. India is one of the top five markets in terms of growth of the soft drinks market. The per capita consumption of soft drinks in the country is very low as compared to the per capita consumption in USA. But by being one of the fastest growing markets and by the total volumes, India is a promising market for soft drinks.

Soft drinks industry scenario the world over is almost the same with two major player's i.e, Coca- Cola and PepsiCo. The other major player in the industry is Cadbury-Schweppes along with some local players in individual countries. The major components of the industry consists of concentrate manufacturing, bottlers and the sales and distribution network of the companies. The rules and responsibilities of each of them are different. The major activity taken up by the concentrate manufacturer relates to production of the basic product. This is then bottled by the bottling plants, which are mostly independent. These are subsequently sold through the established distribution set ups of the respective companies.

COCA-COLA LIMITED

COCA -COLA IN INDIA

India was a British colony since 1769. India gained its independence in 1947 under the leadership of Mahatma Gandhi and his principles of non- violence and self-reliance. In the decades that followed, self reliance was taken to the extremes as many Indians believed that economic independence was necessary to be truly independent. As a result, the economy was increasingly regulated and many sectors were restricted to the public sector. This movement reached its peak in 1977 when the Janta Party government came to power.

Coca-Cola was the leading soft drinks brand in India until 1977, when it left rather than reveal its formula to the government and reduce its equity stake required under the Foreign Exchange Regulation Act (FERA). After a gap of 16 years, Coca- Cola returned to India in 1993.

Coke has a portfolio of more than 3,000 beverages which ranges from diet and regular sparkling beverages to still beverages such as 100 percent fruit juices and fruit drinks, waters, sports and energy drinks, teas and coffees, and milk- and soy-based beverages.

COCA- COLA : MILESTONES

Year	Major Event
1886	Coca-Cola was created in 1886 by John Pemberton, a pharmacist in Atlanta, Georgia, who sold a syrup mixed with fountain water as a potion for mental and physical disorders. The formula changed three more hands before A.D. Candler added carbonation to it.
1895	Coca-Cola was being sold in every state and territory in the USA.
1887	Coca-Cola was registered as a trademark.
1899	Coca-Cola franchised its bottling operations in the U.S.
1906	Coke's first international bottling plant opened in 1906 in Canada, Cuba and Panama.
1910	Coca-Cola grew quickly to reach 370 franchises .
1920s	By the end of 1920s, CocaCola was bottled in 27 countries throughout the world and was available in 51 more countries. In spite of this reach, volume was low quality and inconsistent and effective advertising a challenge with language, culture and government regulation all serving as barriers. Bottles, caps, machinery, trucks and personnel contributed to Coke's challenges as well along with lack of standard processes and degrading training quality.
1941	The Second World War proved to be the stimulus Coca-Cola needed to build effective capabilities around the world and achieve dominant global market share. The then CEO, Robert Woodruff's patriotic commitment that "Every man in the uniform gets a bottle of Coca-Cola for five cents, wherever he is and at whatever cost to our company" worked wonders for the company. As a result of Coke's status as a military supplier, Coca -Cola was exempted from sugar rationing and it also received government subsidies to build bottling plants around the world to serve World War II Troops.
2003	Coca-Cola was generating 70% of its income from outside the United States.
2008	Coca-Cola was generating 85% of its income from outside the United States.

PEPSICO
PEPSICO IN INDIA

In June 1990, Pepsi was launched in India under the brand name of Lehar Pepsi. Pepsi was marketed as Lehar Pepsi until 1991. Till this time, the use of foreign brands was not allowed. Under the new economic policy, foreign brands were allowed in India. Pepsi took full advantage of liberalization policies of the government and set up a new company in India called PepsiCo India Holding Private Limited. It was a wholly owned subsidiary. Pepsi ultimately bought out its partners, becoming a fully owned subsidiary and ending the joint venture relationship in 1994. India is probably the only market where Pepsi is the market leader with maximum market share and Coke trails Pepsi.

According to a news report in ET dated 9th July, 2009, PepsiCo recorded a 30% growth in 2009 against 12% in the same quarter in 2008. This is good news for the Cola major in the wake of the ongoing recession. PepsiCo scaled up its investment in the beverages business to about Rs 1,000 crore ($220 million) in 2009. This was the biggest investment in a single year by the company in beverages. The new investments will be infused in upping manufacturing capacity, infrastructure (like developing racks and coolers), and innovation on new products and R&D among other things.

PEPSICO:MILESTONES

Year	Major Event
1898	Pepsi was first introduced in North Carolina by Caleb Bradham. Caleb used to make it at his pharmacy which sold the drink. Back then, it was known as "Brad's Drink" and was later named Pepsi Cola.
1903	Bradham moved the bottling of Pepsi-Cola from his drugstore into a rented warehouse. That year, Bradham sold 7,968 gallons of the syrup. In this year only, Pepsi was officially registered at the US Patent Office.
1904	Pepsi was sold in six-ounce bottles, and sales increased to 19,848 gallons.
1905	Pepsi received its original logo design.
1926	Pepsi received its first logo redesign since the original design of 1905.
1929	Logo was changed again.
1931	Pepsi-Cola Company went bankrupt during the Great Depression. It was in large part due to financial losses incurred by speculating on wildly fluctuating sugar prices as a result of World War I. Assets were sold and Roy C. Megargel bought the Pepsi trademark.
1939	Pepsi-Cola Company went bankrupt again. Pepsi's assets were then purchased by Charles Guth , the President of Loft Inc. Loft was a candy manufacturer with retail stores that contained soda fountains. He sought to replace Coca Cola at his stores' fountains. Guth then had Loft's chemists reformulate the Pepsi-Cola syrup formula.

MAJOR STRATEGIES IMPLEMENTED BY COCA-COLA AND PEPSICO IN INDIA AND THEIR EFFECTS

1.Market Entry Strategy: In the year 1985, Pepsi tried to enter India when it teamed with the RPG Group. This proposal was rejected on the grounds that the import of concentrate could not be agreed and a foreign brand name could not be allowed. In the year 1988, Pepsi again floated a project. This time, the project was with Punjab Agro Industrial Corporation (PIAC) and Voltas India Limited and Pepsi succeeded this time. Finally in June 1990, Pepsi was launched in India under the brand name of Lehar Pepsi. Pepsi was marketed as Lehar Pepsi until 1991, when the use of foreign brands was allowed under the new economic policy. Pepsi took full advantage of liberalization policies of the government and set up a new company in India called PepsiCo India Holding Private Limited. It was a wholly owned subsidiary. Pepsi ultimately bought out its partners, becoming a fully owned subsidiary and ending the joint venture relationship in 1994. While the joint venture was only marginally successful in its own right, it allowed Pepsi to gain precious early experience with the Indian market. It also served as an introduction of the Pepsi brand to the Indian consumer such that it was well poised to reap the benefits when liberalization came.

Though Coke gained from Pepsi -creating demand and developing the market, Pepsi's head-start gave Coke a disadvantage in the minds of consumers.

Coca-Cola was the leading soft drinks brand in India until 1977, when it left rather than reveal its formula to the government and reduce its equity stake required under the Foreign Exchange Regulation Act (FERA). After a gap of 16 years, Coca Cola returned to India in 1993. The most strategic step taken by Coca Cola was the acquisition of Parle brands. With this step, Coke instantly had access to Parle's extensive 54 plant bottling as well as pre- set distribution network. This step gave Coke an overnight lead over rival Pepsi, which had come almost 5 years earlier than Coke. Coke's acquisition of local popular Indian brands including ThumsUp (the most trusted brand in India), Limca, Maaza, Citra and Gold Spot provided not only physical manufacturing, bottling, and distribution assets but also strong consumer preference. This combination of local and global brands enabled Coca- Cola to exploit the benefits of global branding and global trends in tastes while also tapping into traditional markets. Leading Indian brands joined Coke's international family of brands including Coca- Cola, Diet Coke, Sprite and Fanta.

2.Sales and Distribution Strategy: Although Coca -Cola and Pepsi are premier marketing companies, the fundamental competitive advantage that allowed them to compete so effectively lies in their ability to operate through a very cumbersome distribution network. In western countries, a lion's share of the total sales of the product comes through fountain sales which are the most popular outlet in the west. But in India, the fountain sales outlet formed a very insignificant part of the sales revenue.

During the initial stage, both soft drinks majors used a network of independent bottlers to bottle their products in India. But the primary trouble with independent bottlers was that it was not possible to create an effective organization for operating a vertically integrated company with hundreds of geographically separated manufacturing units and local delivery operations. The problem was aggravated by the limited transportation and communication system available at that time and the lack of sophisticated management controls. This problem was partly solved for Coke by the acquisition of local brands which, as already mentioned, gave it instant access to 54 bottling plants and a pre- set distribution network.

Coca-Cola India produced its beverages with 7,000 local employees at its 27 wholly owned bottling operations, which were supplemented by 17 franchisee owned bottling operations and a network of 29 contract packers. The complexity of the consumer soft drink market demanded a distribution process to support 7,00,000 retail outlets serviced by a fleet that included 10-ton trucks, open-bay three wheelers, and trademarked tricycles and push carts that were used to navigate the narrow alleyways of the cities. Coca- Cola adopted a hub and spoke format distribution network ensuring that large loads travel a longer distance and small loads travel a shorter distance. The company had also decided to expand its retail network by 18 per cent during the financial year 2004-05, taking the total number of retailers to 1.3 million across the country. This is a significant increase from 6.5 lakh outlets for Coke and 6 lakh outlets for Pepsi in the financial year 2000.The survey throws light on one of the aspects of sales and distribution strategy, in which retailer support is required i.e. free home delivery.

Table 1 :Table Showing The Perception Of Consumers Towards Home Delivery Facility

Response	No. of Respondents	Percentage
Home delivery facility is required	77	70
Home delivery facility is not required	33	30
Total	110	100
Source: Survey		

The above table shows that 70% consumers think that home delivery facility is required; whereas 30% people think that it is not required. It shows that most of the respondents would want the retailers to provide the home delivery facility to deliver their favorite soft drink to their door step.

Table 2: Table Showing The Provision Of Home Delivery Facility To Consumers

Response	No. of Respondents	Percentage
Home delivery facility is available	57	51.8
Home delivery facility is not available	53	48.2
Total	110	100
Source: Survey		

The survey results show that more than half the consumers responded that free home delivery facility is available to them. In Table 1, we have already seen that 70% respondents felt that home delivery should be made available; whereas only 51.8% respondents are actually getting this facility. So this means that there is a gap between the demand for and availability of home delivery system. This gap should be closed. Both the retailers and the company should recognize such gaps and fulfill customer demands effectively.

3. Segmentation Strategy : Pepsi had gone for concentration segmentation since the very beginning. Pepsi has targeted the youth engagement instead of trying to be something to all the segments. Pepsi, since the beginning, strove to achieve its international position as a soft drink for the “new generation”. It has succeeded in positioning itself for the younger generation. Pepsi's appeal focused on youth.On the other hand, when Coke entered India in 1993, it approached the market selling an American way of life. It failed to resonate as expected. Coca- Cola had kept on working for a very long time to make Coke available whenever and wherever consumers wanted it, “in arm's reach of desire”. This was planned with improved or innovative packaging, dispensing systems, distribution systems and marketing programmes.

4. Localization Strategy : As already mentioned, Coca Cola failed with the concept of selling the American way of life in India. Coca-Cola CEO Douglas Daft set the direction for the next generation of success with a “Think Local, Act Local Mantra”. Recognizing that a single global strategy or single global campaign wouldn't work, locally relevant executions became an increasingly important element of supporting Coke's global brand strategy. Coke's advertising and promotion strategy pulled the market plan together using local language and idiomatic expressions. “Thanda” meaning cool/ cold is a generic for cold beverages and gave “Thanda matlab Coca- Cola” delicious multiple meaning. It literally translated to “Coke means refreshment”. As a result of the Thanda Matlab Coca - Cola campaign, Coca- Cola won Advertiser of the Year and Campaign of the Year award in 2003.

5. Rural Focus Strategy : Sanjiv Gupta, President and CEO of Coca- Cola India, joined Coke in 2007 as Vice President, Marketing. He was instrumental to Coke's success in developing a brand relevant to the Indian consumer and in tapping India's vast rural market potential. The foundation of the new strategy in 2007 grounded brand positioning and marketing communications in consumer insights. It acknowledged that Urban versus Rural India were two distinct markets on a variety of important dimensions. Some of these dimensions are soft drinks' role in people's life, the degree of differentiation between the consumer segments, reasons for entering the category, degree to which brands in the segment projected different perceptions to consumers, how rural and urban consumers approached the market for refreshment. Coke realized that unique marketing strategies were required for rural and urban India.

In rural markets, where both the soft drink category and individual brands were underdeveloped, the task was to broaden the brand positioning. Coca- Cola India believed that the first brand to offer communication targeted to the

smaller towns would own the rural market. It went after that objective with a comprehensive strategy.
For Coca- Cola, “India B” included small towns and rural areas, which comprised of 96% of the nation's population. This segment's primary need was out-of-the-home thirst-quenching and the soft drink category was undifferentiated in the minds of the rural consumers. Coke was made affordable by the introduction of a new 200 ml bottle at half the rate of 300 ml bottle i.e. at Rs. 5. At the same time, Coke invested in distribution infrastructure to effectively serve a disbursed population and doubled the number of retail outlets in rural areas from 80,000 in 2001 to 1, 60,000 in 2007, increasing market penetration from 13% to 39.5%. The localization strategy mentioned above in which Coke used the slogan “Thanda matlab Coca Cola” was also addressed to the rural segment. This segment was expected to account for 50% of Coke's sales in April 2008.

6. Urban India Strategy : “India A” was the designation that Coca-Cola gave to the market segment including metropolitan areas and large towns. It represented 4% of India's population. The task in urban market, which had higher category consumers and brand development, was to narrow the brand positioning as also focusing on differentiation through offering unique and compelling value. This segment sought social bonding as a need and responded to inspirational messages celebrating the benefits of their increasing social and economic freedom. “Life ho to aisi” was the successful and relevant tagline found in Coca Cola's advertising to this audience. As a result, the company's sales turnover increased by 2.4 billion from 2004 to 2005.

Table 3: Table Showing Frequency Of Customers Watching Advertisements Of Soft Drinks

Response	No. of Respondents	Percentage
Watch Ads	106	96.4
Do Not Watch Ads	4	3.6
Total	110	100
Source: Survey		

The above table shows that a huge percentage of people were surveyed i.e. 96% respondents who watch ads.

Table 4: Table Showing The Recall Of Punchline “Life Ho To Aisi” With The Particular Brand

Response	No. of Respondents	Percentage
Coke	83	78.3
Pepsi	20	18.9
Others	3	2.8
Total	106	100
Source: Survey		

The above table shows that most of the respondents i.e. 78.3% were able to correctly recall the Coke Ad and associated the slogan with the particular brand. This slogan was used to give a social bonding to all metropolitan areas and large towns. The above two tables show that a lot of people watch advertisements and many recall the ad correctly. This means that advertising is effective and advertising expenditure may be increased.

7. Sales Promotion Strategies: Pepsi used multiple sales promotion strategies for:

i. For bottles of 300ml
ii. For bottles of 1 litre
iii. For cans
iv. For Fountain Pepsi

SALES PROMOTION STRATEGY FOR BOTTLES OF 300ML

Letters from the alphabet were printed inside the cap of the bottles. Consumers were asked to combine the letters and form the slogan of the respective drink.
Example: Print letters A,D,I,K,L,Z.
To form the slogan “Azaadi Dil Ki”
Prize: On successful formulation of the slogan, a customer got a free gift of a Magna sound cassette of at least one hit English album, so that after getting one cassette, the consumer would like to get more cassettes.

ADVANTAGES

1. Low cost strategy would enhance sales in the short run.
2. Major customers i.e. youth and children would be able to form the slogan.
3. This would help consumers to remember the slogan which would further popularize the drink amongst consumers.
4. The slogan being short will apparently look easier to form.
5. It would help to build repeat purchase loyalty among youth and children.
6. Additional sales would generate extra profit, which would pay for the entire cost of advertising.

LATEST SALES PROMOTION STRATEGY OF COKE

Coca-Cola India announced the launch of its innovative **'Limca 'Laptop Ki Barish'** consumer initiative nationally on 30th July, 2009. As part of this unique initiative, a computer generated lucky draw would provide consumers a chance to win "**HP Mini Laptop" every hour for the next 45 days**. The initiative was applicable to **200ml, 300ml returnable glass bottles (RGB) and also on 500 ml, 600 ml 1.25, 1.5, 2 & 2.25 liters PET bottles of Limca**. As part of the under the crown initiative, consumers just needed to **SMS "LIMCA"** followed by a **9 digit unique code** to **58558** from their GSM / CDMA mobile phones. Additionally, consumers also had the option to Call 186 0233 0233 and register their code through an Interactive Voice Response System (IVRS). The exciting initiative also provided consumers with an opportunity to win cash prizes of various denominations - applicable on 200 ml & 300 ml returnable glass bottles (RGB) of Limca. The national initiative was designed to leverage the popularity of digital media like mobile phones (Both GSM & CDMA & IVRS), internet and laptops amongst soft drink consumers and ran from 1st August to 14th September, 2009.

The initiative also supported the 'Goal 511' of Manufacturer's Association for Information Technology (MAIT) for reaching out to 500 million internet users, 100 million broadband connections and 100 million connected devices by 2012. This was an innovative platform to engage the youth through their key passions - mobile phones, internet & laptops and provide them with an opportunity to win 'HP Mini' Laptop every hour. The latest initiative was supported by an innovative communication using 3D Animation designed to complement the core idea of Limca - 'Freshness of Emotions'. One-of-its-kind initiative was a step towards enhancing mobile computing and internet penetration amongst consumers in the country; and was rolled out from 1st August to 14th September, 2009.

To create awareness about 'Limca Laptop Ki Barish' digital initiative, the company also launched an innovative and clutter breaking 3D animation film. The communication using cutting edge 3D animation designed to further build upon Limca's core idea of water-like-freshness complimenting the dimension of freshness of human emotions - 'Fresh Ho Jao'. The unique communication was conceptualized by Ajay Gahlaut, Executive Creative Director, Ogilvy & Mather, Delhi and was directed by Sudip Bandyopadhyay of Thumbnail Pictures. The animation was executed by Pixion.

Table 5: Table Showing The Percentage Of Customers Taking Benefit Of Sales Promotion Schemes To Consumers

Response	No. of Respondents	Percentage
Sales Promotion Schemes are Available	66	60
Sales Promotion Schemes are not Available	44	40
Total	110	100
Source: Survey		

The survey shows that 60% of the respondents take benefit of sales promotion schemes, whereas the rest 40% of the respondents do not take any benefit of the sales promotion schemes offered to them- such as extra ml offered to them, free gift coupons etc. This shows that many customers are still not being attracted towards the sales promotion schemes offered to them. Hence, the companies may seek to identify other innovative schemes for wooing such customers.

8. Trade Promotion Strategies : These strategies are run for the retailers. Retailers are offered trade-schemes like certain number of bottles free per case, display schemes, target schemes and other benefits like installation of refrigeration facilities, putting up of glow signs, painting of their walls, upgrading existing refrigeration facilities, filling of their walls, giving them umbrellas and sunshades. Both the soft drink majors (Coke and Pepsi) try to make their products available wherever people tend to gather -like railway stations, bus stops, near large offices and movie halls. Both the companies took up shop decorating programs with its numerous point of purchase display. Visi coolers are another tool for sales promotion. A retailer gets a visi cooler from the company on a security basis. In return, they get benefits from company i.e. less cost or discount per crate. A retailer can keep the product of the same company in the respective visi cooler and not of any other brand.

Table 6: Table Showing The Percentage Of Retailers Getting Trade Promotion Schemes

Response	No. of Respondents	Percentage
Trade Promotion Schemes are Available	51	100
Trade Promotion Schemes are not Available	0	0
Total	51	100
Source: Survey		

The survey results show that all the 51 retailers were getting benefits in form of trade promotion schemes- like sign boards, visi coolers, banners, chairs and tables. Companies are reaching out to the retailers to provide them with these promotional tools. It will go a long way in fostering healthy relations between the companies and the retailers.

9. Pricing Strategy : In rural areas, where the average daily wage is around Rs. 100, and whereas the cost of a bottle of Coke was Rs. 10, affordability was a big issue. It was perceived as a luxury that only a few customers could afford to purchase. In an effort to make the price point of Coke within the reach of this high potential market, Coca-Cola launched the Accessibility campaign. It introduced a new 200ml bottle, smaller than the traditional 300ml bottles. Coke also cut the price to half i.e. Rs 5. This pricing strategy closed the gap between Coke and basic refreshments like lemonade and tea. This made soft drinks truly accessible for the first time for rural consumers.

10. Product Line Strategy : A product line refers to a group of products that are closely related either because they satisfy a class of need, are used together, are sold to the same customer group, are marketed through the same type of outlets, or fall within given price ranges. Mainly, these soft drinks are sold in 200ml, 300ml, 500ml plastic bottle, 2 litre bottle and in tin cans. The following table shows the consumer preference for these various options.

Table 7: Table Showing Consumer Preference For Various Sizes Of Soft Drinks

Option	No. of Respondents	Percentage
200 ml bottle	10	9.1
300 ml bottle	38	34.5
500 ml bottle	24	21.8
2 liter bottle	20	18.2
Tin cans	18	16.4
Total	110	100

It is very clear from the above table that the most preferred size is the 300 ml bottle followed by the 500 ml bottle. The companies should be careful that the supply of these two bottle sizes should always be stringently monitored and it should not fall below the actual demand.

CONCLUSIONS AND SUGGESTIONS

The above mentioned strategies were some of the major strategies which the two prominent players in the soft drink industry in India i.e. Coke and Pepsi employed after their respective entry in India. In fact, it also covers their entry strategies. Both the players have tried to capture a large chunk of the Indian soft drinks markets -sometimes in different ways and sometimes in same ways. India is probably the only market where Pepsi is the market leader and Coke occupies the second spot. The Early Entry Advantage reaped by Pepsi has been serving it well till now.

SUGGESTIONS

1. The survey results show that though 70% respondents feel the need for home delivery facility, but only a little over 50% of respondents are getting this facility. The companies and the retailers should work on this area. The service gap should be closed so that more sales could be achieved.

2. The survey results show that all the retailers are getting trade promotion schemes from companies. But not all the schemes that are desired by a particular retailer are available to him. The company and the individual retailer should resolve this issue and better understanding should be developed between the two parties. This will help both- the retailers and the companies in the long run.

3. According to the survey, only 60% of the respondents avail the sales promotion schemes offered to them. Hence, it is clear that not all the customers are taking the benefit of sales promotion schemes. This needs serious thought**.** The Cola giants need to know as to why the rest of the consumers are not availing the benefits of the sales promotion schemes. The possible reasons may be that they are not attracted to the present schemes, or availing the benefits of the scheme may be a tough job for them, or the rewards of the scheme are not lucrative enough etc. The companies need to probe such and other possible reasons and try to come up with more attractive and innovative ways to further tap the market.

4. The survey results show that 96.4% respondents watch the ads. It also reveals that 78.3 respondents could correctly recall that "Aa Tu Jashn Mana Le" Ad was of Coke. This is a very high percentage of recall and it shows that advertising is effective. Hence, the company may increase advertising expenditure.

5. Coke's failure to sell the American way of life in its initial phase and the subsequent realization of its error was followed by the localization strategies which have been very successful for the Cola majors in India. This shows that with more innovative strategies and market research, many more customers can further be reached out. They can be switched to Colas from the traditional tea and lassi beverages in India.

6. Pepsi is the market leader in the soft drinks industry in India. Pepsi has been proactive in its approach right from the very beginning in India. The First Mover Advantage gained by Pepsi has been serving it well till now. But Coca**-** Cola is catching up fast. According to an ET Report, Coca**-** Cola's Thums Up and Sprite are now the top two brands among all aerated beverages. So no resting on laurels for Pepsi. Pepsi definitely needs to take this competition further.

7. Supply chain management has gained importance in India in the recent past. Both the companies can take the advantage of this recent development as far as India is concerned. By fostering better and long term relations with suppliers and partnering with them, both the companies would stand to gain.

8. As far as product line strategy is concerned, the survey results clearly show that the most preferred size is the 300 ml bottle followed by the 500 ml bottle. The companies should ensure that the supply of these two bottle sizes should not fall below the actual demand.

In future, many more strategies would follow from these two soft drink majors which would make for another interesting research.

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