

CONSUMER PERCEPTION TOWARDS THE PEPSICO SOFT DRINKS WITH SPECIAL REFERENCE TO CHENNAI

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

by

DEEPIKA P

Register No. 39410044



SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119**

April - 2021



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www.sathyabama.ac.in**

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of DEEPIKA.P 39410044 who have done the project work entitled **"A Study on Consumer Perception towards the Pepsico Soft Drinks with Special Reference to Chennai"** under my supervision from December 2020 to February 2021.

Dr. S.UMA MAHESWARI

Internal Guide

Dr. BHUVANESHWARI G.

Dean - School of Business Administration

Submitted for Viva voce Examination held on_____.

Internal Examiner

External Examiner

DECLARATION

I **DEEPIKA.P 39410044** hereby declare that the Project Report entitled “**A Study on Consumer Perception towards the Pepsico Soft Drinks with Special Reference to Chennai**” done by me under the guidance of Dr. S.UMA MAHESWARlis submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

SIGNATURE OF THE CANDIDATE

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ABSTRACT

The new economic policies of the Government of India adopted in the mid eighties were further impetus by the early nineties. The Indian market has undergone considerable change, as a direct consequence of many of these policies and soft drink industry is no exception to this. Keeping the above mentioned perspective in the background, the researcher has selected soft drink market, since the marketing task has become more challenging and intensive competition has opened up new vistas. Companies are evolving marketing strategies by studying the demands of the market place increasingly penetrating in to appropriate market segments introducing differentiated products to improve their market share. The soft drink market has achieved an accelerated growth in the past decade.

Soft drink includes all type of non-alcoholic, carbonated flavored or otherwise sweetened beverages. The entry PEPSI and the re-entry of COCA-COLA in the Indian market are inevitably facing stiff competition but the ultimate winner is customer/consumer. This has led the researcher to study the perception of consumers towards different brands of soft drinks and to gauge out the promotional strategies being adapted by marketers to lure promiscuous buyers and win a large share in the markets. The Cola wars are intensifying and bringing manifold changes in the soft drink industry. The researcher has conducted a detail survey, interpreting the responses to study the perceptions of the consumers. Now the people with changing life styles and increase income levels have made the soft drink a common man drink. Even though the existing system of marketing of soft drink has not tapped such a big market in the interiors of the countries specially the rural areas, as marketing in the sub urban and rural areas is developing slowly.

Despite the soft drink industry is growing at a very healthy pace and stands at 18% per annum. The market for cool drinks comprises of teens and youngsters in the 16-25 years age group who are largest consumers of the soft drinks in the country followed by 26-35 years age group people and adults in the age group of 35 and above, followed by the age group of below 15 years hence, companies must develop their product and marketing strategies to suit their wants and needs.

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CHAPTER - 1

INTRODUCTION

1.1 INTRODUCTION

A soft drink is a drink that usually contains carbonated water, and a natural or artificial flavoring. The sweetener may be a sugar, high-fructose corn syrup, fruit juice, a sugar substitute, or some combination of these. Soft drinks may also contain caffeine, colorings, preservatives, and/or other ingredients.

Soft drink has been part of American lifestyle for more than 100 years. Many of today's soft drinks are the same as the first ones enjoyed in the 1800's. Soft drink production begins with creation of flavored syrup using a closely guarded company recipe. The syrup is mixed with purified water and then carbonated by adding carbon dioxide gas under pressure. This carbonation creates the "tingle fizz" that gives soft drinks a refreshing taste. Now for a closer look at soft drink ingredients.

Like other foods, the ingredients that are used in making soft drink are approved and closely regulated by the US Food and Drug Administration (FDA). All the ingredients used in soft drinks are found in a variety of other foods.

1.2 INDUSTRY PROFILE

1.2.1 About the Soft Drink:

Water:

Soft drink production starts with a pure source of water. Regular soft drink contains 90% water while diet soft drink contains up to 99% water. Drinking water contains trace number of various elements that affect its taste. You have probably noticed that tap water differs in various regions of the country. Bottlers use sophisticated filtering and other treatment equipment's to remove any residual impurities and to standardize the water used to make soft drinks. That's why your favorite soft drink tastes the same in New York as it does in India.

Carbon Dioxide:

A colorless and odorless gas, carbon dioxide is the essential characterizing ingredient in all “carbonated” beverages. It is given off when we breathe and is used by the plants to produce oxygen.

When dissolved in water, carbon dioxide imparts taste. For that reason, natural sources of carbonated, effervescent, mineral water were once highly prized. These rare mineral waters were once also believed to have beneficial medicinal properties. Efforts to make and sell “artificial effervescent mineral water” were underway in Europe and US by 1800.

It was the innovative step of adding flavors to these popular “soda water” that gave birth to the soft drink beverages we enjoy today. In these days of soft drink manufacturing, carbon dioxide was made from sodium salts. This is why carbonated beverages were called; sodas or “soda water”. Today bottlers buy pure carbon dioxide as a compressed gas in the high-pressure cylinders. Carbon dioxide gas is absorbed into flavored soft drink in a carbonator machine just before the container is sealed. While under pressure and chilled, soft drink may absorb up to four times the beverage volume of carbon dioxide.

Flavors:

One of the most important ingredients in the soft drinks is flavoring. Most soft drink bottles mix many individual flavors to create distinctive tastes. Natural flavors in the soft drink come from spices, natural extracts and oils. Fruit –flavored soft drink such as orange and lemon-lime often contains natural fruit extracts. Other flavors such as root beer and ginger are containing flavoring made from herbs and spices. There are also some artificial or manmade flavoring used in soft drinks. Nature does not produce enough of some flavors to satisfy world demand. Also some flavors are limited geographically and seasonally.

Colors:

Many people do not realize important color is to taste perception. Color affects our psychological impression of food. If you don't believe it. Try eating a familiar food in

the dark. The color used in the food and beverages comes both from natural and synthetic sources.

Caffeine:

Caffeine is substance that occurs naturally in more than 60 plants including coffee beans, tealeaves, kola nuts and cocoa beans. In some cases, small amounts of caffeine are added to soft drinks as a part of the flavor profile. The amount of caffeine in soft drinks is only a fraction of that found in an equal amount of coffee or tea.

Caffeine has a classic bitter taste that enhances other flavors. It has been part of almost every cola and pepper type beverage since they were first formulated more than 100 years ago and has been enjoyed in coffee, tea and chocolate beverages for centuries.

Even though some people feel the effects of caffeine are harmful, scientific research has refused these claims. The long history of caffeine's use confirms that it is safe when consumed in moderation. For people who wish to restrict their caffeine intake, many caffeine free soft drinks are available.

Acidulants:

Similar to fruit juices and many other food products, most drinks are slightly acidic. Acidulants add a pleasant tartness to soft drinks for one or two common food acidulants (phosphoric acid and citric acid) occasionally; other acidulants such as malic acid is also used.

Preservative:

Soft drinks do not normally get spoiled because of their acidity and carbonation. However, storage conditions and storage time can sometimes impact taste and flavor. For this reason, some soft drinks contain small amounts of preservatives that are commonly used in many foods.

Potassium:

Potassium is another essential nutrient found in many natural and man made food ingredient like sodium, potassium exists naturally in drinking water and therefore, in soft drinks. Small amount of potassium is also found in some of the flavoring agents and other ingredients used in soft drinks.

Sodium:

Because the name “soda pop” and “soda water” were associated with early soft drinks. Many people falsely believe that carbonated beverages contain significant amount of sodium. That is true. Sodium, the name form of various salts, is present in many natural and manmade compounds. It is an essential nutrient responsible for regulating and transferring body fluids. As well as other important body functions. Although an adequate daily intake of sodium is necessary for good health, excessive consumption has been to high blood pressure in some people.

Sweeteners:

Non-diet soft drinks most regular (non-diet) soft drinks are sweetened with either sucrose or high fructose corn syrup, (HFCS). A mixture of these sweeteners many also be used. Sucrose, the familiar sweetener in your sugar bowl, cines firm sugarcane or sugar beets.

1.2.2 Soft Drink in India:

The 50-bn-rupee soft drink industry is growing now at 6 to 7% annually. In India, Coke and Pepsi have a combined market share of around 95% directly or through franchisees. Campa Cola has a 1% share, and the rest is divided among local players. Industry watchers say, fake products also account for a good share of the balance. There are about 110 soft drink producing units (60% being owned by Indian bottlers) in the country, employing about 125,000 people. There are two distinct segments of the market, cola and non-cola drinks. The cola segment claims a share of 62%, while the non-cola segment includes soda, clear lime, cloudy lime and drinks with orange and mango flavours.

The per capita consumption of soft drinks in India is around 5 to 6 bottles (same as Nepal's) compared to Pakistan's 17 bottles, Sri Lanka's 21, Thailand's 73, the Philippines 173 and Mexico 605. The industry contributes over Rs 12 bn to the exchequer and exports goods worth Rs 2 bn. It also supports growth of industries like glass, refrigeration, transportation, paper and sugar. The Department of Food Processing Industries had stipulated that 'contains-no-fruit-juice' labels be pasted on returnable glass bottles. About 85% of the soft drinks are currently sold in returnable bottles. There was a floating stock of about 1000 mn bottles valued at Rs 6 bn. If the industry were to abide by the new guidelines, it would have to invest in new bottles, resulting in a cost outgo of Rs 5 bn. Neither Coke nor Pepsi is in a position to invest such a large amount.

Around 400,000 tonnes of raw material would be required to replace the existing stock of bottles. Instead, the soft drink industry suggested that a seven-year moratorium be extended to the industry so that it can incorporate the change in a phased manner. There is no such mandatory requirement anywhere in the world to specifically label the glass surface of returnable bottles. The government has decided to extend the date for replacing the bottles to end-march 2006. In the meantime, the producers have shifted substantially to the use of PET bottles.

Soft and aerated drinks were considered products for the middle class and the affluent. That segregation is no more valid. Soft and aerated drinks are consumed by all except those who cannot afford to buy any drink. An NCAER study says that 91% soft drink sales are made to the lower, middle and upper middle classes. The soft drink industry has been urging the government to categorise aerated waters (soft drinks) equitably with other consumer products of mass consumption and remove special excise duty.

The industry estimates that the beverage market should grow at twice the rate of GDP growth. The Indian market should have, therefore, grown by at least 12%. However, it has been growing at a rate of about 6%. In contrast, the Chinese market grew by 16% a year, while the Russian market expanded at almost four times the rate of growth of the Indian market.

It may be recalled that Coca-Cola, the world's number one player, was present in India for a long time in collaboration with an Indian producer but was thrown out in the late 1970s. It reappeared in India following the economic liberalization era - but after its rival, world's number two, had already entered in a big way following a long and tough fight against the opposition from the domestic producers. When Coca-Cola re-entered, it installed a new milestone. It acquired the well flourishing India's top player, Parle. Since then it is basically a fight between the two American giants. Others are playing a peripheral role, as adjuncts to the two MNCs. World's third biggest player, Cadbury Schweppes, had also made an entry but was gobbled up by Coca-Cola. When Coca-Cola acquired Parle brands, it was, in fact, buying the bottling facilities, the marketing network, and the established consumer preference during the market build-up. The brands were a drag on the global brand. Since Coca-Cola was not interested in brands (like Thumps Up), it did not promote them. The result, at least, in the short run was a loss of the market to the competitor. Coca-Cola decided to market more effectively the Parle brands. It had in its armoury Coke, Thumps Up, Limca and Fanta. The latest to enter market was Parle's erstwhile Rimzim, alongside Portello, a black currant flavoured drink, very popular in Srilanka.

Coca-Cola operates through 35 plants and 16 franchisees throughout the country, while PepsiCo has 20 plants, but it has 7 more franchisees at 23 to 16 of its rival. Coca-Cola claims a market share of 51%, while Pepsi has a share of 46%. The claims, however, remain disputed. The other smaller players like Pure Drinks Ltd claim the rest of the market. The shares of the two lead players are consolidated figures, which include the respective bottlers. Coca-Cola had approached the government for a five year extension for divesting 49% equity in its bottling subsidiary, Hindustan Coca-Cola Holdings. It had set up the marketing subsidiary as part of its strategy to integrate all its bottling operations, both company-owned and franchisee bottlers, apparently keeping in line with its global policy. All together, it had bought initially over 38 franchisee bottlers.

Kandhari Beverages, coke bottlers for north have been eyeing to lift a stake in Coca-Cola India. Coca-Cola had filed an application to offload 49% stake of its bottling

operations in favour of their Indian operators. Besides Kandhari, three other bottlers, one each from Uttar Pradesh, Gujarat and Jammu, were lined up to invest in Hindustan Coca-Cola Holding. Kandhari has already invested Rs 300 mn in 1999 and 2000 to upgrade its capacity. The total investment by all the four was expected to be Rs 1000 mn. Both Coca-Cola and PepsiCo planned for the launch of lemon-flavored versions of their products. Both have been expanding their non-carbonated drink line-ups, as consumers seem to be shifting away from carbonated soft drinks. PepsiCo is deliberating whether to come out with Pepsi Twist, a cola mixed with lemon. But while both companies have juice sports drinks, bottled water and other such drinks in their line-ups, neither coke nor Pepsi has launched a new national variety of a cola-flavoured carbonated soft drink in years.

PepsiCo had achieved Rs 3 bn worth of exports, which include processed foods, basmati rice, guar gum and soft drinks concentrate. PepsiCo completed the second phase of its expansion and with this expansion, PepsiCo was to explore the possibility of expanding the export of concentrates to more countries in addition to the exports to Russia and other South Asian countries.

Pepsi India has entered into a marketing tie up with Hindustan Lever to promote sales of soft drinks through Pepsi-HLL network of vending machines and fountains. The major soft drink brands in the Pepsi stable are Pepsi, 7UP, Mirinda, Tropicana and Aquafina.

As a major strategic departure, both MNCs were expanding their brand range. Consequent to some diversifying moves, at present, the sales ratio of Coca-Cola between soft drinks and other beverages is 95:5. The company intended to change this to 80:20 in the next three years. Its juice brand, Maaza - acquired from Parle a few years ago - is being given a major thrust. It has plans to go in for canned coffee, iced tea and purified categories under expansion schemes. It has already launched its bottled water brand, Kinley, in the Indian market. Besides, it is intending to acquire domestic brands in the non-carbonated beverages segment.

The global deal between Coca-Cola and P&G to form a snacks and beverages joint venture company was reported to have slipped into rough weather. The P&G brand of

potato wafer, Pringles, seemed to be faced with distribution problems in India. P&G had globally tied up with Coca-Cola to form a stand-alone juice and snacks company. The new firm is focused on developing and marketing new juices, juice based beverages and snacks on a global basis. The Sharjah-based Allied Beverages was pushing its Ahlan brand in India, having entered the market in mid-2000. Its target was carbonated drinks market in PET bottles. Its plans were to launch a PET bottle in the popular 300 ml category. Ahlan expected to gain a 12% share of the total PET bottle market in northern India. Of the total market, PET bottle segment is approximately 12%. Presently, Allied Beverages has a manufacturing unit at Dharuhera in Haryana. The product range includes carbonated drinks - cola, orange, lemon and soda in three pack sizes - 500 ml, 1500 ml and 2000 ml. Allied Beverages sells non-carbonated drinks in 200 ml foodgrade cups priced at Rs 7 in its portfolio, available in four different flavours. The company's future plans include pulp-based fruit drinks in flavours, which will be available in 200 ml non-returnable glass bottles.

IFB Agro Industries has handed over the distribution rights of Cadbury Schweppes in favour of Coca-Cola India, following the global takeover of Schweppes beverages by Coke. The company still retains the bottling rights for the beverages.

It was noticed for the first time during the summer of 2004 that soft drink companies were registering a slower growth in the sale of bottled water at 20% compared to 35% in case of drinks.

1.3 COMPANY PROFILE

1.3.1 History of Pepsi:

In 1902, he launched the Pepsi-Cola Company in the back room of his pharmacy, and applied to the U.S. Patent Office for a trademark. At first, he mixed the syrup himself and sold it exclusively through soda fountains. But soon Caleb recognized that a greater opportunity existed to bottle Pepsi so that people could drink it anywhere.

The business began to grow, and on June 16, 1903, "Pepsi-Cola" was officially registered with the U.S. Patent Office. That year, Caleb sold 7,968 gallons of syrup, using the theme line "Exhilarating, Invigorating, Aids Digestion." He also began

awarding franchises to bottle Pepsi to independent investors, whose number grew from just two in 1905, in the cities of Charlotte and Durham, North Carolina, to 15 the following year, and 40 by 1907. By the end of 1910, there were Pepsi-Cola franchises in 24 states.

Pepsi-Cola's first bottling line resulted from some less-than-sophisticated engineering in the back room of Caleb's pharmacy. Building a strong franchise system was one of Caleb's greatest achievements. Local Pepsi-Cola bottlers, entrepreneurial in spirit and dedicated to the product's success, provided a sturdy foundation. They were the cornerstone of the Pepsi-Cola enterprise. By 1907, the new company was selling more than 100,000 gallons of syrup per year.

Growth was phenomenal, and in 1909 Caleb erected a headquarters so spectacular that the town of New Bern pictured it on a postcard. Famous racing car driver Barney Oldfield endorsed Pepsi in newspaper ads as "A bully drink...refreshing, invigorating, a fine bracer before a race."

The previous year, Pepsi had been one of the first companies in the United States to switch from horse-drawn transport to motor vehicles, and Caleb's business expertise captured widespread attention. He was even mentioned as a possible candidate for Governor. A 1913 editorial in the Greensboro Patriot praised him for his "keen and energetic business sense."

Pepsi-Cola enjoyed 17 unbroken years of success. Caleb now promoted Pepsi sales with the slogan, "Drink PepsiCola. It will satisfy you." Then came World War I, and the cost of doing business increased drastically. Sugar prices see sawed between record highs and disastrous 18 was forced into a series of business gambles just to survive, until finally, after three exhausting years, his luck ran out and he was bankrupted. By 1921, only two plants remained open. It wasn't until a successful candy manufacturer, Charles G. Guth, appeared on the scene that the future of Pepsi-Cola was assured. Guth was president of Loft Incorporated, a large chain of candy stores and soda fountains along the eastern seaboard. He saw Pepsi-Cola as an opportunity to discontinue an unsatisfactory business relationship with the Coca-Cola Company, and at the same time to add an attractive drawing card to Loft's soda fountains. He

was right. After five owners and 15 unprofitable years, Pepsi-Cola was once again a thriving national brand.

One oddity of the time, for a number of years, all of Pepsi-Cola's sales were actually administered from a Baltimore building apparently owned by Coca-Cola, and named for its president. Within two years, Pepsi would earn \$1 million for its new owner. With the resurgence came new confidence, a rarity in those days because the nation was in the early stages of a severe economic decline that came to be known as the Great Depression.

1898 Caleb Bradham, a New Bern, North Carolina, pharmacist, renames "Brad's Drink," a carbonated soft drink he created to serve his drugstore's fountain customers. The new name, Pepsi-Cola, is derived from two of the principal ingredients, pepsin and kola nuts. It is first used on August 28.

1902 Bradham applies to the U.S. Patent Office for a trademark for the Pepsi-Cola name.

1903 In keeping with its origin as a pharmacist's concoction, Bradham's advertising praises his drink as "Exhilarating, invigorating, aids digestion."

1905 A new logo appears, the first change from the original created in 1898.

1906 The logo is redesigned and a new slogan added: "The original pure food drink." The trademark is registered in Canada.

1907 The Pepsi trademark is registered in Mexico.

1909 Automobile racing pioneer Barney Oldfield becomes Pepsi's first celebrity endorser when he appears in newspaper ads describing Pepsi-Cola as "A bully 19 drink...refreshing, invigorating, a fine bracer before a race." The theme "Delicious and Healthful" appears, and will be used intermittently over the next two decades.

1920 Pepsi appeals to consumers with, "Drink Pepsi-Cola. It will satisfy you."

1932 The trademark is registered in Argentina. 1934 Pepsi begins selling a 12-ounce bottle for five cents, the same price charged by its competitors for six ounces.

1938 The trademark is registered in the Soviet Union.

1939 A newspaper cartoon strip, "Pepsi & Pete," introduces the theme "Twice as Much for a Nickel" to increase consumer awareness of Pepsi's value advantage.

1940 Pepsi makes advertising history with the first advertising jingle ever broadcast nationwide. "Nickel, Nickel" will eventually become a hit record and will be translated into 55 languages. A new, more modern logo is adopted.

1941 In support of America's war effort, Pepsi changes the color of its bottle crowns to red, white and blue. A Pepsi canteen in Times Square, New York, operates throughout the war, enabling more than a million families to record messages for armed services personnel overseas.

1943 The "Twice as Much" advertising strategy expands to include the theme, "Bigger Drink, Better Taste."

1949 "Why take less when Pepsi's best?" is added to "Twice as Much" advertising.

1950 "More Bounce to the Ounce" becomes Pepsi's new theme as changing soft drink economics force Pepsi to raise prices to competitive levels. The logo is again updated.

1953 Americans become more weight conscious, and a new strategy based on Pepsi's lower caloric content is implemented with "The Light Refreshment" campaign.

1954 "The Light Refreshment" evolves to incorporate "Refreshing without Filling."

1958 Pepsi struggles to enhance its brand image. Sometimes referred to as "the kitchen cola," as a consequence of its long-time positioning as a bargain brand, Pepsi now identifies itself with young, fashionable consumers with the "Be Sociable, 20 Have a Pepsi" theme. A distinctive "swirl" bottle replaces Pepsi's earlier straight sided bottle.

1959 Soviet Premier Nikita Khrushchev and U.S. Vice-President Richard Nixon meet in the soon-to-be-famous "kitchen debate" at an international trade fair. The meeting, over Pepsi, is photo-captioned in the U.S. as "Khrushchev Gets Sociable."

1961 Pepsi further refines its target audience, recognizing the increasing importance of the younger, post-war generation. "Now its Pepsi, for those who think Young" defines youth as a state of mind as much as a chronological age, maintaining the brand's appeal to all market segments.

1963 In one of the most significant demographic events in commercial history, the post-war baby boom emerges as a social and marketplace phenomenon. Pepsi recognizes the change, and positions Pepsi as the brand belonging to the new generation-The Pepsi Generation. "Come alive! You're in the Pepsi Generation" makes advertising history. It is the first time a product is identified, not so much by its attributes, as by its consumers' lifestyles and attitudes.

1964 A new product, Diet Pepsi, is introduced into Pepsi-Cola advertising.

1966 Diet Pepsi's first independent campaign, "Girl watchers," focuses on the cosmetic benefits of the low-calorie cola. The "Girlwatchers" musical theme becomes a Top 40 hit. Advertising for another new product, Mountain Dew, a regional brand acquired in 1964, airs for the first time, built around the instantly recognizable tag line, "Yahoo, Mountain Dew!"

1967 When research indicates that consumers place a premium on Pepsi's superior taste when chilled, "Taste that beats the others cold. Pepsi pours it on" emphasizes Pepsi's product superiority. The campaign, while product-oriented, adheres closely to the energetic, youthful, lifestyle imagery established in the initial Pepsi Generation campaign.

1969 "You've got a lot to live. Pepsi's got a lot to give" marks a shift in Pepsi Generation advertising strategy. Youth and lifestyle are still the campaign's driving forces, but with "Live/Give," a new awareness and a reflection of contemporary events and mood become integral parts of the advertising's texture.

1973 Pepsi Generation advertising continues to evolve. "Join the Pepsi People, Feeling' Free" captures the mood of a nation involved in massive social and political change. It pictures us the way we are-one people, but many personalities. 21 1975 The Pepsi Challenge, a landmark marketing strategy, convinces millions of consumers that Pepsi's taste is superior.

1976 "Have a Pepsi Day" is the Pepsi Generation's upbeat reflection of an improving national mood. "Puppies," a 30-second snapshot of an encounter between a very small boy and some even smaller dogs, becomes an instant commercial classic.

1979 With the end of the '70s comes the end of a national malaise. Patriotism has been restored by an exuberant celebration of the U.S. bicentennial, and Americans are looking to the future with renewed optimism. "Catch that Pepsi Spirit!" catches the mood and the Pepsi Generation carries it forward into the '80s.

1982 With all the evidence showing that Pepsi's taste is superior, the only question remaining is how to add that message to Pepsi Generation advertising. The answer? "Pepsi's got your Taste for Life!," a triumphant celebration of great times and great taste.

1983 The soft drink market grows more competitive, but for Pepsi drinkers, the battle is won. The time is right and so is their soft drink. It's got to be "Pepsi Now!"

1984 A new generation has emerged-in the United States, around the world and in Pepsi advertising, too. "Pepsi. The Choice of a New Generation" announces the change, and the most popular entertainer of the time, Michael Jackson, stars in the first two commercials of the new campaign. The two spots quickly become "the most eagerly awaited advertising of all time."

1985 Lionel Richie leads a star-studded parade into "New Generation" advertising followed by pop music icons Tina Turner and Gloria Estefan. Sports heroes Joe Montana and Dan Marino are part of it, as are film and television stars Teri Garr and Billy Crystal. Geraldine Ferraro, the first woman nominated to be vice president of the U.S., stars in a Diet Pepsi spot. And the irrepressible Michael J. Fox brings a special

talent, style and spirit to a series of Pepsi and Diet Pepsi commercials, including a classic, "Apartment 10G."

1987 After an absence of 27 years, Pepsi returns to Times Square, New York, with a spectacular 850-square foot electronic display billboard declaring Pepsi to be "America's Choice."

1988 Michael Jackson returns to "New Generation" advertising to star in a fourpart "episodic" commercial named "Chase." "Chase" airs during the Grammy 22 Awards program and is immediately hailed by the media as "the most-watched commercial in advertising history."

1989 "The Choice of a New Generation" theme expands to categorize Pepsi users as "A Generation Ahead!"

1990 Teen stars Fred Savage and Kirk Cameron join the "New Generation" campaign, and football legend Joe Montana returns in a spot challenging other celebrities to taste test their colas against Pepsi. Music legend Ray Charles stars in a new Diet Pepsi campaign, "You got the right one baby."

1991 "You got the Right one Baby" is modified to "You got the Right one Baby, Uh-Huh!" The "Uh-Huh Girls" join Ray Charles as backup singers and a campaign soon to become the most popular advertising in America is on its way. Supermodel Cindy Crawford stars in an award-winning commercial made to introduce Pepsi's updated logo and package graphics.

1992 Celebrities join consumers, declaring that they "Gottahaveit." The interim campaign supplants "Choice of a New Generation" as work proceeds on new Pepsi advertising for the '90s. Mountain Dew growth continues, supported by the antics of an outrageous new Dew Crew whose claim to fame is that, except for the unique great taste of Dew, they've "Been there, Done that, Tried that."

1993 "Be Young, Have fun, Drink Pepsi" advertising starring basketball superstar Shaquille O'Neal is rated as best in U.S.

1994 New advertising introducing Diet Pepsi's freshness dating initiative features Pepsi CEO Craig Weather up explaining the relationship between freshness and superior taste to consumers.

1995 In a new campaign, the company declares "Nothing else is a Pepsi" and takes top honors in the year's national advertising championship. Starbucks and Pepsi team up with the North American Coffee Partnership and launch Mazarin, a carbonated coffee drink. Pepsi enters the dairy beverage category with Smooth Moos smoothies.

1996 In February of this year, Pepsi makes history once again by launching one of the most ambitious entertainment sites on the World Wide Web. Pepsi world eventually surpasses all expectations, and becomes one of the most launched and copied sites in this new medium, firmly establishing Pepsi's presence on the Internet.

1997 In the early part of the year, Pepsi pushes into a new era with the unveiling of the Generation Next campaign. Generation next is about everything that is young and fresh, a celebration of the creative spirit. It is about the kind of attitude that challenges the norm with new ideas, at every step of the way.

1998 Pepsi continues its popular "Generation Next" campaign with spots that include: Goose, Gnat and Stunt Driver (featuring racing superstar Jeff Gordon). In 1998 Pepsi launches its new look, called "Globe," which prominently features a stylized, three-dimensional Pepsi Globe set against a blue ice backdrop. It affects all can, bottle, and multican packaging for Pepsi, Diet Pepsi, Caffeine Free Pepsi and Caffeine Free Diet Pepsi.

1999 "The Joy of Cola" new advertising campaign for Brand Pepsi features the voices of actors Marlon Brando, Isaac Hayes and "Queen of Soul" Aretha Franklin. The spots also feature child actress Hallie Eisenberg as the "Little Girl." Pepsi and Lucasfilm team up again as "Star Wars: Episode I - The Phantom Menace" hits movie theaters. Consumer excitement surrounding the long-awaited return of the Star Wars series is heightened as special Pepsi bottles and cans offer 24 different Star Wars characters. The collection series includes gold Yoda can. Pepsi recruits its first "spokes alien" Marfa lump to star in its commercials supporting the campaign. Marfa lump, which

was created by BBDO and George Lucas' Industrial Light and Magic Company, has two great passions:

Pepsi and Star Wars.

The spots, titled "Landing" and "Play Acting," illustrate the great lengths the young alien will go to enjoy both of his passions. Pepsi-Cola North America welcomes Gary Rodkin as President and CEO.

In a dramatic restructuring of the business, Pepsi announces one of the largest IPOs in history. On March 31, 1999, The Pepsi Bottling Group, Inc. (PBG) becomes a publicly traded company and Pepsi's largest bottler. PBG is headed by President and CEO Craig Weatherup.

The new look replaces Pepsi's current pedestal logo with a new brand identity that also more prominently features the Pepsi Globe against a blue background.

Pepsi celebrates its centennial year with a birthday party that is attended by Pepsi-Cola bottlers from all over the world. Joining the festivities are Pepsi stars and friends including Ray Charles, Kool and the Gang and the Rolling Stones.

President and Mrs. George Bush, Lady Thatcher and Walter Cronkite also help to commemorate the occasion where Pepsi's legacy is honored and a new look for the millennium is unveiled. The three-dimensional globe against an ice blue background becomes the universal symbol for one Pepsi family - poised for innovation and world leadership as it enters the new century.

2000 Faith Hill, Sammy Sosa and Ken Griffey Jr. - three of the hottest names in entertainment - signed new deals to endorse Pepsi-Cola products. Singing sensation Faith Hill, who has rocked the charts with her top 10 hits, starred in a new "Joy of Cola" ad with "Pepsi Girl" Hallie Eisenberg. The ad debuted during the March 26 Academy Awards broadcast. Major League Baseball All-Stars Sammy Sosa and Ken Griffey Jr. also stepped up to bat in new Pepsi commercials. In addition to the ads, each slugger was be involved in Pepsi's "Takin' it to the Fields" youth baseball and softball programs, as well as appeared on in-store promotional materials for the brand. From Boston to San Francisco and everywhere in between, consumers'

cola choice is clear. In more than 30 markets currently conducting the Pepsi Challenge, the tastes of Pepsi and Pepsi ONE are preferred over Coke products in every market, especially in Philadelphia, Dayton, Tucson, San Antonio and Seattle. In a cross-promotion designed to further engage youth in our products, consumers who take the Pepsi Challenge receive "starter points" for this summer's "Choose Your Music" program. Participants can also have their photos taken and posted online at www.pepsi.com, driving traffic to and awareness of Pepsi's Internet site.

2001 Pop superstar Britney Spears appears in her first Pepsi commercial during the 2001 Academy Awards. The high-energy spot also runs online, where more than 2 million fans click their way to Britney's own version of "The Joy of Pepsi." Pepsi Stuff.com lets consumers redeem points from specially marked packages of Pepsi products for more than a half-million cool prizes, and proves to be Pepsi's most popular online promotion ever. Colombian singing sensation Shakira stars in a series of new commercials for Pepsi just as her debut English-language album hits stores in the U.S. At the same time, Pepsi agrees to sponsor the Latin pop star's worldwide concert tour. Pepsi unveils its Fun Wraps Factory, letting consumers personalize Pepsi cans with fun designs and unique messages. With a wide variety of sports, entertainment and holiday images to choose from, Pepsi drinkers begin creating their own can labels for just about any occasion.

Pepsi puts "a little twist on a great thing", introducing lemon-flavored Pepsi Twist and Diet Pepsi Twist. The product launch marks the return to lemon-flavored colas for Pepsi, which distributed Pepsi Light until the mid-1980s.

PepsiCo entered India in 1989 and has grown to become one of the country's leading food and beverage companies. One of the largest multinational investors in the country, PepsiCo has established a business which aims to serve the long term dynamic needs of consumers in India.

PepsiCo India and its partners have invested more than U.S.\$1 billion since the company was established in the country. PepsiCo provides direct and indirect employment to 150,000 people including suppliers and distributors.

PepsiCo nourishes consumers with a range of products from treats to healthy eats, that deliver joy as well as nutrition and always, good taste. PepsiCo India's expansive portfolio includes iconic refreshment beverages Pepsi, 7 UP, Mirinda and Mountain Dew, in addition to low calorie options such as Diet Pepsi, hydrating and nutritional beverages such as Aquafina drinking water, isotonic sports drinks-Gatorade, Tropicana 100% fruit juices, and juice based drinks – Tropicana Nectars, Tropicana Twister and Slice. Local brands – Lehar Everest Soda, Dukes Lemonade and Mangola add to the diverse range of brands.

PepsiCo's foods company, Frito-Lay, is the leader in the branded salty snack market and all Frito Lay products are free of trans-fat and MSG. It manufactures Lay's Potato Chips; Cheetos extruded snacks, Uncle Chips and traditional snacks under the Kurkure and Lehar brands. The company's high fiber breakfast cereal, Quaker Oats, and low fat and roasted snack options enhance the healthful choices available to consumers. Frito Lay's core products, Lay's, Kurkure, Uncle Chipps and Cheetos are cooked in Rice Bran Oil to significantly reduce saturated fats and all of its products contain voluntary nutritional labeling on their packets. The group has built an expansive beverage and foods business. To support its operations, PepsiCo has 43 bottling plants in India, of which 15 are company owned and 28 are franchisee owned. In addition to this, PepsiCo's Frito Lay foods division has 3 state-of-the-art plants. PepsiCo's business is based on its sustainability vision of making tomorrow better than today. PepsiCo's commitment to living by this vision every day is visible in its contribution to the country, consumers and farmers.

1.3.2 Mission & Vision of the PepsiCo:

Mission of the PepsiCo:

Our mission is to be the world's premier consumer Products Company focused on convenient foods and beverages. We seek to produce financial rewards to investors

as we provide opportunities for growth and enrichment to our employees, our business partners and the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity.

Vision of the PepsiCo:

PepsiCo's responsibility is to continually improve all aspects of the world in which we operate – environment, social, economic – creating a better tomorrow than today." Our vision is put into action through programs and a focus on environmental stewardship, activities to benefit society, and a commitment to build shareholder value by making PepsiCo a truly sustainable company.



1.3.3 Product Profile of PepsiCo:

There are Eight brands of Pepsi in India and they are differ in taste, flavor and also in their colours.

- Pepsi: Pepsi is considered to be cold drink. It is generally preferred by all sections of consumer. This is a case cow brand for the company in terms of sales revenue.
- Mirinda: Mirinda is considered to be lemony in taste, and comes under the light drink.
- 7up: 7up is a good product at Pepsi and contains at lemon flavor.
- Mountain dew: Mountain dew is also consider to be a cold drink. It is light comperision to Pepsi. It is preferred by all section of consumer but especially to teen-age. It is big source of company to cash its publicity.

- Slice: Slice Mango, in slice cold drink no gas only based on juice. It is a non-aerated soft drink. It is preferred mostly Children & Women.
- Tropicana: In Minute maid puppy orange cold drink no gas only based on orange juice. It is anon-aerated soft drink.
- Eversses Soda: This is soda drink. It has no colour and no flavor. It is generally used with alcohol and used by adults.
- Aquafina water: It is mineral water.

1.3.4 Consumer Choice at a Glance:

- Pepsi: Mainly preferred by youngster & kids.
- Mirinda: Common Drink.
- Slice: Basically preferred by Ladies & kids.
- 7up: Youngster.
- Mountain: dew Youngster.
- Tropicana: Basically preferred by Ladies & kids.
- Eversses: Soda Mostly those who consume liquor.
- Aquafina: Mostly preferred by traveler.

1.3.5 Importance of PepsiCo:

Food is an essential part of our lives, which is why the way it is grown, processed and transported is worth understanding and improving. Broadly, the food industry comprises a complex network of activities pertaining to the supply, consumption, and catering of food products and services across the world. Finished food products and partially prepared 'instant' food packets are also a part of the food industry. The food industry employs a massive number of skilled and unskilled workers. In 2006 alone, the food industry accounted for over 1.5 million jobs in the US and 4 million jobs in Europe. However, the food industry excludes subsistence farmers who use their produce for self consumption.

PepsiCo:

Reaches consumers in more than 200 countries and has 22 product lines that generate more than \$1 billion in retail sales each year. In 2008, the company had more than \$43 billion in annual revenues while employing 198,000 people. There are many factors which make PepsiCo very important to the modern world, most important are;

Provide Food:

PepsiCo is a multi-national company that provides food to the whole of world. Initially PepsiCo came into existence only as a beverages company but afterward it enhances its business to various products. Today the life become very fast we don't have even time to cook and eat so we always prefer readymade food to save our time. In this way PepsiCo provides that facility in a good way PepsiCo not only provides soft drink but also food like chips of different brands, and kurrkuray.

Employment:

PepsiCo is a big company it is not only in the America it also established franchises in many countries. According the 2013 there are 274,000 employees in worldwide working for PepsiCo. It is the third largest job provider company of the world after the Coca-Cola and Nestle. Multi-national relations PepsiCo no doubt are generating a great deal of revenue through its business in the world, at the same the time it is establishing a good relation in the world. When an industry is working in more than one nation then it is compulsory to maintain and sustain relation with them.

Multi-cultural relation:

PepsiCo is an international organization which provides opportunity to all of its employee and public to come in and play their role for organization as well as for themselves. There is diversity in the world, and diversity is blessings in nature. In PepsiCo the variety of people from different regions come on one platform and working in a sprit of unity, in this way PepsiCo working for multi-cultural relations.

Provide Quality and Low Price Goods on Door Foot:

PepsiCo provides good quality with the reference of low price on the nearness of our homes, customer always wish to buy things door step and PepsiCo provide that facility to the consumers. Quality of the PepsiCo no doubt very good to save the food and present very well.

1.3.6 Manufacturing Process of PepsiCo:

Following are the main ingredients which are used in the making process of Pepsi:

- Carbonated water.
- High fructose corn syrup.
- Caramel colour.
- Sugar.
- Phosphoric acid.
- Caffeine.
- Citric acid.
- Natural flavours.

Phosphoric acid avoids molds and bacterial growth by delaying and gives the beverage a pronounced flavor. A natural preservative, citric acid is used for enhancing the beverage flavor and it also maintains the balance of sweetness. More than 95% of the content is just carbonated water. It is carbon dioxide, which gives the beverage its sparkling flavor. The reason for using carbon dioxide that it is most suitable for making soft drinks because carbon dioxide is a non – toxic and inert gas and most importantly.

It is less expensive and can be liquefied easily. Then comes the sugar. It is the second most abundant component found in the beverage. Used both as dry and liquid, it makes the beverage taste sweet and is a very important component of the beverage as if there is no sugar, there is no taste. The perfect balance of sweetness, acidity, carbonation, and tartness makes a perfect cold drink. There are a variety of flavouring elements used which can be natural, chemically synthesized natural identical or even artificial. Emulsions are also used.



The Manufacturing in Mega Factory:

PepsiCo owns several manufacturing plants all over the world and the manufacturing of the beverage takes place every day in these units. Most of the beverages are processed and manufactured at local canning and bottling companies.

Water Processing:

Water is the most important component and it has to be taken care of very crucially. The water quality makes a great beverage. Water contains several types of impurities, microbes, organic matter, suspended particles which may affect the color and the taste of the beverage. A traditional technical is approach to get rid of all such impurities which include the sequence of coagulation, filtration, and the chlorination of

the water. The process of coagulation includes the mixing of the precipitate of a gelatinous substance into the water, the floc which can be aluminum sulfate or ferric sulfate. All the suspended particles in the water are absorbed by the floc and thus become larger in size. The filters easily trap them.

Water Filtration Sterilization and Dechlorination:

For the removal of fine floc particles, the water is poured through the sand filter. Water is sterilized so that all the microbes can be removed, which can spoil the color and taste of water. The water is collected in a tank and is treated with chlorine. In a couple of hours, the reaction finishes. The water is then dechlorinated with help of activated carbon filter. This removes any left organic material. Before the water is passed to the dosing station, it is deaerated with a vacuum pump.

Ingredient Mixing:

As per the compatibility, the dosing station is filled with flavor concentrates and the dissolved sugar in a predefined series. Then all the ingredients are transferred to the batch tanks. There, these ingredients are mixed carefully under a controlled condition. The agitation is kept under control else it will lead to unwanted aeration. Flash pasteurization or UV radiations are used to sterilize the syrups in the stored in the tanks. Several proportions are used to combine the syrup and water with each other carefully and this also regulates the ratios of the liquids. To avoid the mixture to get aerated, carbon dioxide is pressurized into the vessels.

Beverage Carbonation:

Carbonation is a process where the liquid is dissolved with carbon dioxide, which is also known as Fizz. This is basically done under very high pressure. Carbon dioxide releases out of the drink on reducing the pressure. This creates the effervescent in the liquid. This makes the carbonated water. The temperature of the liquid has to be maintained under controlled conditions. Carbonators are nowadays equipped with automatic cooling systems.

Filling and Packaging:

The prepared beverage is then transferred to the cans or bottles at a very high rate of flow. The cans and bottles are filled to the neck and are then sealed immediately with pressure-resistant closures. After the containers are filled with the cold drink, they are kept coming to room temperature which is very necessary. Containers are then packed and kept into the cartons and are then loaded to the trucks. Now, these are ready to make your day. Enjoy your drink.

1.3.7 PepsiCo Packaging Process:

PepsiCo is an industry leader in packaging- helping to promote and implement standards for sustainable packaging. PepsiCo distribute the products in a variety of packages, each carefully designed to deliver convenience and appeal to the consumers while protecting the integrity of the products. The team of engineers and packaging suppliers are dedicated to finding prefer able designs, and are working continuously towards improving the packaging performance while reducing the packaging footprint. PepsiCo are committed to bringing the environmental responsibilities to all areas of the business. PepsiCo are continuously improving the environmental programs and exploring solutions to environmental challenges through socially responsible, scientifically based and economically sound methods. Pepsi pass this commitment along to his suppliers and the consumers in an effort to do our part. The goals are to design and develop packaging systems that are environmentally responsible throughout their entire life cycle, inspire consumers who want to live more environmentally sustainable lives by promoting recycling, and partner with leading organizations to promote sustainable packaging and recycling practices. Through ongoing engagement with the packaging suppliers, I are working towards a position where all of our operations use the most environmentally suitable packaging available in their country of operation.

Pepsico follow five principles of sustainable packaging design:

- Reduce: Using less material in the packaging, to conserve natural resources.

- Reuse: Increasing use of reusable packaging and increasing the amount of Recycled material in the packaging.
- Recycle: Designing packaging for recycling and developing biodegradable and compostable packaging solutions.
- Remove: Eliminating environmentally sensitive materials and processes from the packaging.
- Renew: Increasing use of renewable resources.

Using Less Material in our Packaging Although beverage containers are the most recycled consumer packaging in the United States and they are designed for recycling, I continue to look for ways to reduce the amount of packaging used for the products. And I am achieving success. PepsiCo scientists and packaging specialists have led the way in reducing packaging materials through cost-effective changes in design and production, known in the industry as "light-weighting." Light-weighting reduces the amount of raw materials and energy used to make our packages and generates less waste after the products are enjoyed. PepsiCo introduced new packaging for half-liter bottles of Lipton iced tea, Tropicana juice drinks, Aquafina Flavor Splash and Aquafina Alive that contain at least 20 percent less plastic than the original package. Aquafina has trimmed the amount of plastic used in its most popular bottle - the half-liter (16.9 oz) bottle - by 35 percent since 2002. This saves more than 50 million pounds of plastic annually. Aquafina's half-liter bottle weight has changed from 15 grams to 13.2 grams putting it among the lightest water bottles on the U.S. market.

1.3.8 Operations Management at PepsiCo:

Operations management is defined as the planning, scheduling and controlling of all the activities that can transform organizational inputs into finished goods and services. Operations management focuses on effective planning in an organization and the control of manufacturing through the application of such concepts as engineering, quality management, production management, accounting and management system.

Operational management entails the making use of all the resources available to produce finished products or services and to meet customers' needs in a cost-effective manner. Operations management places a lot of focus on the management of the processes involved in production and distribution of the products. The processes involved in operations management are the creation and distribution of products.

Other activities that are related to operations management are the management of purchases, controlling of inventory, quality control, storage and overall logistics. All these can be realized through efficient and effective processes. Conclusively, it can be said that operations management is the set of all the activities which enhance the creation of goods and services by transforming inputs into outputs.

Supply Chain:

The supply chain in a company is aimed at maximizing the value of products generated. Supply value chain is considered as the difference between the value final products and the costs incurred at the time of filing the customer's request.

The supply chain at PepsiCo is determined by the location and capacity of production, warehousing facilities and the products to be manufactured, storage and transportation. A good supply chain should be well planned and a firm supply chain strategy should be implemented. In PepsiCo, an important decision is where the production plant should be situated. PepsiCo has ensured that the production process is automated for efficiency.

The company also manages the transportation for the delivery of their products and they also have arrangement for third party for product procurement. The shipping department of the company is responsible for orders while the transport department decides matters of delivery to ensure that goods reach safely. In the company, material sourcing and planning is also an important stage of supply chain.

Regarding the source and the supply of raw materials, PepsiCo has identified both local and foreign suppliers who can supply raw materials at negotiated prices. At the stage of raw material supply, capacity building is necessary since the forecasting of

sales and the planning of production depends on the capacity of this stage. All supplies to the company are audited by the quality control section. Distribution rests with the company's decision and it depends on the past performance of the distributor.

The alignment between the supply chain strategy and PepsiCo's business strategy is achieved through proper utilization and the deployment of supply chain drivers. Managing the supply chain process involves overseeing the relationship between suppliers and customers, controlling inventories and forecasting demand as well as getting feedback concerning what is happening in whichever link of the chain.

Operational Policies:

Managing PepsiCo is a heavy task and being in charge of its daily operations is enormous duty and quite challenging. To achieve and to manage PepsiCo successfully, it is imperative that there should be adequate infrastructure and up to date information and communication technology. Fruits availability is at the centre of PepsiCo company policies since it is its primary product. The company communicates its policies to all those in the supply chain including their animal welfare policy.

PepsiCo has very strict corporate standards which guide their operations and accountability of its employees. PepsiCo polices take care of areas like corporate governance, human, environmental and talent sustainability. Human sustainability policies, for example, are programs like food and safety, responsible marketing and healthcare reforms. The company has tight environmental policy that guides its agriculture and packaging programs.

Technology and Operations at PepsiCo:

PepsiCo Company also utilizes technology in its operations. The launch of Social Vending System which is an interactive vending technology has facilitated the company's connection with the customers at the purchase terminus. This technology enables the customers of PepsiCo to make gifts to their friends through the internet connection.

The use of telemetry has reaped a lot of benefits for the company's operation. It facilitates close management of levels of inventory by the customers which can enable them to deliver schedule via a remote station without having to travel. The company also signed a threeyear contract with Combine Net to use its Truckload manager so as to advance its truckload transportation network and to enhance efficiency in transportation.

1.3.9 Benefits Delivered by the Product:

PepsiCo offers numerous kinds of food and drinks such as carbonated soft drinks, energy Drinks, sports drinks, water, and coffees. That is, all kinds of target consumers are served and feel convenient because there are several kinds of drinks can choose and the consumers can choose products that they really desire. For example, a family can buy many kinds of products from PepsiCo and every family member can choose their favorite beverages and feel happy. Moreover, each kind of drinks also has many different choices. For example, Pepsi has many different flavors such as original, vanilla, lime, cherry, or mango. Hence, consumers can enjoy Pepsi with different flavor.

PepsiCo also offers caffeine free Pepsi and diet Pepsi so that people who cannot have caffeine and who want to lose weight also can enjoy Pepsi. That is, PepsiCo bring consumers benefits as letting consumers feel convenient and served well.

1.3.10 Competitive Rivalry within the Beverage Industry:

PepsiCo faces a strong competitive rivalry from Dr. Pepper Snapple Group and Coca Cola Company. The Coca Cola Company enjoys the highest market share from selling carbonated soft drinks to customers in American and global markets. Compared to Coca Cola Company, PepsiCo obtains the highest market share from sales of liquid refreshment beverages and snacks. In order to compete in the beverage and snack industry, PepsiCo emphasizes efficiency in operations, invests in research and development projects and in marketing campaigns. PepsiCo persistently works on improvements in existing products and creation of the new products. With the help of innovation and strong marketing campaigns, PepsiCo is

ready to hold its own in the competition from Coca-Cola and Dr. Pepper Snapple, but price competition between these giants' benefits consumers.

Competitive Strategy:

PepsiCo operates in a competitive and a challenging environment and it achieves its competitive edge by providing customized products and services that meet the tastes and preferences of its consumers. Competitive strategy examines how a company strives to achieve competitive advantage; competitive advantage is that extra edge that a firm has over other industry peers. The company's capability to manage its operations can only be transformed into their competitive advantage if they identify and tap their resources.

There are three main aspects that give PepsiCo a competitive advantage in order to favorably compete at the international market, these are: muscular brands, proven ability for innovation and their powerful market systems. The company has a mission to increase the value of the investment of its shareholders and it tries to achieve this through sales growth, control of costs and investment of resources wisely.

The company believes that its commercial successes and competitiveness rest with provision of quality and value for its customers. It provides products that are safe, economically efficient and healthy. PepsiCo strives to maintain its competitive strategy by ensuring sufficient production of their goods, selling of their goods at reasonable prices and also ensures that the products are much available in the market.

With the boom experienced in the food and beverage market, PepsiCo has developed a strategic plan which will enable them to at the top of their competitors by selling their goods at affordable and friendly prices, providing more healthy meals options and great and quality services for their customers. Health and safe foods are necessary especially in this era where people are increasingly becoming health conscious. This will give PepsiCo an upper hand over its competitors.

PepsiCo operates in a competitive and a challenging environment; it achieves its competitive edge by providing customized products and services. Without strategies,

a company cannot withstand the competition at the market. To maintain its competitiveness, PepsiCo employs competitive strategies that enable it to compete with seasoned players in the market like Coca-Cola.

It can only achieve this through ensuring that its marketing strategy is effective, its pricing is fair and that there is efficiency and quality in its production.

1.3.11 PepsiCo's Strategy:

PepsiCo provides visa-coolers (Refrigerators fitted with glass door) to Pepsi outlets, so that the retailers can provide chilled Pepsi drinks to consumers. This also increases the sale of Pepsi Products. Visi- Coolers are of various sizes for instance 165 L, 200L, 220L, 300L, 400L, 440L, 650L, 1200L, and so on. Plan-O-Gram is the process of filling of visi-cooler with Pepsi products i.e. 7UP, Mirinda, Slice, Mountain Dew, Aquafina, and Tropicana fruit juice according to the sequence prescribed by PepsiCo.

As per the research conducted by PepsiCo, Pepsi is the most selling brand followed by 7UP, Mirinda, Mountain Dew, and Slice. And on the basis of this research PepsiCo has developed a sequence of different brands for filling up the visicooler and also for placing into the shelves. Sequence is as under: 7UP, Mirinda, and Mountain Dew, Slice, Aquafina Pepsi products are available in glass bottles, pet bottles, metal cans, and tetra packs. The number of bottles cans and packets filled in visi-cooler.

Objectives:

- To keep the visi cooler pure.
- To attract consumers by displaying their favorite brands or to help the consumers in finding their favorite flavor and brand.
- To attract consumers by displaying different brands.
- To promote the sales of all flavors or brands.
- To motivate the retailers for effective utilization of visicooler from selling Pepsi brands.
- To beat the competitors and to lessen the sale of substitute brands available in the market.

1.3.12 SWOT Analysis of PepsiCo:

	Beneficial	Harmful
Internal	• Second largest F&B business. • Global Presence. • Brand image. • Good operational efficiency. • Wide and innovative product line.	• Huge competition with coca-cola. • Dependence on large retailers. • Strong workers union. • Image damage can send by product recall.

	Opportunities	Threats
External	• Expansion of product lines. • Entry into more developing countries. • Acquire more bottling companies.	• Imitation. • Unfavorable economic condition. • Trade consolidation. • Changes in legal and regulatory environment. • Damage to reputation.

Strengths:

- Second largest food & beverage business in the world based on net revenue
Diversified portfolio of soft drinks, juices, chips and other snacks has enabled Pepsi Co to Capture 52% of global beverages sales and 48% of global snacks sales.
- Global presence: The products are sold in more than two hundred countries, and this result in annual net revenues of fortythree billion dollars.

- Brand awareness: PepsiCo has established itself as a strong brand in the food and Beverages industry and through aggressive marketing has captured a loyal customer base.
- Good Operational efficiency and distribution capability: Best in class distribution systems Adopted in each country, meeting the unique requirements.
- Wide and innovative product line: Wide range of product lines, mainly beverages, snacks and nutrition. Able to innovate globally and introduce products catered for each region has enabled Pepsi to capture a huge share of global snacks and beverages sales. For example, barrio, a non alcoholic malt drink created for markets in the Middle East, delivered double Digit volume growth.

Weaknesses:

- Coca cola has a larger share of carbonated soft drinks consumption in US.
- Dependence on large retailers: Large retailers such as Walmart, make up a huge percentage of Pepsi sales. Maintaining good relations with these large retailers is very important.
- Dependence: Pepsi Co, unlike Coca-Cola does not own most of the bottling companies. Therefore, Pepsi has limited control over the bottling company.
- Strong workers union: Workers unions are strong and can disrupt normal operations, if they are not in good terms with the company.
- Image damage caused by product recall: On second September 2011, Quaker Oats Company, a division of PepsiCo issued a voluntary recall of 8-count Quaker Chewy smash Bar Graham Pretzel snack bars due to an undeclared milk allergen that is not noted on the Label (Co).

Opportunities:

- Expansion of product lines: Pepsi Co can introduce more products in order to increase Market share.

- Entry into more developing countries: Pepsi Co can cash in on the growing economy in Certain developing countries by entering those markets and expanding the Pepsi Co supply chain.
- Acquire more bottling companies: Pepsi can acquire bottling companies in order to gain Greater control over bottling.

Threats:

- Imitation:Pepsi products can be imitated by reengineering. Such imitation of Pepsi Products and their subsequent introduction into the market can make the demand of Pepsi Products more elastic.
- Unfavorable economic condition: Changes in interest rates, tax rates and inflation can Affect the business.
- Trade consolidation: Concentration of retailers can affect the business of Pepsi Co, as buyer power increases and the large retailers can exert more pressure on Pepsi co to reduce costs, this in turn may degrade profit.
- Changes in legal and regulatory environment: Changes in food and drug laws, laws regarding the import and export of ingredients can change the environment in which Pepsi Co does business and may impact the results and increase the cost and liabilities.
- Damage to reputation: Production contamination, failure to comply with safety regulations and product recalls can cause damage to reputation and cause decrease in demand or unavailability of the product.

1.4 STATEMENT OF THE PROBLEM

To find the taste and preferences of PepsiCo soft drinks. Research problem is done in Chennai region.

1.5 NEED FOR THE STUDY

The need for the study is that it can help to find out the customer behavioral pattern in soft drinks. This study also finds the purchasing power and customers preferences in

Chennai. Finally, this study sees the PepsiCo brand image towards the consumers in Chennai region.

1.6 SCOPE AND SIGNIFICANCE OF STUDY

The study aims at finding the customers taste in the PepsiCo. This study discusses on the consumer level and perception towards the soft drinks. This also helps to provide suggestion about the consumer taste to PepsiCo.

1.7 OBJECTIVES OF THE STUDY

1.7.1 Primary Objective:

- To study the consumer perception about pepsico drinks.

1.7.2 Secondary Objective:

- To identify which drink is mostly preferred by the people and their perception on comparative performance on pepsico drinks.
- To analyze what are the changes required to improvise pepsico beverages.
- To know the consumer level towards pepsico.
- The perception of consumer about the Pepsi products.

1.8 LIMITATIONS OF THE STUDY

- This study doesn't cover vast number of customers.
- The study is limited to some particular areas in Chennai.
- Some of the respondents was filling the form fast in hurry.

CHAPTER - 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

Concept of Consumer Perception:

Walters and Bergiel (1989), defined consumer perception as the entire process by which an individual becomes aware of the environment and interprets it so that it will fit into his/her frame of reference of a particular product. They further explained that every perception process involves a person who interprets through the senses events, relations or other things which may be designated as the precept. Consumer perception occurs when sensory receptors receive information about a product via the brain, code and categorizes this information and then assigns meaning to them according to a person's frame of reference (Van, 1991). Understanding the notion of perception is critically important for marketers because it enables them readily determine what influences consumers to buy. Perceptions are unique to individuals. Hence, each individual may have different perception of the same product (Kotler, 2002). This is because the process of recognition, selection, organization and interpretation is a highly individualized process based on each person's needs, values and expectations. Furthermore, individuals act and react on the basis of their perceptions, and not on the basis of objective reality, resulting from their previous experience (Schiffman & Kanuk, 2009). Role of Consumer Perception in Marketing Consumers are constantly bombarded with a multitude of sensory stimuli from ever increasing and sophisticated marketing communications. A consumer's decision to purchase a particular product is therefore largely influenced by the interpretation and positive meaning derived from Isibor, O. F., Iyamu, O. G. & Oghenevwodokohwo, J. (2019). Consumers' preference and perception of soft drinks in Benin City. *Advances in Management*, 18(2), 170 -185. These communications (Kotler, 2002). Consumers' perception is important in marketing because it represents the way consumers view a product or service. Marketers can therefore only influence perception of consumers by understanding their current perception and being familiar with the perceptual

process (Kotler, 2002; Lake, 2009). An understanding of this process aids the marketers in designing its product and communications strategy (Solomon, Bamossy, Askegard & Hogg, 2006; Berenbaum & Larkin, 2007).

Determinants of Consumer Perception and Preference for Soft Drinks:

As with other components of consumer behavior, perception and preference are determined by factors internal to the consumer, factors external to the consumer or a combination of these internal and external factors (Egmond & Bruel, 2007). This is because these factors whether qualitative or quantitative solve specific consumer problems or needs and add value to their consumption (Aggarwal, 2004). A major factor that has been found to determine consumer perception, preference and satisfaction is perceived quality (Bedi, 2010; Kassim & Abdullah, 2010 ref in m.sc thesis). Quality is a key market and product differentiator (Baker, 1995). This is because it has been found to play a critical role in retaining and attracting customers (Jensen & Markland, 1996) as well as in gaining competitive advantage (Santos & Matthews, 2001). Perceived quality is quality as viewed by the consumer. It may be positive or negative and forms the basis for making repeat purchase or subsequent purchase decisions (Trehan, 2008). Given the importance of quality in marketing, its conceptualization, relationship to satisfaction and methods for measurement has remained at the centre of marketing research (Isibor & Odia, 2014). Several approaches have therefore been proposed for measuring quality. For instance, the servqual scale was developed by Parasuraman, Zeithaml and Berry (1988) for measuring Isibor, O.F., Iyamu, O.G. & Oghenevwodokohwo, J. (2019). Consumers' preference and perception of soft drinks in Benin City. *Advances in Management*, 18(2), 170 -185 7 quality as in service offerings. The servqual scale assesses service quality in terms of customers' perception of tangibility, reliability, responsiveness, assurance and empathy of the service/service provider. However, as with many other scales, the servqual scale is only appropriate for assessing quality in the service context. Assessing a product at the level of its attributes or features has therefore been suggested as the best approach to understanding and measuring quality for a product. This approach offer many practical benefits to consumer researchers and

marketing practitioners especially in terms of managing and improving quality (Agbonifoh, Isibor&Okere, 2016; Gray & Dennis, 2010). There is however no comprehensive list of product features as it relates food and drinks. This is because perceived attributes tends to vary among customers and with circumstances (Kariyawasam, Jayasinghe-Mudalige&Weerahewa, 2007). For instance, Caswell (1998) categorized attributes for assessing food quality into food safety, nutrition, sensory/organoleptic, value/functional, process, text/measurement and cues while Munnukka (2008) identified container design, portion size, flavor and color as attributes consumers use for assessing food quality. On their part, Meher, Bulbul and Khaled (2017) identified price, brand image, taste, availability, flavor, advertisement, packaging, size/variety, expire date and ingredients as quality attributes for soft drinks. Given the peculiar nature of the Nigerian soft drink market, we have adopted eight attributes suggested in previous studies (Taste, color, flavor, nutritional benefit derived, price, size, container design, and availability/accessibility) and also sought to ascertain if there was other attributes consumers use in assessing the quality of soft drinks

CHAPTER - 3

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

In this project, Descriptive statistics is used in research topic.

3.2 SAMPLING TECHNIQUE

In this project, Convenience sampling method is used to conduct the research.

3.3 SOURCES OF DATA

3.3.1 Primary Data:

In this project, primary data is collected through questionnaire and personal questions.

3.3.2 Secondary Data:

In this project, secondary data is collected from websites, journals and research papers.

3.4 STRUCTURE OF QUESTIONNAIRE

Structure of questionnaire is demographic questions and multiple choice questions.

3.5SAMPLE SIZE

Sample Size of 120 customers who consume soft drinks.

3.6 PERIOD OF STUDY

Period of study is from December 2020 to February 2021.

3.7 ANALYTICAL TOOLS

Correlation, chi square, Anova, T.Test, Regression.

CHAPTER - 4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

Table 4.1.1: Showing Gender wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE
Female	72	60%
Male	48	40%
Total	120	100

Source: Primary Data

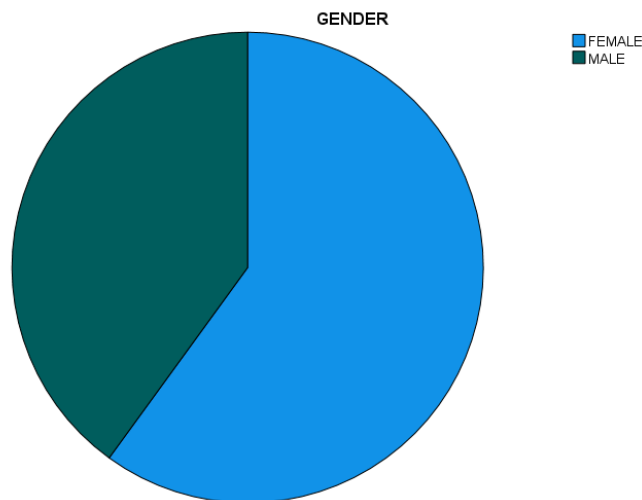


Chart 4.1.1: Showing Gender wise classification of respondents

Interpretation:

From the above table it is interpreted that 40% of respondents are male and 60% of respondents are female.

Inference:

Majority (60%) are female.

Table 4.1.2: Showing Soft Drinks you Drink most wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE
Cola based drinks	80	66.70%
Fruit based drinks	40	33.30%
Total	120	100

Source: Primary Data

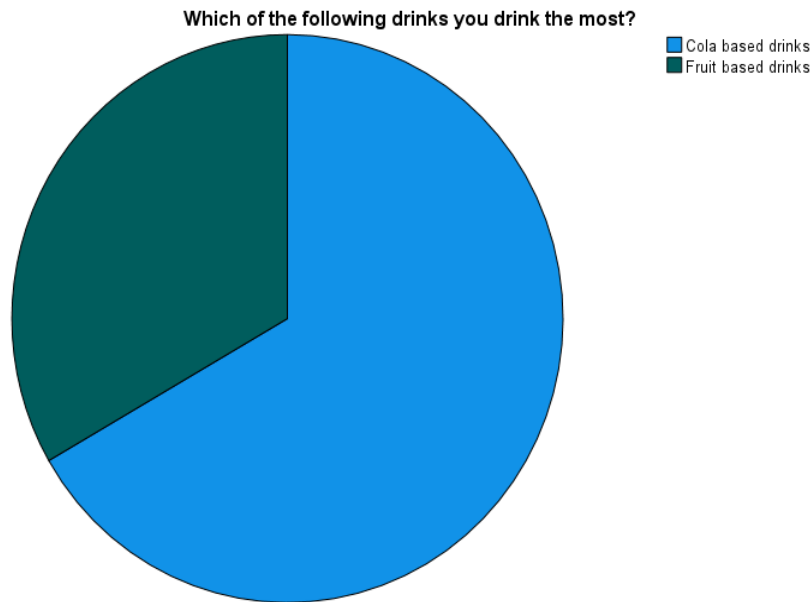


Chart 4.1.2: Showing Soft Drinks you Drink most wise classification of respondents

Interpretation:

From the above table it is interpreted that 66.7% of respondents are cola based drinks and 33.3%of fruit based drinks.

Inference:

Majority (66.7%) are preferring cola based drinks.

Table 4.1.3: Showing Occasions you Consume Cold Drink wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Get together	20	16.7%
No reason	35	29.2%
Outing	23	19.2%
Party	42	35.0%
Total	120	100

Source: Primary Data

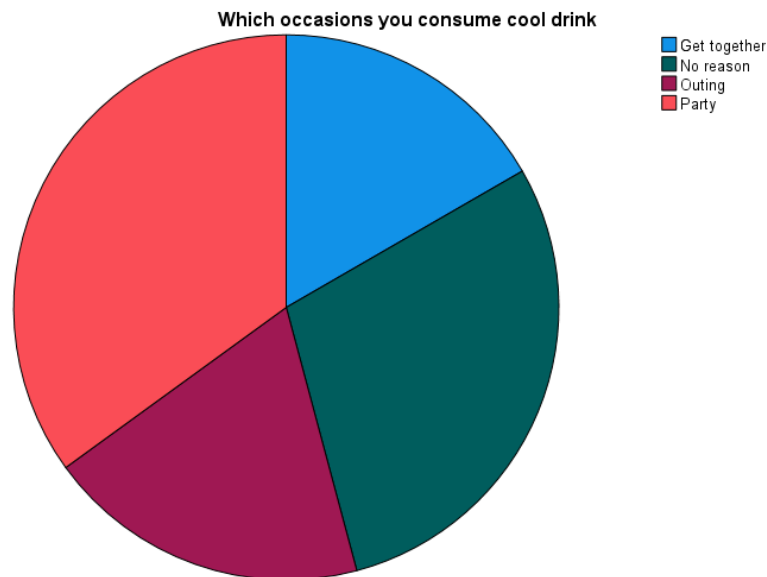


Chart 4.1.3 Showing Occasions you Consume Cold Drink wise classification of respondents

Interpretation:

From the above table it is interpreted that 35% of respondents are consuming during party and 16.7% are consuming during get-together.

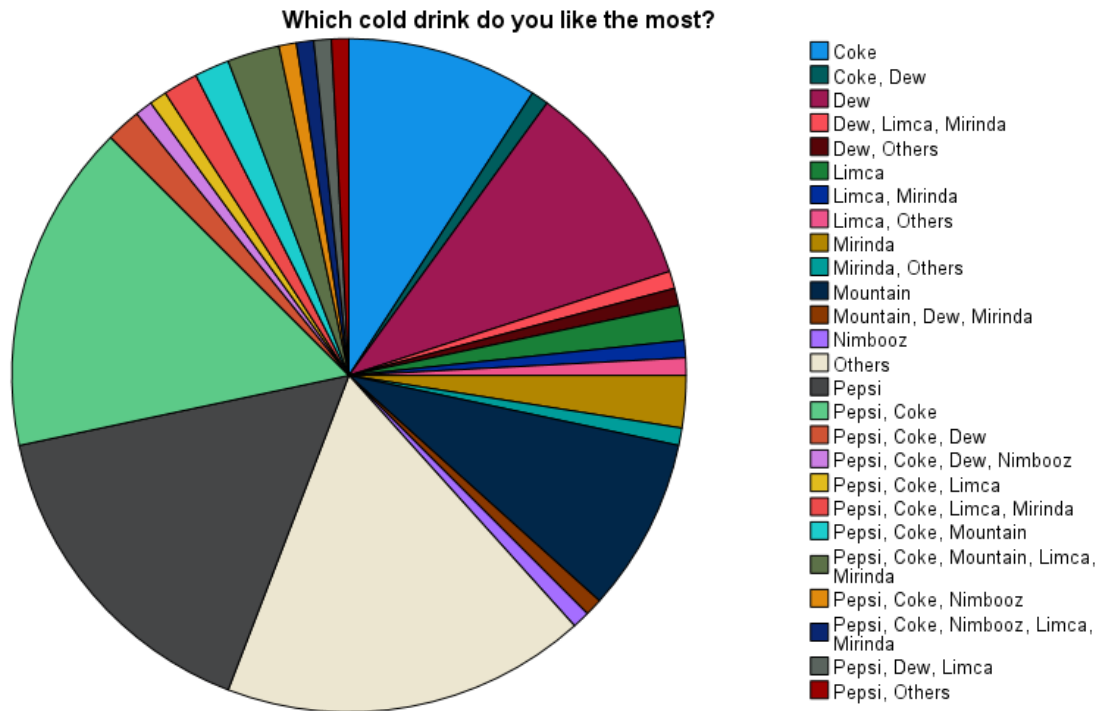
Inference:

Majority (35%) are consuming during party.

Table 4.1.4: Showing Cold Drinks like the Most wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Coke	11	9.2%
Coke ,dew	1	0.8%
Dew	12	10.0%
Dew,limca,mirinda	1	0.8%
Dew, others	1	0.8%
Limca	2	1.7%
Limca,mirinda	1	0.8%
Limca, others	1	0.8%
Mirinda	3	2.5%
Mirinda, others	1	0.8%
Mountain	10	8.3%
Mountain,dew,mirinda	1	0.8%
Nimbooz	1	0.8%
Others	21	17.5%
Pepsi	19	15.8%
Pepsi, coke	19	15.8%
Pepsi,coke,dew	2	1.7%
Pepsi,coke,dew, nimbooz	1	0.8%
Pepsi,coke,limca	1	0.8%
Pepsi,coke,limca,,mirinda	2	1.7%
Pepsi,coke,mountain	2	1.7%
Pepsi,coke,mountain,limca,mirinda	3	2.5%
Pepsi,coke,nimbooz	1	0.8%
Pepsi,coke,nimbooz, Limca,mirinda	1	0.8%
Pepsi,dew,limca	1	0.8%
Pepsi, others	1	0.8%
Total	120	100

Source: Primary Data



Interpretation:

From the above table it is interpreted that 17.5% of respondents are choosing others and 0.8% are like many drinks.

Inference:

Majority (17.5%) are choosing others.

Table 4.1.5: Showing Cold Drink Quantity Prefer wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
1 litre	14	11.7%
2 litre	10	8.3%
200 ml	35	29.2%
300 ml	33	27.5%
500 ml	28	23.3%
Total	120	100

Source: Primary Data

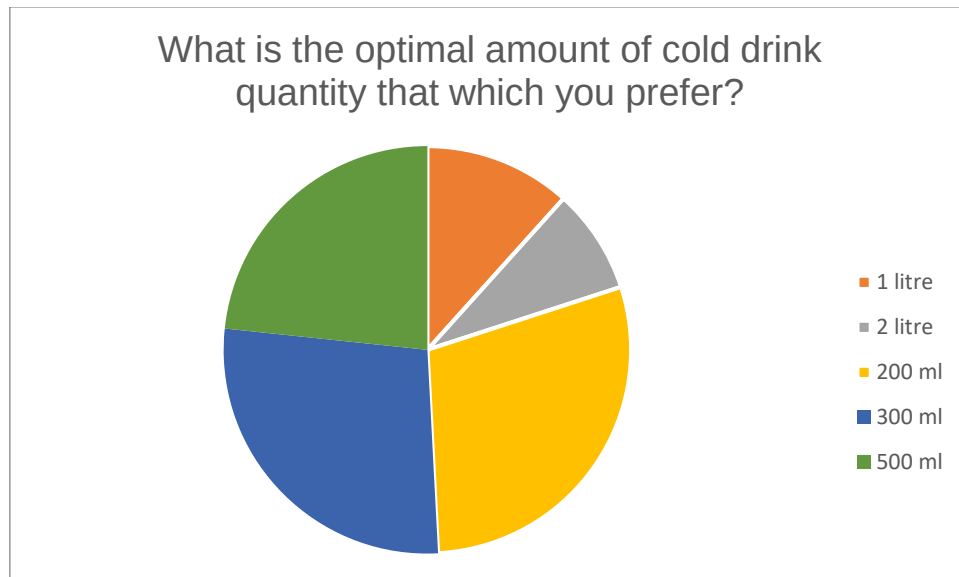


Chart 4.1.5: Showing Cold Drink Quantity Prefer wise classification of respondents

Interpretation:

From the above table it is interpreted that 29.2% of respondents are preferring cold drink and 8.3% are preferring 2litre.

Inference:

Majority (29.2%) are preferring cold drink.

Table 4.1.6: Showing Satisfaction of Pricing wise classification of respondents

PARTICULARS	NO. OFRESPONDENTS	PERCENTAGE%
Disagree	8	6.70%
Highly strongly	9	7.50%
Neutral	30	25%
Strongly	72	60%
Strongly disagree	1	0.80%
Total	120	100

Source: Primary Data

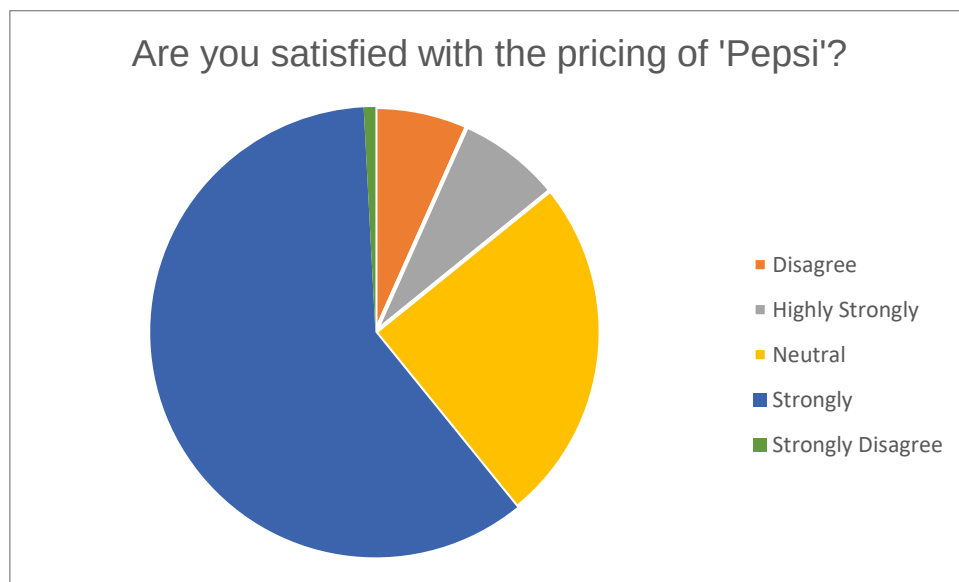


Chart 4.1.6: Showing Satisfaction of Pricing wise classification of respondents

Interpretation:

From the above table it is interpreted that 60% of respondents are satisfied with the pricing of Pepsi and 0.80% are not satisfied with the pricing of Pepsi.

Inference:

Majority (60%) are satisfied with the pricing.

Table 4.1.7: Showing Changes for PepsiCo Popular wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Advertising	44	36.70%
Packaging	48	40.00%
Pricing	26	21.70%
Promotional schemes	2	1.70%
Total	120	100

Source: Primary Data

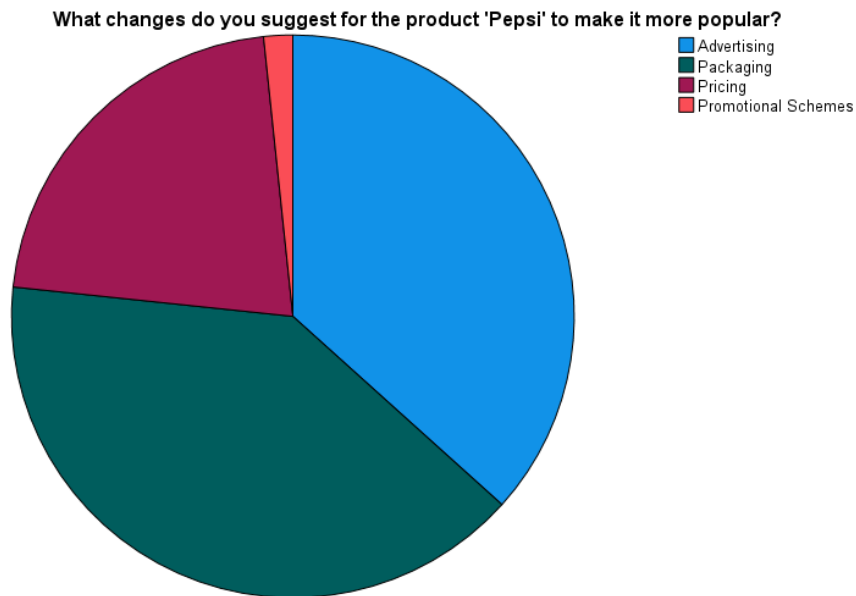


Chart 4.1.7: Showing Changes for PepsiCo Popular wise classification of respondents

Interpretation:

From the above table it is interpreted that 40% of respondents are suggest for the product Pepsi to make it more popular and 1.70%are you suggest for the product Pepsi to make it more popular.

Inference:

Majority (40%) are suggest for the product Pepsi to make it more popular.

Table 4.1.8: Showing Decision to Buy Product Nimbooz wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Energizing	8	6.70%
Non-carbonated	27	22.50%
Pricing	42	35.00%
Refreshing	10	8.3%
Taste	33	27.50%
Total	120	100

Source: Primary Data

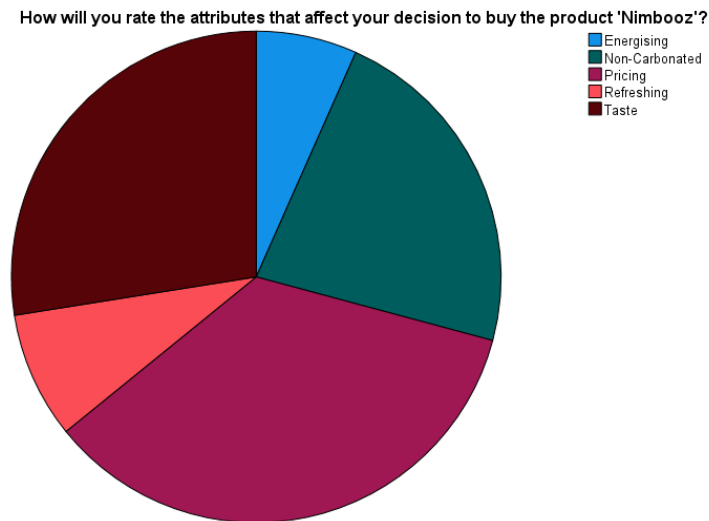


Chart 4.1.8: Showing Decision to Buy Product Nimbooz wise classification of respondents

Interpretation:

From the above table it is interpreted that 35.0% of respondents are that affect your decision to buy the product Nimbooz and 16.7% are that affect your decision to buy the product Nimbooz during get-together.

Inference:

Majority (35.0%) are that affect your decision to buy the product Nimbooz.

Table 4.1.9: Showing Construction of Soft Drinks wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Agree	48	40.00%
Disagree	4	3.30%
Neutral	25	20.80%
Strongly agree	7	5.80%
Strongly disagree	36	30.00%
Total	120	100

Source: Primary Data

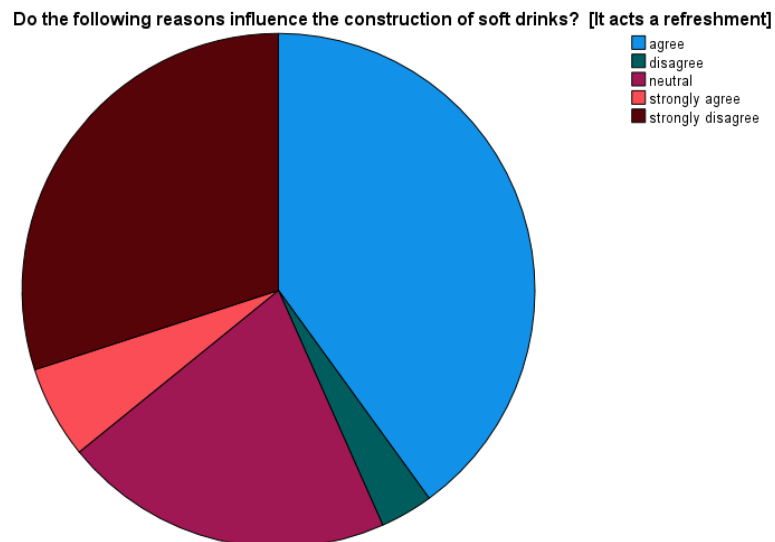


Chart 4.1.9: Showing Construction of Soft Drinks wise classification of respondents

Interpretation:

From the above table it is interpreted that 40% of respondents are influence the construction of soft drinks and 3.30% are influence the construction of soft drinks.

Inference:

Majority (40%) are influence the construction of soft drinks.

Table 4.1.10: Showing Bottling & Labeling Satisfaction wise classification of respondents

PARTICULARS	NOOFRESPONDENTS	PERCENTAGE%
Dissatisfied	2	1.7
Highly Dissatisfied	4	3.3
Highly satisfied	18	15.0
Neutral	25	20.8
Satisfied	71	59.2
Total	120	100.0

Source: Primary Data

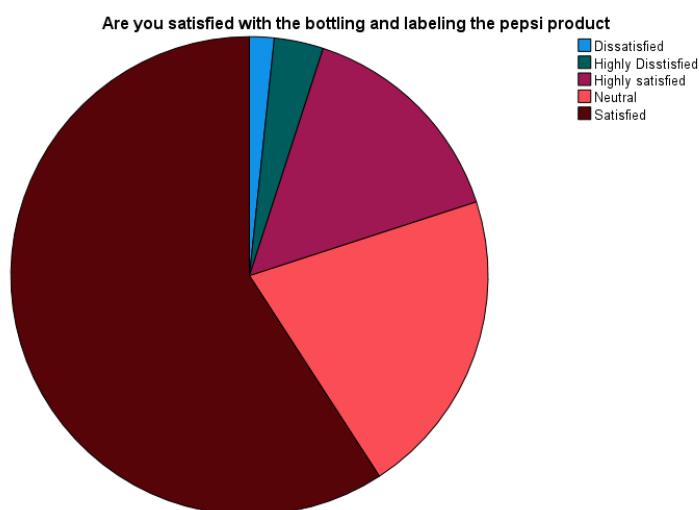


Chart 4.1.10: Showing Bottling & Labeling Satisfaction wise classification of respondents

Interpretation:

From the above table it is interpreted that 59.2% of respondents are satisfied with the bottling and labeling the Pepsi product and 1.7% are dissatisfied with the bottling and labeling the Pepsi product.

Inference:

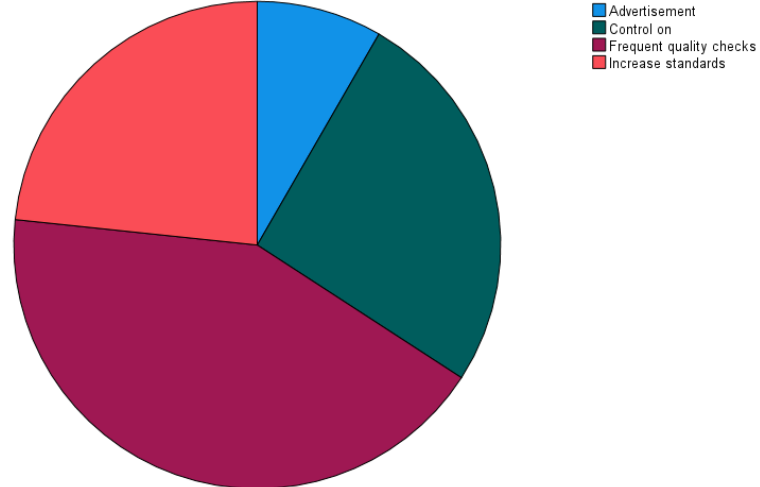
Majority (59.2%) are satisfied with the bottling and labeling the Pepsi product.

**Table 4.1.11: Showing Government stop Unhealthy Practices in Soft Drink
Company wise classification of respondents**

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Advertisement	10	8.30%
Control on	31	25.80%
Frequent quality checks	51	42.50%
Increase standards	28	23.30%
Total	120	100

Source: Primary Data

What are the things that govt need to do to stop unhealthy practices carried down by the soft drink companies?



**Chart 4.1.11: Showing Government stop Unhealthy Practices in Soft Drink
Company wise classification of respondents**

Interpretation:

From the above table it is interpreted that 42.50% of respondents are stop unhealthy practices carried down by the soft drink companies and 8.30% are stop unhealthy practices carried down by the soft drink companies.

Inference:

Majority (42.50%) are stop unhealthy practices carried down by the soft drink companies.

Table 4.1.12: Showing Medium to know Preferred Brand wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Hoardings and banners	21	17.5
Newspapers	39	32.5
TV/radio	31	25.8
Worth of mith	29	24.2
Total	120	100.0

Source: Primary Data

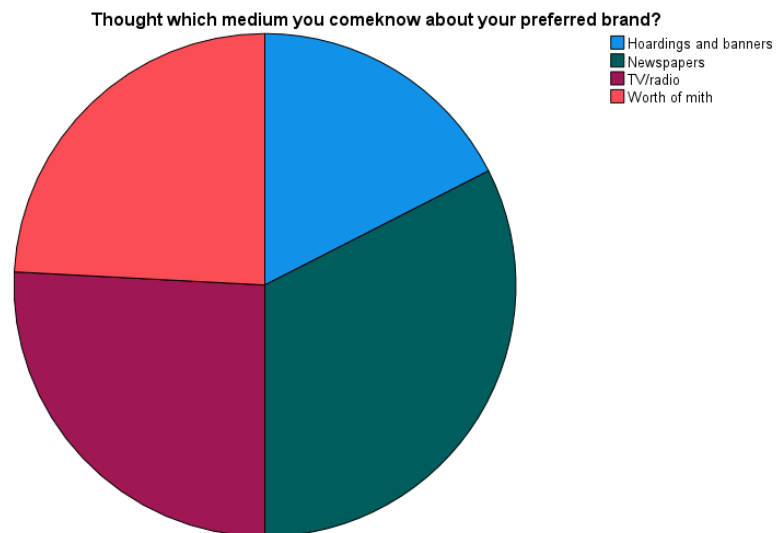


Chart 4.1.12: Showing Medium to know Preferred Brand wise classification of respondents

Interpretation:

From the above table it is interpreted that 32.5% n respondents are come to know about you preferred brand and 17.5%are come to know about you preferred brand during get-together

Inference:

Majority (32.5%) are you come to know about you preferred brand.

Table 4.1.13: Showing Buying Location wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Local shops	74	61.7
Night clubs	22	18.3
Petrol stations	4	3.3
Retail shops	20	16.7
Total	120	100.0

Source: Primary Data

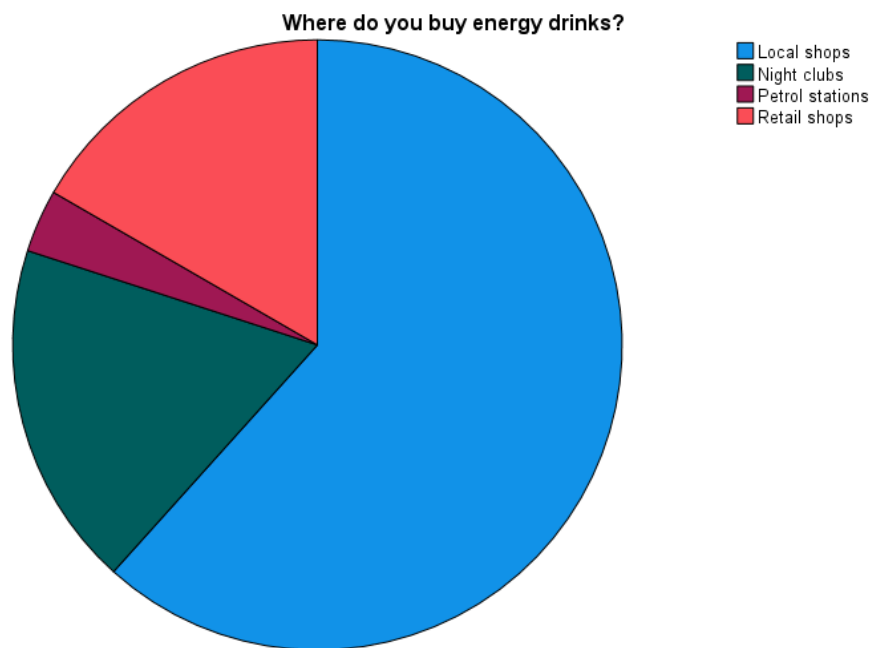


Chart 4.1.13: Showing Buying Location wise classification of respondents

Interpretation:

From the above table it is interpreted that 61.7% of respondents are buying energy drinks and 3.3% buying energy drinks get-together

Inference:

Majority (61.7%) are buying energy drinks

Table 4.1.14: Showing Consume Soft Drinks wise classification of respondents

PARTICULARS	NO.OFRESPONDENTS	PERCENTAGE%
Less than one month	26	21.70%
More than once in a week	48	40.00%
Once in a week	46	38.30%
Total	120	100

Source: Primary Data

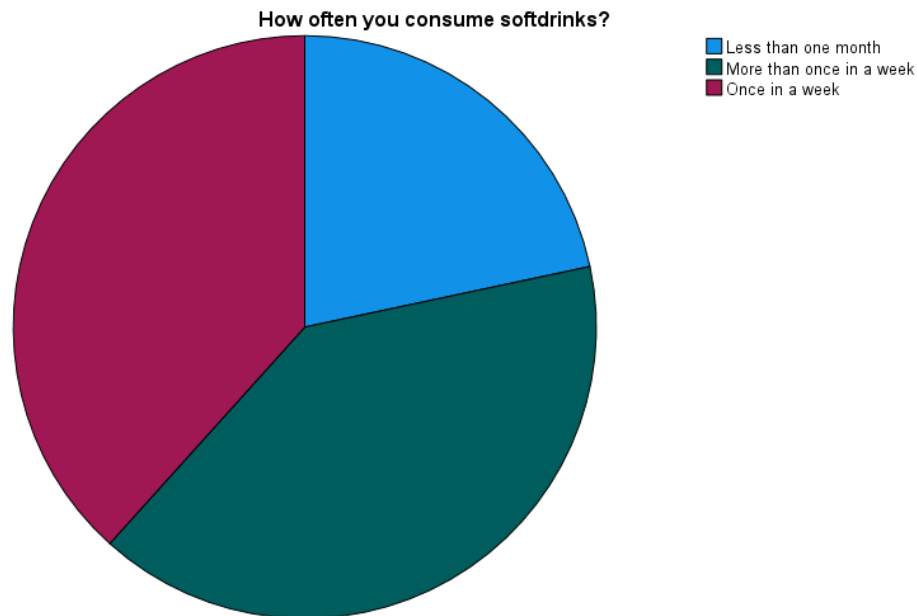


Chart 4.1.14: Showing Consume Soft Drinks wise classification of respondents

Interpretation:

From the above table it is interpreted that 40% of respondents are consume soft drinks and 21.7% are consume soft drinks during get-together

Inference:

Majority (40%) are consuming soft drinks.

4.2 CORRELATION

Table 4.2.1: Showing Age and Bottling & Labeling Satisfaction

Correlations			
		Age	Bottling&Labeling Satisfaction
Age	Pearson Correlation	1	.214*
	Sig. (2-tailed)		0.019
	N	120	120
Bottling&Labeling Satisfaction	Pearson Correlation	.214*	1
	Sig. (2-tailed)	0.019	
	N	120	120

*. Correlation is significant at the 0.05 level (2-tailed).

Inference:

The p-value is 0.019 which is lesser than the alpha value (0.05), hence the alternate hypothesis (H₁) is accepted. Therefore, there is a relationship between age and bottling & labelling satisfaction.

4.3 CHI-SQUARE

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between age and soft drinks you drink most.

H1 (Alternate Hypothesis): There is a significant difference between age and soft drinks you drink most.

Table 4.3.1: Showing Age and Soft Drinks you Drink most

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.559 ^a	4	0.004
Likelihood Ratio	16.049	4	0.003
Linear-by-Linear Association	5.834	1	0.016
N of Valid Cases	120		

*. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 2.33.

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	0.360	0.004
	Cramer's V	0.360	0.004
N of Valid Cases		120	

Inference:

The p-value is 0.004 which is lesser than the alpha value (0.05), hence the alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between age and soft drinks you drink most.

4.4 ANOVA

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between age and influence soft drinksatisfies&filling.

H1 (Alternate Hypothesis): There is a significant difference between age and influence soft drinkssatisfies&filling.

Table 4.4.1: Showing Age and Influence Soft Drinkssatisfies & filling

ANOVA					
Influence Soft Drinksatisfies& filling					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.807	4	3.952	3.117	0.018
Within Groups	145.784	115	1.268		
Total	161.592	119			

Inference:

The p-value is 0.018 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between age and influence soft drinkssatisfies&filling.

4.5 T-TEST

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between soft drinks you drink most and refreshment.

H1 (Alternate Hypothesis): There is a significant difference between soft drinks you drink most and refreshment.

Table 4.5.1: Showing Soft Drinks you Drink most and Refreshment

Independent Samples Test							
		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Std. Error Difference
Refreshment	Equal variances assumed	4.589	0.034	-2.940	118	0.004	0.319
	Equal variances not assumed			-3.073	87.940	0.003	0.305

Inference:

The p-value is 0.003 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between soft drinks you drink most and refreshment.

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between soft drinks you drink most and influence soft drink taste.

H1(Alternate Hypothesis): There is a significant difference between soft drinks you drink most and influence soft drink taste.

Table 4.5.2: Showing Soft Drinks youDrink most and Influence Soft Drink Taste

Independent Samples Test							
		Levine's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Std. Error Difference
Influence Soft Drink taste	Equal variances assumed	14.397	0.000	-2.247	118	0.027	0.217
	Equal variances not assumed			-2.475	100.746	0.015	0.197

Inference:

The p-value is 0.015 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between soft drinks you drink most and influence soft drink taste.

4.6 REGRESSION

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between influence soft drinks satisfies & filling and influence soft drink taste.

H1 (Alternate Hypothesis): There is a significant difference between influence soft drinks satisfies & filling and influence soft drink taste.

Table 4.6.1: Showing Influence Soft Drinkssatisfies & filling and Influence Soft Drink Taste

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.448 ^a	0.200	0.194	1.046	0.200	29.591	1	118	0.000

a. Predictors: (Constant), InfluenceSoftDrink Taste

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.398	1	32.398	29.591	.000 ^b
	Residual	129.193	118	1.095		
	Total	161.592	119			

a. Dependent Variable: InfluenceSoftDrinksatisfiesandFilling

b. Predictors: (Constant), InfluenceSoftDrink Taste

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.411	0.212		6.653	0.000
	InfluenceSoftDrink Taste	0.458	0.084	0.448	5.440	0.000
a. Dependent Variable: InfluenceSoftDrink satisfies&Filling						

Inference:

The p-value is 0.000 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between influence soft drink satisfies & filling and influence soft drink taste.

CHAPTER - 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 FINDINGS OF THE STUDY

- It is found that (60%) of the respondents are female.
- It is found that (66.7%) are preferring cola based drinks.
- It is found that (35%) are consuming during party.
- It is found that (17.5%) are choosing others.
- It is found that (29.2%) are preferring cool drink.
- It is found that (60%) are satisfied with the pricing.
- It is found that (35.0%) are that affect your decision to buy the product nimbooz.
- It is found that (40%) are influence the construction of soft drinks.
- It is found that (59.2) are satisfied with the bottling and labeling the Pepsi product.
- It is found that (42.50%) are stop unhealthy practices carried down by the soft drink companies.
- It is found that (32.5%) are you come to know about you preferred brand.
- It is found that (61.7%) are buying energy drinks.
- It is found that (40%) are consuming soft drinks.
- The p-value is 0.019 which is lesser than the alpha value (0.05), hence the alternate hypothesis (H1) is accepted. Therefore, there is a relationship between age and bottling & labelling satisfaction.
- The p-value is 0.004 which is lesser than the alpha value (0.05), hence the alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between age and soft drinks you drink most.
- The p-value is 0.018 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between age and influence soft drinks satisfies & filling.

- The p-value is 0.003 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between soft drinks you drink most and refreshment.
- The p-value is 0.015 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between soft drinks you drink most and influence soft drink taste.
- The p-value is 0.000 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between influence soft drink satisfies & filling and influence soft drink taste.

5.2 SUGGESTIONS

- Create effective marketing campaigns.
- Invest in right channels.
- Focus on digital marketing.
- Choose good sponsorships.

5.3 CONCLUSION

From the findings of the study it can be inferred that the demand for soft drinks is occasional with the maximum sales being in summer.

19-24 age group contributes a large percentage of sales and hence younger generation is the focus of soft drink consumption.

Television is the most effective medium followed by newspapers.

Taste has been found to be the most important factor influencing purchase decisions. High brand awareness has been noticed among consumers.

Bakeries have grown to be the popular outlets for soft drink consumption.

The company's catchy slogan is the most appealing in ad films.

Sales promotion programs of the company are popular among consumers with gifts being the most preferred.

The company's brand has been rated low on fuzziness and hence less suitable to south Indian palate accustomed to spices.

300 ml pack is popular among consumers, 500 ml, 2 lt. Disliked.

Brand switching is prevalent among majority consumers.

Consumers preferred film stars and cricketers endorsing their preferred brand.

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APPENDIX - I (Questionnaire)

1. Name: _____
2. Gender: ☐ Male ☐ Female
3. Age: ☐ Below 20 Years

 ☐ 20 - 30 Years

 ☐ 30 - 40 Years

 ☐ Above 40 Years
4. Marital Status: ☐ Married ☐ Unmarried
5. Which of the following drinks you drink the most?

☐ Cola based drinks ☐ Fruit based drinks
6. Which occasions you consume Cool drink?

☐ No reason ☐ Party ☐ Outing ☐ Get together
7. Which cool drink you like the most?

☐ Pepsi ☐ Coke ☐ Nimbooz ☐ Mountain dew ☐ Limca ☐ Mirinda ☐ Others
8. What is the optional amount of cool drink quantity that you prefer?

☐ 200ml ☐ 300ml ☐ 500ml ☐ 1litre ☐ 2litre
9. Are you satisfied with pricing of Pepsi?

☐ Highly strongly ☐ Strongly ☐ Neutral ☐ Disagree ☐ Strongly disagree
10. What changes do you suggest for the product Pepsi to make more popular?

☐ Advertising ☐ Packaging ☐ Pricing ☐ Promotional schemes

11. How will you rate attributes that affect your decision to buy the product nimbooz?

☐Taste ☐Pricing ☐Non-carbonated ☐Energizing ☐Refreshing

12. Do the following reasons influence the construction of soft drinks?

Strongly disagree Disagree Neutral

It acts refreshment ☐☐☐

It Provides enjoyment ☐☐☐

It taste is very good ☐☐☐

It relaxes me mentally ☐☐☐

It satisfies and filling ☐☐☐

13. Are you satisfied with bottling and labeling the Pepsi products?

☐Highly satisfied ☐Satisfied☐Dissatisfied☐Highly dissatisfied

14. What are the things that the govt need to stop unhealthy practices carried down by the soft drinks?

☐Increase standards ☐frequent quality check ☐ Control on ☐Advertisement

15. Though which medium you come know about your preferred brand?

☐Holdings and banners ☐Newspapers ☐TV/radio ☐Worth of mith

16. Where did you buy energy drinks?

☐Petrol stations ☐Local shops☐ Night clubs ☐Retail shops

17. How often you consume soft drinks?

☐Once in a week ☐more than once in a week ☐ Less than one month

18. Do you have any comments?

APPENDIX - II (Article)

CONSUMER PERCEPTION TOWARDS THE PEPSICO SOFT DRINKS WITH SPECIAL REFERENCE TO CHENNAI

Deepika.P

Dr. S. Uma Maheswari

STUDENT, SCHOOL OF BUSINESS ADMINISTRATION, SATHYABAMA
INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI - 600 119

ASSISTANT PROFESSOR, SCHOOL OF BUSINESS ADMINISTRATION,
SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI - 600 119

deepikarangan8@gmail.commumaishwarya99@gmail.com

ABSTRACT

The new economic policies of the Government of India adopted in the mid eighties were further impetus by the early nineties. The Indian market has undergone considerable change, as a direct consequence of many of these policies and soft drink industry is no exception to this. Keeping the above mentioned perspective in the background, the researcher has selected soft drink market, since the marketing task has become more challenging and intensive competition as opened up new vistas. Companies are evolving marketing strategies by studying the demands of the market place increasingly penetrating in to appropriate market segments introducing differentiated products to improve their market share. The soft drink market has achieved an accelerated growth in the past decade.

INTRODUCTION

A soft drink is a drink that usually contains carbonated water, and a natural or artificial flavoring. The sweetener may be a sugar, high-fructose corn syrup, fruit juice, a sugar substitute, or some combination of these. Soft drinks may also contain caffeine, colorings, preservatives, and/or other ingredients. Soft drink has been part of American lifestyle for more than 100 years. Many of today's soft drinks are the same as the first ones enjoyed in the 1800's. Soft drink production begins with creation of flavored syrup using a closely guarded company recipe. The syrup is mixed with purified water and then carbonated by adding carbon dioxide gas under pressure. This carbonation creates the "tingle fizz" that gives soft drinks a refreshing taste. Now for a closer look at soft drink ingredients.

STATEMENT OF THE PROBLEM

To find the taste and preferences of PepsiCo soft drinks. Research problem is done in Chennai region

NEED FOR THE STUDY

The need for the study is that it can help to find out the customer behavioral pattern in soft drinks. This study also finds the purchasing power and customers preferences in Chennai. Finally, this study sees the PepsiCo brand image towards the consumers in Chennai region.

OBJECTIVES OF THE STUDY

- To identify which drink is mostly preferred by the people and their perception on comparative performance on pepsico drinks.
- To analyze what are the changes required to improvise pepsico beverages.
- To know the consumer level towards pepsico.
- The perception of consumer about the Pepsi products.

REVIEW OF LITERATURE

Concept of Consumer Perception:

Walters and Bergiel (1989), defined consumer perception as the entire process by which an individual becomes aware of the environment and interprets it so that it will fit into his/her frame of reference of a particular product. They further explained that every perception process involves a person who interprets through the senses events, relations or other things which may be designated as the precept. Consumer perception occurs when sensory receptors receive information about a product via the brain, code and categorizes this information and then assigns meaning to them according to a person's frame of reference (Van, 1991). Understanding the notion of perception is critically important for marketers because it enables them readily determine what influences consumers to buy. Perceptions are unique to individuals. Hence, each individual may have different perception of the same product (Kotler, 2002). This is because the process of recognition, selection, organization and interpretation is a highly individualized process based on each person's needs, values and expectations. Furthermore, individuals act and react on the basis of their perceptions, and not on the basis of objective reality, resulting from their previous experience (Schiffman & Kanuk, 2009). Role of Consumer Perception in Marketing Consumers are constantly bombarded with a multitude of sensory stimuli from ever increasing and sophisticated marketing communications. A consumer's decision to purchase a particular product is therefore largely influenced by the interpretation and positive meaning derived from Isibor, O. F., Iyamu, O. G. & Oghenevwodokohwo, J. (2019). Consumers' preference and perception of soft drinks in Benin City. *Advances in Management*, 18(2), 170 -185. These communications (Kotler, 2002).

RESEARCH METHODOLOGY

Research Design: In this project, Descriptive statistics is used in research topic.

Sampling Technique: In this project, Convenience sampling method is used to conduct the research.

Sources of Data: In this project, primary data is collected through questionnaire and personal questions. In this project, secondary data is collected from websites, journals and research papers.

Structure of Questionnaire: Structure of questionnaire is demographic questions and multiple choice questions.

Sample Size: Sample Size of 120 customers who consume soft drinks.

Period of Study: Period of study is from December 2020 to February 2021.

Analytical Tools: Correlation, chi square, Anova, T.Test, Regression.

RESULT ANALYSIS AND DISCUSSION

CHI-SQUARE

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between age and soft drinks you drink most.

H1 (Alternate Hypothesis): There is a significant difference between age and soft drinks you drink most.

Showing Age and Soft Drinks you Drink most

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.559 ^a	4	0.004
Likelihood Ratio	16.049	4	0.003
Linear-by-Linear Association	5.834	1	0.016
N of Valid Cases	120		

*. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 2.33.

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	0.360	0.004
	Cramer's V	0.360	0.004
N of Valid Cases		120	

Inference:

The p-value is 0.004 which is lesser than the alpha value (0.05), hence the alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between age and soft drinks you drink most.

ANOVA

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between age and influence soft drinks satisfies & filling.

H1 (Alternate Hypothesis): There is a significant difference between age and influence soft drinks satisfies & filling.

Showing Age and Influence Soft Drinkssatisfies & filling

ANOVA					
Influence Soft Drinkssatisfies & filling					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.807	4	3.952	3.117	0.018
Within Groups	145.784	115	1.268		
Total	161.592	119			

Inference:

The p-value is 0.018 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between age and influence soft drinks satisfies & filling.

T-TEST

HYPOTHESIS:

H0 (Null Hypothesis): There is no significant difference between soft drinks you drink most and refreshment.

H1 (Alternate Hypothesis): There is a significant difference between soft drinks you drink most and refreshment.

Showing Soft Drinks you Drink most and Refreshment

Independent Samples Test							
		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Std. Error Difference
Refreshment	Equal variances assumed	4.589	0.034	-2.940	118	0.004	0.319
	Equal variances not assumed			-3.073	87.940	0.003	0.305

Inference:

The p-value is 0.003 which is lesser than the alpha value (0.05), hence alternate hypothesis (H1) is accepted. Therefore, there is a significant difference between soft drinks you drink most and refreshment.

LIMITATIONS OF THE STUDY

- This study doesn't cover vast number of customers.
- The study is limited to some particular areas in Chennai.
- Some of the respondents were filling the form fast in hurry.

SUGGESTIONS

- Create effective marketing campaigns.
- Invest in right channels.
- Focus on digital marketing.
- Choose good sponsorships.

CONCLUSION

From the findings of the study it can be inferred that the demand for soft drinks is occasional with the maximum sales being in summer. 19-24 age group contributes a large percentage of sales and hence younger generation is the focus of soft drink consumption. Television is the most effective medium followed by newspapers. Taste has been found to be the most important factor influencing purchase decisions. High brand awareness has been noticed among consumers. Bakeries have grown to be the popular outlets for soft drink consumption. The company's catchy slogan is the most appealing in ad films. Sales promotion programs of the company are popular among consumers with gifts being the most preferred. The company's brand has been rated low on fuzziness and hence less suitable to south Indian palate accustomed to spices. 300 ml pack is popular among consumers, 500 ml, 2 lt. Disliked. Brand switching is prevalent among majority consumers. Consumers preferred film stars and cricketers endorsing their preferred brand.

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