



## **Full Length Review Article**

### **A STUDY ON RETAILER'S SATISFACTION TOWARDS PEPSICO WITH SPECIAL REFERENCE TO NIMBOOZ 7UP**

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Pepsi and Coke.

#### **ABSTRACT**

In this paper an attempted is made to understand Retailer satisfaction towards PepsiCo with special reference to Nimbooz7up. The global soft drink industry is currently expanding quite rapidly. This is due to two major factors. First, markets are expanding rapidly in developing countries and second people are turning toward natural, healthy, and low-calorie drinks. This so called "new-age" beverages, such as tea-based beverages, is considerably stimulating the development of the soft drink industry and also creating a major challenge to the carbonated beverage market. In part to address this trend, big soft drink companies, like Pepsi and Coke, are striving to become a "total beverage company" in which they will serve the comprehensive soft drink market. March 2009 PepsiCo India has launched its packaged nimbu paani 'Nimbooz'.

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#### **INTRODUCTION**

PepsiCo is a Fortune 500, American multinational corporation with Market Capitalization of \$95.23 Billion headquartered in New York with interests in manufacturing and marketing a wide variety of carbonated and non-carbonated beverages, as well as salty, sweet and grain-based snacks, and other foods. Besides the Pepsi-Cola brands, the company owns the brands Quaker Oats, Gatorade, Frito-Lays, Aquafina, Tropicana, Mountain Dew, Mirinda and 7-Up. Indra Krishnamurthy Nooyi has been the chief executive of PepsiCo since 2006. During her time, healthier snacks have been marketed and the company is striving for a net-zero impact on the environment. This focus on healthier foods and lifestyles is part of Nooyi's "Performance With Purpose" philosophy. 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 refreshments beverages PEPSI, 7UP, MIRINDA, MOUNTAINDEW, NIMBOOZ & SLICE, In addition to low calorie options such as DIETPEPSI, hydrating and nutritional beverage such as AQUAFINA drinking water, isotonic sports

drinks – GATORADE, TROPICANA FRUIT JUICE, AND JUICE BASED DRINKS –Tropicana Nectars, Tropicana twister. Local brands EVERVESS SODA, DUKES LOMONADE and foods Cheetos, Kurkure, Lay's, Leharnamkeen, Quaker oats, Uncle Chips, and Aliva.

#### **Need and importance of the study**

The present study 'Retailer satisfaction towards PepsiCo product Nimbooz7up' Topic chosen because every business organization has its own Marketing strategies in order to achieve satisfaction of customers and retailers. Retailers plays very important role in delivering of goods and services to ultimate target customers. 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 refreshments beverages PEPSI, 7UP, MIRINDA, MOUNTAINDEW, NIMBOOZ & SLICE.

#### **Review of Literature**

Swen and Combs, 1976 the concept of user satisfaction occupies a central position in marketing thought and practice. The centrality of this is that the profits are generated by

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satisfying the needs and wants of the users or customers. This field of research emerged in the early 1970's and has accelerated in the recent years. It is hypothesized that customer satisfaction is positively related to the product performance, dimension of which were categorized qualitatively into instrumental i.e. natural attributes of the product like capability, usability etc. The expressive i.e. psychological or determinant attributes like color style etc."Today's customers are becoming harder to please. They are smarter, more price conscious, more demanding, less forgiving and they are approached by many more competitors with equal or better offers. The challenge, according to Jeffrey Gitomer, is not to produce satisfied customers; several competitors can do this. The challenge is to produce delighted and loyal customers".

### Objectives of the study

- To know the retailers satisfaction level towards PepsiCo Nimbooz7up.
- To analyze the performance of Nimbooz7up and its company services.
- To find out Brand Image of Nimbooz7up & PepsiCo
- To identify the factors influencing the purchase decision of Nimbooz7up.

### Scope

The present study revolves around PepsiCo Unit, and the services offered by are as against the other major player. The study could be used to analyze the current Changes and forecast future changes in the soft drink sector, primarily PepsiCo. The study also focuses the role of PepsiCo in heralding the revolution in the Soft drink sector

## MATERIALS AND METHODS

Research can be defined as a scientific and systematic scenario for pertinent information on a specific topic. It is an art of scientific investigation. Research methodology is way of systematically solve the search problem. A research problem refers to some difficulty areas encountered by a research for which a solution is required. Marketing Research is a systematic and objectives process of identifying, and formulating the marketing problems setting research objectives and method for collecting, editing, tabulating, and evaluating, analyzing, interpreting data in order to find justified solutions for these problems. A researcher has to proceed systematically in the already planed direction with the help be conducted a number of steps in a sequence. All the research conducting steps, when combined together, from the marketing research process. If all the steps are taken in a systematic manner the research conducted becomes quite effective.

**Methodology:** The data collected for the preparation present paper is gathered from the sources which includes primary and secondary.

**Primary Source:** Majority of primary data is gathered by making a sample survey of 40 Respondents consisting of cross section of societies were selected on a random basis a schedule

has been designed and administered among all the 40 Respondents the summary was carried out in khammam City. For analysis and interpretation of the data percentages were used.

### Secondary Source

A part of the data is also gathered through the secondary sources which include company website, previous reports, annual reports, magazines and other published articles.

### Analytical Tools for Study

Statistical Tools used for analyzing the study data includes Simple Averages, Percentages, and Totals. But for, it is of descriptive nature and does not establish a casual relationship between characteristics chosen for study. Therefore, it does not involve use of any quantitative methods.

### Scenario of soft industry

For a number of years the main competition in the non - alcoholic sector was the battle between Coke and Pepsi for the cola market. But as the customer preferences and concerns started to change, the industry's giants have begun relying on new product flavours and looking to noncarbonated beverages for growth. Globally, the market size of this industry has been changing. Soft drink consumption has a market share of 46.8% within the non-alcoholic drink industry. Data monitor also found that the total market value of soft drinks reached \$307.2 billion in 2004 with a market value forecast of \$367.1 billion in 2009. The modern soft drink industry started in 1886, when Dr. John S. Pemberton invented "Coca Cola" in Atlanta, Georgia. This was followed by the invention of "Pepsi cola" in 1898 by Caleb Bradham. In India the two major player Coca cola and Pepsi made their entries in 1977 but then the market was not that much friendly to the foreign companies. More over the political situation was also not conducive for the foreign companies. But later on the situation post reforms began to look up for these two giants. In 1990 Pepsi-Cola went on sale in India for the first time in 28 years after a six-year battle to sell the US soft drink in India. In 1997, to ensure fast re-entry, Coca Cola paid \$40 million to buy the biggest Indian soft-drink brands, including ThumsUp, from a family-owned business. In recent years the soft drink industry in India has been hit by the concern over health and environmental aspects.

### Market analysis and identification of market opportunities

Companies in the soft drink manufacturing industry are facing intense competition from the domestic and foreign brands, resulting in rising promotional costs and sinking profit margins. The consumers are going for real "value" for their money, choosing drinks with better health value. Current ban on sales of carbonates shows in the trend analysis given below company growth rate. A public clarification would help us change the consumer perception. We need to make our core value based products to be fresh and relevant. We also need to sharpen our focus in this industry for maximum effect the trends of our own product offerings in the market are shown in the graph as below. Here we can notice a declining trend This declining trend can also be seen as a loss of our market

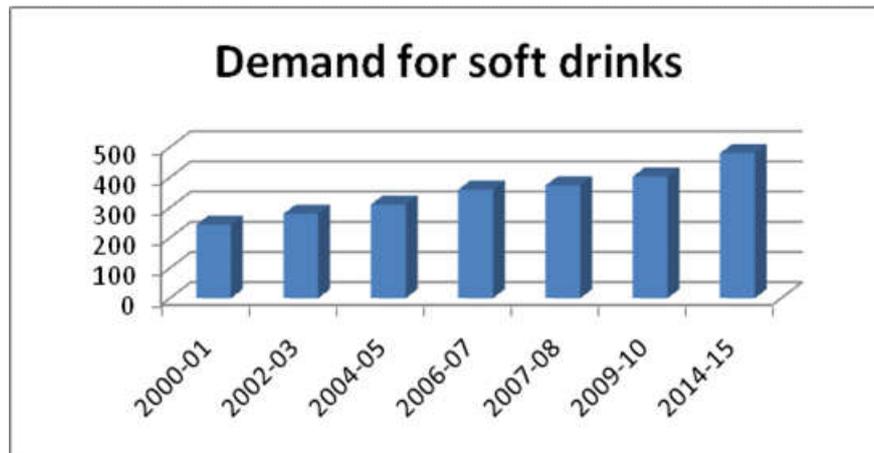
segment to healthier drink options like fruit juices and water .It is quite evident in the graph given below High sales volume in the water drinking segment and health juice segment shows that customer want better value and their perception is based on the changes in the microenvironment brought about by our competitors.

**About nimbooz 7up:** March 2009 PepsiCo India has launched its packaged *nimbu paani* 'Nimbooz '. PepsiCo launched its new lime-lemon drink Nimbooz. The drink which is an addition to its 7-up category with real lemon juice, no fizz and no artificial flavors, available in three packaging formats of 200 ml returnable glass bottles, 350 ml PET and 200 ml tetra

### Real facts in india

#### Uses of cases in crores

Years	2000-01	2002-03	2004-05	2006-07	2007-08	2009-10	2014-15
Crores of cases	243	279	310	359	373	403	480



(Source 09 MAY 2010 EENADU news Paper)

- This is a 5000corers industry.
- Yearly growth 6-7%.
- Soft drink manufacturing plants 110.
- Around 1,25,000 job holders.
- Government income 1200corers.

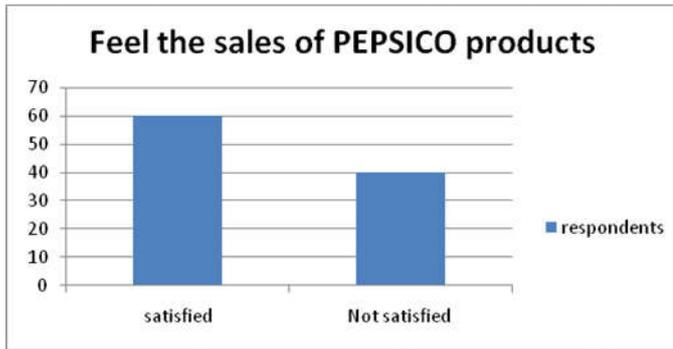
#### An overview of pepsiCo

PepsiCo is a Fortune 500, American Multinational Corporation with Market Capitalization of \$95.23 Billion headquartered in New York with interests in manufacturing and marketing a wide variety of carbonated and non-carbonated beverages, as well as salty, sweet and grain-based snacks, and other foods. Besides the Pepsi-Cola brands, the company owns the brands Quaker Oats, Gatorade, Frito-Lays, Aquafina, Tropicana, Mountain Dew, Miranda and 7-Up Indra Krishnamurthy Nooyi has been the chief executive of PepsiCo since 2006. During her time, healthier snacks have been marketed and the company is striving for a net-zero impact on the environment. This focus on healthier foods and lifestyles is part of Nooyi's "Performance with Purpose" philosophy Pepsi stands total capital is approx \$3000 core and total sales annually are worth \$37 core, half of which comes from beverages and other half from the snack foods division. The beverages arm of the Pepsi co. Is Pepsi-cola company and the snack food company is called frinto lay inc. The year 1998 is the centennial year of Pepsi. Its total profit in the year 1996-1997 was worth Rs.45 crore approx. The total number of employees engaged in this business is 4.25 lakhs globally.

packs, priced at Rs 10, Rs 15 and Rs 10, respectively. It comes with a tag line is 'Ek dum Asli Indian', and the integrated communication programmer includes TV commercial, press, radio etc. The demand for Pepsi's recently launched non-carbonated lemon drink, Nimbooz, has outstripped supply by as much as 30 per cent. The drink, which was launched in February 2009, received a good response from consumers with nearly 45 per cent of stores in Delhi running out of stocks, a bottler for PepsiCo India said on condition of anonymity. PepsiCo had launched Nimbooz in three packaging formats 200ml returnable glass bottles, 350ml PET and 200ml tetra pack priced at Rs10andRs15.Initially, Nimbooz is being sold in 77 cities across the country and there have been reports of supply constraints across these cities. A leading Pepsi bottler and distributor based in Delhi, who is aware of the developing market scenario, said, "The supply of Nimbooz is disturbed.

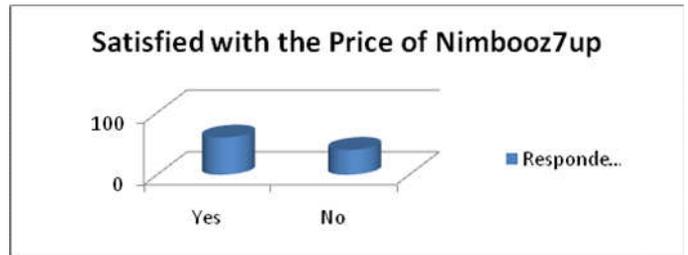
**An overview of retailer:** Retailing includes all the activities involved in selling good or service directly to final consumers for their personal, non-business use. A retailer or retail store is any business enterprise whose sales volume comes primarily from retailing. Retailers serves the manufactures by passing on to them the exact feeling desires, needs and preferences of the ultimate customers and on the reverse, he introduces the product to the customer. In this way, they serve the customer by presenting the new products before them. Any organizations selling to final consumers – whether it is a manufacturer, wholesaler, or retailer – is dong retailing. It does not matter how the goods or services are sold (by person, mail, telephone, vending machine, or Internet) or where they are sold (in a store, on the street, or in the consumer's home).

**How do you feel the sales of PEPSICO products?**



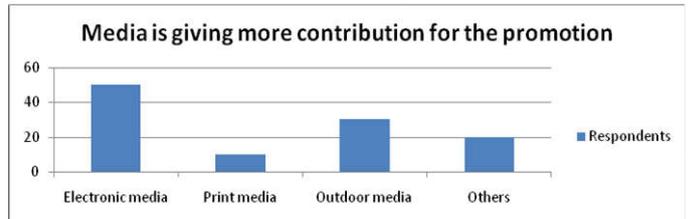
Source: Primary data

**Are you satisfied with the Price of Nimbooz7up?**



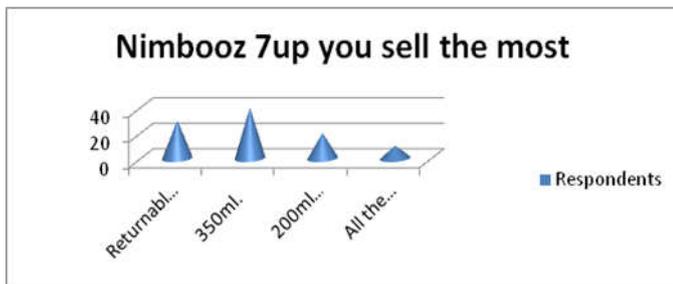
Source: Primary data

**Which type of media is giving more contribution for the promotion of Nimbooz7up sales?**



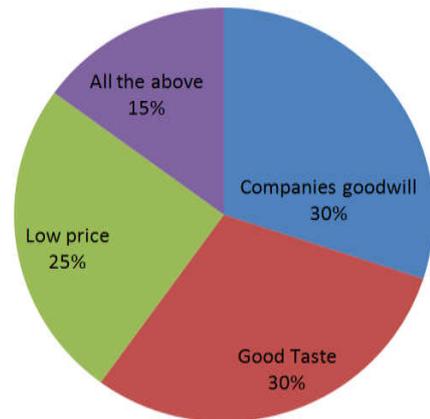
Source: Primary data

**Which type of Quantity of Nimbooz 7up you sell the most?**



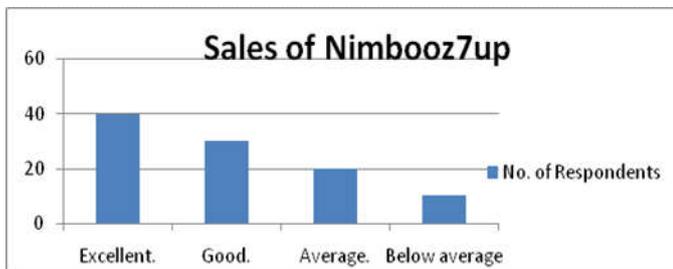
Source: Primary data

**How the Customers are attracted towards Nimbooz7up?  
Customers are attracted towards product**



Source: Primary data

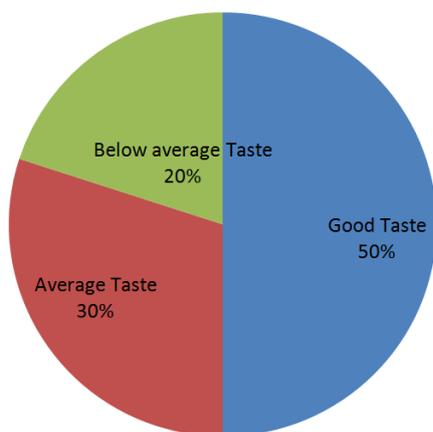
**How do you feel the sales of Nimbooz7up?**



Source: Primary data

**How do feel the Taste of Nimbooz7up comparing with other Drinks (Minute maid Nimbooz, LMN)**

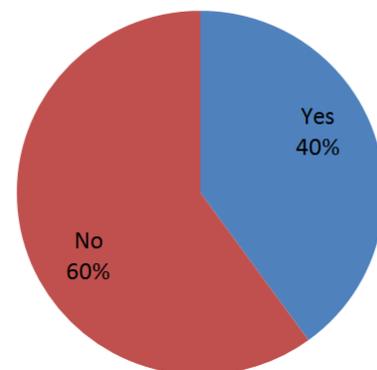
**Taste of Nimbooz7up comparing with other Drinks**



Source: Primary data

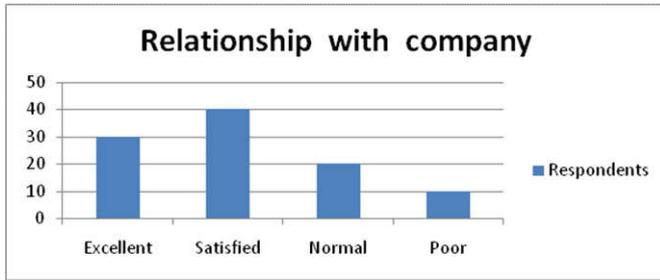
**Do you have any problems regarding Inventory of Nimbooz7up?**

**Problems regarding Inventory for product**



Source: Primary data

**What kind of relationship you have with the company?**



Source: Primary data

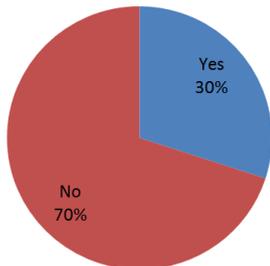
**What are the sales promotional Schemes that attracts you more?**



Source: Primary data

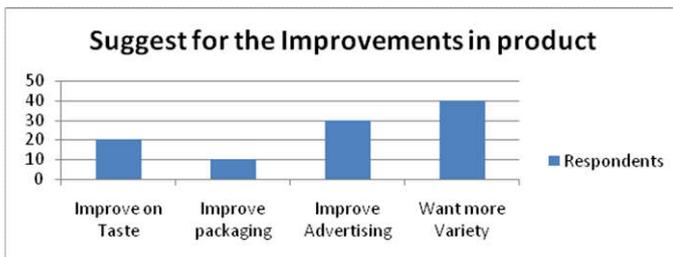
**You have any displays of Nimbooz7up at the point of purchase?**

**Displays of Nimbooz7up at the point of purchase**



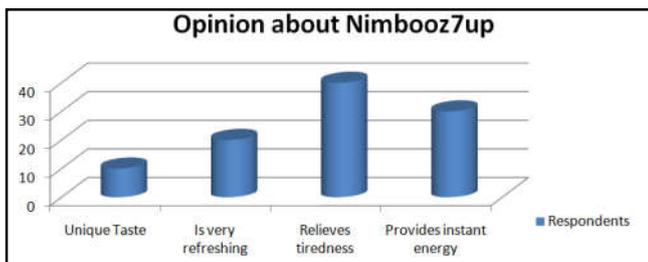
Source: Primary data

**Can you suggest for the Improvements' of Nimbooz7up?**



Source: Primary data

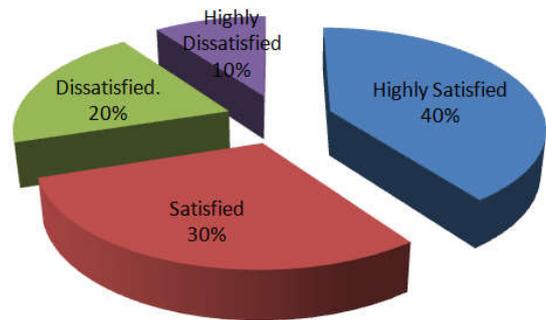
**What is your opinion about Nimbooz7up drink?**



Source: Primary data

**What is your opinion on Distribution services offered by PEPSICO & Nimbooz7UP?**

**Distributor services**



Source: Primary data

**RESULTS**

- 60% Retailers are satisfied with the sales of PepsiCo Products and Maximum sales are 350ml Pet bottles.
- The Sales of Nimbooz7up was good it. Taste was good when Compare with other Competitor Products.
- The price of Nimbooz7up as 60% Retailers are Satisfied. Electronic Media giving Maximum Promotion to the Nimbooz7up.
- Customers are attracted towards Product depending on Company good will and Taste of the Nimbooz7up. Retailers are not having any problems regarding Inventory of the Nimbooz7up.
- Retailer Maintain a good Relationship with the Company. Maximum retailers are attracted towards free Samples.
- A retailer doesn't have any Display about Nimbooz7up at the Point of Purchase Maximum retailers are Suggest More variety Products from Company.
- Retailers Opinion about product it provides Instant Energy Retailers are highly satisfied with the Services offered by Company, Maximum Retailers have all the other competitive Products with them.

**Suggestions**

- It is suggested that the Company has to provide Promotional aspects to increase the sales for all quantities in order to meet Retailers target sales.
- The company as to concentrate on Print Media and other ways to promote its Product as a part of advertisement.
- Company has to take the Measures to Reduce the Inventory Problems to the Retailer.
- The relation between Company and Retailers over are good still it has to strengthen the relation with the Retailers.
- Must come up with more variety & Improvement on taste also in Nimbooz 7up.
- The Company has to reduce the price to satisfy Maximum Retailers.
- The company has to give more Samples and Price discount to attract are retain the Retailers.
- As Maximum number of Retailers saying the is no displays of Nimbooz7up. So company has to Arrange Displays Boards at Point of Purchase.

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