

Pepsi

ABOUT

Category:

FMCG Non-alcoholic beverages – soft drinks

Owner of the brand:

PepsiCo

Key competitors:

Coca-Cola

BRAND STRATEGY ANALYSIS

Brand essence

An iconic drink with a youthful spirit, bringing fun and refreshment.

Brand values

Fun, refreshment, youthfulness.

Brand character

Fun, modern, young, trendy, bold, humorous.

Dominating archetype



The Jester



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EVIDENCE

Comments

1

Pepsi was launched in 1893 by pharmacist, Caleb Bradham, who believed the drink was a “healthy” cola, helping digestion. Originally called “Brad’s Drink”, it was renamed Pepsi-Cola in 1898, then Pepsi in 1961. In 1965, The Pepsi-Cola Company merged with Frito-Lay, forming PepsiCo.

In 2012, PepsiCo divided its products into three categories defined as: “Good for You” (the healthiest and the most nutritious of PepsiCo brands: Tropicana, Naked, Aquafina and Gatorade); “Fun for You” (products without clear health benefits, positioned as “making life more fun”, e.g., Lay’s and Doritos); and “Better for You” (an in-between category—snacks and soft drinks with higher nutritional values or less fat and sugar, such as Lay’s Baked). Pepsi belonged to the “Fun for You” group, while its diet variant, Pepsi Zero Sugar, fitted into the “Better for You” category.

PepsiCo discarded this categorization in 2019 and introduced one overarching corporate mission, defined as “creating more smiles with every sip and every bite”¹.

2

Although both Coca-Cola and Pepsi position themselves in a similar way at the functional level – emphasizing taste and refreshment in communication, their brand strategies differ on the emotional level. While Coca-Cola’s core values are happiness and optimism, Pepsi’s brand equity is built on the attribute of fun; Coca-Cola’s long-term goal is to build a timeless brand image whilst Pepsi focuses on the “here and now”. Coca-Cola is an inclusive brand for everybody whereas Pepsi is more individualistic and targets primarily a younger audience. Brad Jakeman, former President, Global Enjoyment and Chief Creative Officer at Pepsi explained the difference between the two brands to Advertising Age: “Coke represents happiness and moments of joy, while it protects culture and maintains the status quo. Pepsi, on the other hand, creates culture and embraces individuality. For Pepsi loyalists, leading an exciting life is much more important than leading a happy one.”²

3

Pepsi has focused on a younger audience for many years. To stay relevant to them it attempts to keep up with today's world, which means constant reinvention. From hiring A-list celebrities (Beyonce, Pharrell Williams, Coldplay just to name a few) and using young people's language (e.g., #SayItWithPepsi emoji packaging) and up-to-date visuals, to focusing on young-skewing social media. When compared to Coca-Cola's tone of voice, Pepsi is bolder, louder and more humorous.

Interestingly, however, from time to time, Pepsi experiments with communication, which, rather than being focused on strengthening the contemporary character of the brand, is more nostalgic, attempting to convey the message that Pepsi is a drink for all generations, not just the young. Advertising Age commented: "Is Pepsi, long associated with the here and now and hottest stars, leaning a bit too much into its past?"³

4

Although Pepsi's brand strategy has remained the same for decades, its communication and creative strategy change quite frequently. In 2012, Pepsi launched a global communication platform, "Live for Now" which was highly successful until 2017, when the now infamous campaign with Kendall Jenner received widespread criticism for trivializing the Black Lives Matter movement⁴.

In 2019, Pepsi announced the global launch of its new communication platform, "For the love of it". Roberto Rios, former CMO, Global Beverages at PepsiCo said: "We are confidently celebrating who we are – an iconic brand rooted in entertainment with a refreshing and delicious beverage people around the world love – as well as who our fellow cola lovers are. 'For the love of it' is our rallying cry, proudly saying to go all in for the things you love – from passions and interests like football and music to unabashedly enjoying one of life's favorite treats – Pepsi."⁵ "For the love of it" was never launched in the United States and was dropped globally soon after it was introduced. In 2020, Pepsi announced a new communication platform for the American market, "That's what I like" which referred to both Pepsi drinkers' preference of the Pepsi product and their unapologetic approach to life. Todd Kaplan, CMO at Pepsi commented: "The new tagline is an ode to our most loyal Pepsi drinkers, who like what they like and live their lives out loud, without worrying what others think."⁶ Again, Pepsi stopped using this tagline soon after it was launched and currently runs more tactical campaigns, not based on an overarching communication platform.

5

Pepsi's most distinctive brand assets include the colour blue which the brand started using in the 1950s (before that, Pepsi's main colour was red) and the shape of the globe. In 2008, Pepsi made the biggest change to its visual identity, which Todd Kaplan, Pepsi CMO, described as introducing "a minimalist version of the logo with lowercase text and italicized fonts, along with more muted colors, separate from the globe"⁷. However, almost 15 years later, in 2023, the brand decided to go back to its roots, making its logo much bolder and reintroducing the colour black which Kaplan called "an ode to Pepsi Zero Sugar"⁸. He explained the rebrand to the Drum: "Pepsi is updating its iconic logo and visual identity to reflect the energy and excitement of the brand more accurately in a way that embodies its unapologetic point of view. It was also important for us to ensure that our logo and visual system were built for a future that will be increasingly digital in nature, while also enabling us to hero our zero sugar offerings at the same time."⁹

6

During the most intense times of the so-called 'cola wars', Pepsi was considered a challenger brand based on the Outlaw archetype, always comparing itself to Coca-Cola. In recent years, however, Pepsi almost entirely abandoned this approach (with the exception of a few markets) and is now primarily a Jester brand representing fun and enjoyment.

Tagline

"Better with Pepsi"

Official brand statement

"Pepsi has been bringing fun and refreshment to consumers for over 100 years."¹⁰

Interesting facts

In the US, PepsiCo rebranded Pepsi Max to Pepsi Zero Sugar as, according to the company's research, many consumers didn't know it was a sugar-free variant.¹¹