

STRATEGIC BRAND ANALYSIS OF PAKOLA



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In the Name of Allah

*Most Merciful and Compassionate, the Most Gracious and
Beneficent, Whose help and guidance I always solicit at
every step, at every moment.*



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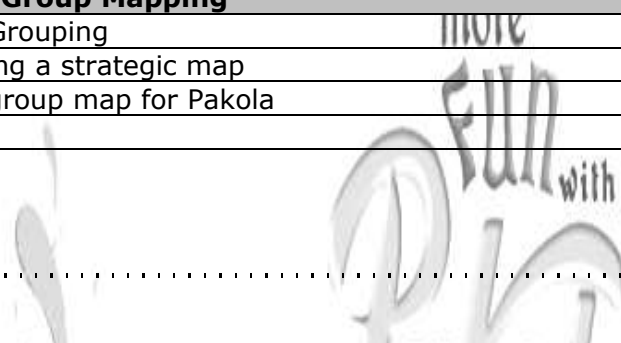
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Executive Summary

The World beverages consumption has risen by around three percent annually for the last six years. The main engines behind this growth have been, quite clearly, non-alcoholic drinks and bottled water. Rapid growth in the non-alcoholic drinks segments has been observed almost all around the globe and in all cultures.

Carbonated soft drinks dominate the soft drinks industry, and within that a very small number of firms and brands control most of the market. Non-carbonated drinks, mostly fruit juices, have only about 20% of the market share, but have the larger number of factories with relatively small capacities. The larger part of the demand is met through domestic production of international brands, and some domestic brands (in the non carbonated drinks segment).

The soft drink industry of Pakistan is one with a lot of scope and potential for growth. The reason is simple, the weather of Pakistan is hot and therefore during hot weathers everyone wishes to have something cool and refreshing. During the past few years there has been increasing trend towards consumption of carbonated soft drinks, there is a big scope of expansion of this industry in Pakistan. At present only a few multinational companies are producing soft drink. It is difficult for new investors to enter in this business due to the non-availability of good quality or taste concentrates for the carbonated soft drink.

The major players in Pakistan soft drink industry includes Pepsi Co, Coca Cola Pakistan, which are the Multi Nationals operating in Pakistan. Some local brands include Pakola, Murree Brewery, Amrat Cola, Mecca Cola and Thunder Cola.

The objective of the study is to determine the consumer behavior issues related with the industry and knowledge of the key attributes regarding the branding issues that drives the target customer, which will help the smaller players to understand what makes the multinationals successful and how to design their product offerings so as to compete with the established product of these multinationals.

Pakola has been considered a versatile brand in the market. It is known for producing fruity flavored, non-alcoholic, carbonated drinks. Starting with its "Ice-Cream Soda" flavor, which captured the imagination and won the love of all ages and income groups, Pakola moved on to introduce new and taste tingling flavors like Lychee, Pineapple, Raspberry, Orange and strawberry.

This report critically evaluates Pakola owned by Mehran Bottlers operations in Pakistan and tries to find out through a sequence of analysis tools why Pakola as a brand is still unable to create a niche for itself and capture a sizable amount of target audience, what steps are to be taken to fix the problem, what has been done and what needs to be done in order for Pakola to emerge as a strong brand in comparison to other National and Multinational Carbonated soft drinks in the local market.

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PREFACE

The World beverages consumption has risen by around three percent annually for the last six years. The main engines behind this growth have been, quite clearly, non-alcoholic drinks and bottled water. Rapid growth in the non-alcoholic drinks segments has been observed almost all around the globe and in all cultures.

Carbonated drinks dominate the soft drinks industry, and within that a very small number of firms and brands control most of the market. Non-carbonated drinks, mostly fruit juices, have only about 20% of the market share, but have the larger number of factories with relatively small capacities. The larger part of the demand is met through domestic production of international brands, and some domestic brands (in the non carbonated drinks segment).

Irrespective of the increasing globalization and rising trade, demand for soft drinks and beverage industries will have to be catered by factories closer to the consumers.

The soft drink industry is one of the biggest and fastest growing industries throughout the world with 45 percent of the global volume. The soft drink industry is growing at a rate of 7 percent per year globally. The fastest growing markets are Asia, East Europe and Middle East.

The soft drink market in Pakistan is primarily ruled by three multinationals, mainly PepsiCo, Coca-cola, and Nestle. While there are some regional players of repute, like Pakola, Amrat Cola etc The Pakistani market is dominated by Pepsi and the other players follow suit. In the last few years, the rivalry among the competitors has increased by the entry of new players like Amrat Cola and Mecca Cola who have tried to eat up the market share of these giant multinationals but these regional players have not yet been able to compete with the three giants and expand their presence to the national and international platform.

Knowledge of the key attributes regarding the branding issues that drives the target customer will help these smaller players to understand what makes the multinationals successful and how to design their product offerings so as to compete with the established product of these multinationals.

Pakistan is a market which has shown exceptional growth for the Soft drink and beverages category of products. The growth rate has been so high that they surpassed all other countries over a period of time, but even in such an environment, Pakola seems to be on a losing side.

Pakola has been considered a versatile brand in the market. It is known for producing fruity flavored, non-alcoholic, carbonated drinks. Starting with its "Ice-Cream Soda" flavor, this captured the imagination and won the love of all ages and income groups. Pakola moved on to introduce new and taste tingling flavor likes Lychee, Pineapple, Raspberry, Orange and strawberry.

This report critically evaluates Pakola owned by Mehran Bottlers operations in Pakistan and tries to find out through a sequence of analysis tools why Pakola as a brand is still unable to create a niche for itself and capture a sizable amount of target audience, what steps have been taken to fix the problem, what has been done and what needs to be done in order for Pakola to emerge as a strong brand in comparison to other National and Multinational Carbonated soft drinks in the local market.

1.1 Project Scope:

The scope of the project is restricted to Pakola Brand, which is a carbonated drink and is Pakistani version of Coke for most Pakistani's. Pakola is considered to be our National drink since its inception in 1950.

1.2 Objectives:

The objectives of project undertaken are to:

- Analyze company's macro and micro environment
- Analyze its competitors
- Study the company's brand from customers' perspective
- Analyzing the personality of the brand.

- Access consumers' preference for this brand through a market research. What is the brand personality image in their minds?

1.3 Competitors:

The competitors identified for the said brand can be categorized as:

1.3.1 Direct Competitors:

The direct competitors for Pakola, which is a non-Cola, carbonated soft drink are identified to be:

- Bubble Up
- Vimto
- Apple Sidra
- Murree Brewery Lemonade
- Murree Brewery Big Apple
- Amrat Cola Lemon soda & Orange
- Mountain Dew
- Sprite
- 7-UP
- Fanta

The above-mentioned competitors fall in the category of non-cola carbonated soft drinks, unlike Pepsi and Coke which is the cola version of carbonated soft drink.

1.3.3 Indirect Competitors:

Indirect competitors for Pakola include fresh fruit juices like:

1. Nestle
2. Frost
3. Shezan
4. Tops

1.4 Research Methodology:

Data will be collected for this research by using different sources and techniques that include:

- ❑ Company's website
 - ❑ Competitors websites
 - ❑ Internet search engines
 - ❑ Company handouts, brochures etc
 - ❑ Marketing and marketing research related books from library
 - ❑ Periodicals and publications
-

PROJECT IN BRIEF

Project Name: Strategic Brand Analysis

Brand Name: “PAKOLA”

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Starting Date: Aug 4, 2005

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Submitted To: Mr. Imran Nazir

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