

PepsiCo is the leading global food, snack, and beverage company. United by its commitment to “Performance with a Purpose,” PepsiCo promises to deliver sustainable growth through its transformation to capitalize on new opportunities, while positioning itself for long-term profitability by reinforcing existing value drivers. An annual report is created for investors to have a comprehensive account of a company’s activities for the previous year. PepsiCo’s 2012 Annual Report is designed to show investors the global reach of its 22 billion dollar brands through visual strategy illustrated by world-renowned macrosnack product images and international market share pie charts; to show its competitive gain in the high-growth nutrition sector through verbal strategy described by emerging brand details and statistics on nutrition-based revenue; and to show brand loyalty and customer satisfaction through visual strategy presented by the Dorito’s *Crash the Super Bowl* fan derived commercials and Lay’s *Do Us A Flavor* campaign’s final product image.

PepsiCo utilizes a visual strategy of world-renowned macrosnack product images and international market share pie charts to illustrate the global reach of its 22 billion dollar brands. PepsiCo’s banner sun portfolio is the number one snack food brand in the world, with Lays in the U.S., Walkers in the U.K, and Sabritas in Mexico. Having each of those multi-colored chip bags pictured next to one other highlight the multi-national appeal of PepsiCo’s brands as well as their go-to-market systems that enable the company’s shares to grow and be demanded globally. PepsiCo also incorporates financial highlights with large, colorful, and easy to read pie charts that depict the mix of net revenue from U.S. sales, 51%, and outside U.S. sales, 49%. These bold graphs are visually designed by PepsiCo to draw investors’ attention to the global diversity of PepsiCo’s sales growth that immensely impacts the company’s 4.1 billion dollar bottom line. In his article “Ten Things To Keep in Mind When Writing an Annual Report,” Tuohey emphasis the importance of

annual reports being easy to read, so that investors can extract key messages quickly and with minimal mental exertion (2002). PepsiCo's top selling banner sun portfolio images and graphical representation of international market share tie into the company's visual strategy to illustrate global reach and growing profitability.

PepsiCo uses a strategic verbal tactic of emerging brand details and statistics on nutrition-based revenue to describe its competitive gain in the high-growth nutrition sector. With growing consumer and government focus on health and wellness, PepsiCo built positions of strength with the top four globally admired nutritious brands, Gatorade, Naked Juice, Quaker, and Tropicana to migrate sales growth into the healthy foods market. PepsiCo's Annual Report description of Quaker as the "masterbrand" (PepsiCo, 2012, p.19) of breakfast and Gatorade as the "clear leader in sports nutrition" (PepsiCo, 2012, p.19) allows investors to see how PepsiCo is positioning itself as the number one food and beverage company within the nutrition sector by using these brands as a competitive edge. PepsiCo provides statistical statements of 20% net revenue dedicated to nutrition business in 2012, and projected 35% by 2015, with its future exploration of growth opportunities in new nutrition product categories with the acquisition of Wimm-Bill-Dunn in Russia and joint venture of Muller-Quaker in the U.S. With this bolded, direct, and powerful statistical evidence in the early pages of the report, investors can see that PepsiCo is producing commanding results and making key mergers and acquisitions to further product diversity in new markets to compete in the "volatile and challenging" (PepsiCo, 2012, p.4) food and beverage industry. PepsiCo's descriptions of the top four global nutrition brands and nutrition-based revenue statistics, current and projected, fit neatly into the company's verbal strategy to portray its competitive gain and future viability in the high-growth nutrition market.

PepsiCo employs a visual strategy of Dorito's *Crash the Super Bowl* fan derived commercials and Lay's *Do Us A Flavor* campaign's final product image to present brand loyalty

and customer satisfaction. PepsiCo reinforces brand loyalty to the number one corn snack brand, Doritos, through the world's largest online annual video contest *Crash the Super Bowl*, where this year's number one fan made ad featured a devoted husband taking Doritos as a bribe to hide a secret from his wife. Through the videos embedded in PepsiCo's interactive annual report, investors can view the 2012 consumer made ads and experience Dorito's die-hard fans brand loyalty as well as appreciate PepsiCo's viral marketing technique for gaining a "7.5% sales increase" (Shultz, 2013) during the fan winner's commercial promotion. PepsiCo's Lay's *Do Us A Flavor* global campaign also allowed consumers to be actively engaged, by co-creating new flavors as shown through an image of winner's chicken and waffles flavored Lay's final packaged product. With 3.8 million contributors, the Lay's campaign increased sales by 2% and earned 1.2 million followers on Facebook (Charleson, 2013). By crowdsourcing ideas from consumers, PepsiCo proves it can meet exact customer desires and growing demand, while adapting to changing consumer needs. PepsiCo's presentations of Dorito's *Crash the Super Bowl* fan derived videos and Lay's crowdsourcing *Do Us A Flavor* product winner images confirm the company's visual strategy to illustrate brand loyalty and customer satisfaction, used to attract and retain consumers and provide long-term sustainability.

PepsiCo's 2012 Annual Report provides investors evidence of the global influence of its 22 billion dollar brands through visual strategy illustrated by megabrand product images and market share pie charts; evidence of competitive gain in the high-growth nutrition market through verbal strategy described by emerging brand details and statistics on nutrition-based revenue; and evidence of brand loyalty and customer satisfaction through visual strategy presented by the Dorito's *Crash the Super Bowl* fan made ads and Lay's crowdsourcing *Do Us A Flavor* campaign's final product image. PepsiCo's annual report's sparse verbal strategies paled in comparison to its powerful visual strategies of graphical financial highlights and new product images that illustrated the company's

overriding mission to deliver sustainable growth by exploiting new markets and product categories, while remaining focused on long-term profitability.

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