

## PEPSI AND COKE CASE

Control of market share is the key issue in this case study. The situation is both Coke and Pepsi are trying to gain market share in this beverage market, which is valued at over \$30 billion a year (98). Just how is this done in such a competitive market is the underlying issue. The facts are that each company is coming up with new products and ideas in order to increase their market share. The creativity and effectiveness of each company's marketing strategy will ultimately determine the winner with respect to sales, profits, and customer loyalty (98). Not only are these two companies constructing new ways to sell Coke and Pepsi, but they are also thinking of ways in which to increase market share in other beverage categories. Although the goal of both companies are exactly the same, the two companies rely on somewhat different marketing strategies (98). Pepsi has always taken the lead in developing new products, but Coke soon learned their lesson and started to do the same. Coke hired marketing executives with good track records (98). Coke also implemented cross training of managers so it would be more difficult for cliques to form within the company (98). On the other hand, Pepsi has always taken more risks, acted rapidly, and was always developing new advertising ideas. Both companies have also relied on finding new markets, especially in foreign countries. In the foreign markets, Coke has been more successful than Pepsi. For example, in Eastern Europe, Pepsi has relied on a barter system that proved to fail. However, in certain countries that allow direct comparison, Pepsi has beat Coke. In foreign markets, both companies have followed the marketing concept by offering products that meet consumer needs (99) in order to gain market share. For instance, in certain countries, consumers wanted a soft drink that was low in sugar, yet did not have a diet taste or image (99). Pepsi responded by developing Pepsi Max. These companies in trying to capture market share have relied on the development of new products. In some cases the products have been successful. However, at other times the new products have failed. For Coke, changing their original formula and introducing it as "New Coke" was a major failure. The new formula hurt Coke as consumers requested Classic Cokes' return. Pepsi has also had its share of failures. Some of their failures included: Pepsi Light, Pepsi Free, Pepsi AM, and Crystal Pepsi. One solution to increasing market share is to carefully follow consumer wants in each country. The next step is to take fast action to develop a product that meets the requirements for that particular region. Both companies cannot just sell one product; if they do they will not succeed. They have to always be creating and updating their marketing plans and products. The companies must be willing to accommodate their "target markets". Gaining market share occurs when a company stays one-step ahead of the competition by knowing what the consumer wants. My recommendation is to make sure the company is always doing market research. This way they are able to get as much feedback as possible from consumers. Next, analyze this data as fast as possible, and then develop the new product based upon this data. Once the product is developed, get it to the marketplace quickly. Time is a very critical factor. In my opinion, with all of these factors taken into consideration any company should give any company a good jump on market share.

## Case Study

[www.infosys.com/finacle](http://www.infosys.com/finacle)

# ICICI Bank India Technology-led Transformation

### OVERVIEW

#### The Challenge

Business growth by addressing the more lucrative and growing segment of middle-class consumers and emerging corporates.

#### The Solution

Strategic adoption of technology to ensure that **ICICI** transforms into a universal bank, which will provide fast and efficient customer service besides offering the whole gamut of banking and financial services.

#### The Benefit

The bank has benefited in the form of lower Total Cost of Ownership (TCO), improved efficiency, easy management of volume growth, greater responsiveness to market opportunities and of course, numerous accolades from industry-watchers.

### ICICI BANK - A PROFILE

Established in 1994, **ICICI** Bank is today the second largest bank in India and among the top 150 in the world. In less than a decade, the bank has become a universal bank offering a well-diversified portfolio of financial services. It currently has assets of over USD 79 billion, and provides services through a network of about 950 branches, 3300 ATMs and a 3200-seat call center (as of 2007). The hallmark of this exponential growth is **ICICI** Bank's unwavering focus on technology.

## Case Study

# Technology-led Transformation

**ICICI** Bank was set up when the process of deregulation and liberalization had just begun in India, and the Reserve Bank of India (India's central bank) had paved the way for private players in the banking sector, which at that time was dominated by state-owned and foreign banks. Serving a majority of the country's populace, state-owned banks had a large branch network, with minimal or no automation and had little focus on service. Foreign banks, on the other hand, deployed high-end technology, had

innovative product offerings, but had a very small branch network that serviced only corporates and individuals with high net-worth. Sensing an untapped opportunity, **ICICI** Bank decided to target India's burgeoning middle class and corporate segment by offering a high level of customer service and efficiency that rivaled the foreign banks, on a much larger scale, at a lower cost. A crucial aspect of this strategy was the emphasis on technology. **ICICI** Bank positioned itself as technology-savvy, customer-friendly bank.

To support its technology-focused strategy, **ICICI** Bank needed a robust technology platform that would help it achieve its business goals. After an intense evaluation of several global vendors, **ICICI** Bank identified Infosys as its technology partner and selected Finacle, the universal banking solution from Infosys, as its core banking platform. An open systems approach and low Total Cost of Ownership (TCO) were some of the key benefits Finacle offered the bank. Unlike most banks of that era, **ICICI** Bank was automated from day one, when its first branch opened in the city of Chennai.

## Case Study

### KEY BUSINESS DRIVERS

*"After evaluation of numerous products, we chose Finacle, universal banking solution from Infosys for its future-proof technology, best-of-breed retail and corporate banking features, scalable architecture and proven implementation track record. Finacle has enabled **ICICI** Bank to achieve competitive advantage by enabling rapid roll out of new products, faster customer service and reduced time-to-market, to cater to the ever-growing needs of customers. Its open architecture and flexibility has enabled easy integration with multiple systems."*

**Pravir Vohra**

**Senior General Manager and  
Head of Retail Technology Group  
**ICICI** Bank**

## Case Study

### SOLUTION OVERVIEW

Channels  
Branches  
ATMs  
Internet and  
Mobile  
Call Centers  
Share of  
Transactions

March 2000  
Share of  
Transactions  
March 2004

94%  
25%  
3%  
43%  
2%  
21%  
1%  
11%

One of the biggest challenges for Finacle was ensuring Straight Through Processing (STP) of most of the financial transactions. With the **ICICI** group having several companies under its umbrella, Finacle needed to seamlessly integrate with multiple applications such as credit cards, mutual funds, brokerage, call center and data warehousing systems. Another key challenge was managing transaction volumes. **ICICI** Bank underwent a phase of organic and inorganic growth, first by acquiring Bank of Madura followed by a reverse merger of the bank with its parent organization, **ICICI** Limited. The scalable and open systems-based architecture enabled Finacle to successfully manage the resultant increase in transaction levels from 400,000 transactions a day, in 2000 to nearly 2.1 million, by 2005, with an associated growth in peak volumes by 5.5 times. With Finacle, the bank currently has the ability to process 0.27 million checks, per day and manage 7000 concurrent users.

Over the years, the strategic partnership between **ICICI** Bank and Infosys that started in 1994 has grown stronger and the close collaboration has resulted in many innovations.

#### **Retail Customers**

**12.0**

**Mn.**

**3.0**

**1.9**

March 2001

March 2002

December 2004

#### **Retail Customers**

Data

Warehouse

Credit Card

SMS Alert

Finacle

Core

Banking

Solution

e-Broking

Call Centers

CIF

Debt Online

Consumer

e-Banking  
Mobile Micro  
Payments  
Corporate  
e-Banking  
ATM EFT  
Switch  
BIZ TALK  
Middleware  
OFSA  
Staffware  
Workflow  
Engine  
GBM  
[Govt. Business  
Module]

For instance, in 1997, **ICICI** Bank was the first bank in India to offer Internet banking with the help of Finacle's e-banking solution and established itself as a leader in the Internet and e-commerce space. The bank followed it up with several e-commerce services like bill payments, funds transfers and corporate banking over the Net. The Internet is a critical element of **ICICI** Bank's award-winning multi-channel strategy and is one of the main engines of growth for the bank. Between 2000 and 2004, the bank has successfully been able to move over 70 percent of the routine banking transactions from the branch to other delivery channels, thus increasing overall efficiency. Currently, only 25 percent of all transactions take place through branches and 75 percent through other delivery channels. This reduction in routine transactions through the branch has enabled **ICICI** Bank to aggressively use its branch network as customer acquisition units. On an average, **ICICI** Bank adds 300,000 customers a month, which is among the highest in the world.

*"Our objective of creating a universal bank providing end-to-end financial services, clearly required solutions which were based on new-generation technology, offered end-to-end functionality and were highly flexible and scalable. Finacle offered all this and much more."*

**Chanda Kochhar**  
**Joint Managing Director**  
**ICICI Bank Limited**

**Internet Customers**

7.6

Mn.

1.1

0.5

March 2001

March 2002

December 2004

**Internet Customers**

## REAPING THE BENEFITS

A powerful, scalable and flexible technology platform is essential for banks to manage growth and compete

successfully. Finacle provides just the right platform to **ICICI** Bank, thereby fuelling its growth.

The bank has successfully leveraged the power of Finacle and has deployed the solution in the areas of core banking, consumer e-banking, corporate e-banking and CRM. With Finacle, **ICICI** Bank has also gained the flexibility to easily develop new products targeted at specific segments such as **ICICI** Bank Young Stars — a product targeting children, Women's Account addressing working women and Bank@campus targeting students.

**ICICI** Bank is today recognized as a clear leader in the region and has won numerous accolades worldwide for its technology-driven initiatives. In 2003, the bank received the best multi-channel strategy award from The Banker magazine and this year it has been rated the 2nd best retail bank in Asia by the Asian Banker Journal. The bank has effectively used technology as a strategic differentiator, thus not only redefining the rules of banking in India, but also showcasing how technology can help in transforming a bank's business.

## Case Study

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### Finacle - Universal Banking Solution

Finacle from Infosys helps banks WIN IN THE FLAT WORLD by providing solutions and services that enable a shift in their strategic and operational priorities. Finacle solutions address the core banking, e-banking, Islamic banking, treasury, wealth management and CRM requirements of retail, corporate and universal banks worldwide. Several powerful and differentiating features make Finacle one of the most comprehensive, flexible and scalable universal banking solution in its class. These solutions, with associated services, empower banks to maximize their opportunities for growth, while minimizing the risks that come with large scale business transformation.

### Infosys. The Organization behind Finacle.

Infosys Technologies Ltd. (NASDAQ: INFY) defines, designs and delivers IT enabled business solutions. With global revenues of USD 3,090 million and 80,000 employees, Infosys today has more than a third of its business coming from the banking and financial services industry and has a strategic focus on this segment.

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