

Evaluation and analysis of Coca-Cola

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Coca-Cola -Evaluation of analysis

By Penko Nedelchev

INTRODUCTION

Coca-Cola is a worldwide giant which leads the industry in soft drinks. Its product is sold in over 200 countries and is seen as a corporate giant. It makes 80% of its profit from outside the USA and has an amazing reach on countries all over the world. In addition to that, they have an outstanding brand recognition with over 6 continents. A survey which was recently conducted found that close to 95% of people across the globe recognize the iconic red and white branding of Coca-Cola.

The secret behind the great success of Coca-Cola is still unknown however during the early beginnings of the company in 1886 in Atlanta, Georgia the company was only selling a mere nine servings a day. Compare that to the unbelievable 1.85 billion servings a day, and it can be seen how the progressive evolution of this company sees it to be a corporate giant nowadays (Supermag, 2021).

When considering marketing strategy, we must think about many elements which come into play – these strategies can be related to each other in such a way that they meet into company's goals/aspirations. Coca-Cola is one of many examples of which it built its marketing strategy upon foundations of wanting to be liked by the masses and to be recognised as a global giant. Its marketing strategy involves doing proper analysis and research about the factors and then ultimately applying it (50 Minutes, 2015).

Coca-Cola's marketing is so effective that for more than 10 years, or rather 13 years, Coca-Cola has been at the top of the world's most expensive brands, and it wasn't until 2013 that another US corporation managed to eliminate it from the top of the podium. Who could replace Coca-Cola? It is clear that no one but Apple is capable of this. The new leader is a worthy replacement for the old leader. And yet, with its 136-year history in the world of large corporations, in a monstrous competitive environment and to this day continues to be at the top of the charts for the world's best brands (Interbrand, 2022).

Marketing segmentation

The definition of market segmentation can be better defined as the same sets of needs and wants of which are shared by a group of consumers. This being said, as a leading corporate giant in an industry which you know of far too well, the company needs to understand the requirements of one's target market and how to complete their wants (50 Minutes, 2015).

The rate of income is another important factor which needs to be segmented, and that being said is also related to family size. Coca-Cola introduced the idea of different packaging and sizes at different price levels so that everyone could enjoy it. Especially, students and in particular people of lower and middle-class incomes. This happened so that people across the world could try Coca-Cola (50 Minutes, 2015).

The Coca-Cola brand sells its products on a global scale of which more than 200 countries actively enjoy the soft drink. They think about marketing strategies in accordance with income, culture, customs and climate.

Linking to this, in countries such as the USA and China, the product demand reached an all-time high. This all-time high led to the potential growth of the company to have an even bigger rise causing the ultimate growth of the giant to exceed expectations.

In regions such as Asia, people mostly prefer tea-based beverages as opposed to the fizzy drink kind. This requires there to be variation in marketing strategies depending on the country in which the company operates in. Advertising campaigns as well as drink look, and taste also play a massive role in all of this. This mainly derives from peoples differing cultures and tastes (50 Minutes, 2015).

They also use different strategies when it comes to designing the packaging as to appeal to certain gender groups. They use the red and black looks to appeal to the more masculine demographic. And the coke light branding, which uses lighter tones, is used to appeal to the feminine demographic.

The market is based on an idea and it is the one that must be managed, because this is the management that is real management. This is how all the most successful corporations, which are the real owners of the market, are managed, as evidenced by the assessment of the marketing strategy of these companies. Coca-Cola's marketing is built on that. If you control it, then you can really control the situation, and the others below are already adapting to your actions. It's the same with marketing. If you control the main characteristics, say the main characteristics of the market, then you really control, because only one can control, there can be no two sources of control (Rocco, 2021).

Pestel analysis

The government have the necessary control and checks on the actions of non-alcoholic beverages. FDA is in control of this system. The changes in the law can be detrimental as it may influence tax (Marmor, 2015).

Nowadays, a number of schools and institutions related to children are prohibited drinks containing caffeine and a certain amount of sugar.

Coca-Cola's production has also had a great amount of influence on government systems around the world.

In Europe, a new traffic lights system has been in which drinks are indicated by a red light green light system. Healthy foods are shown a green light and non-healthy foods are shown a red light. Coca-Cola were big advocates for this system despite many believing their products were extremely unhealthy.

In all countries, political stability plays a significant role in the investment of countries. According to every country, the company must take a look at the employee law of each nation because of the simple fact that they have vast numbers of employees in every country.

Economic factors play significant roles in a country's economic growth. The interest rates they offer, what exchange rates are going up and inflation matters a lot both for the country and the companies.

Manufacturers, such as Coca-Cola like to bring in exchange rates at a lower level and same goes for interest rates at a lower level. Companies such as Coca-Cola borrow money and invest it in order to grow further. If say there are high inflation rates, the effect it has on the company itself can be a negative one, especially when one must consider their research done on new products and technology because of the effect on the cost.

Coca-Cola HBC operates in 28 different locations, however due to the way the business operates on a local level, they are in the precise role to play a big role in the financial energy of Ireland and Northern Ireland. Their nearby business provokes task introduction and allow for bigger financial gain all through their value chain. They provide to the economic achievement of the network by way of using communal humans: salivating partial amounts of tax to the government: paying manufacturers for goods, offerings, and capital gadget: furthermore, assisting local investment projects. Their story is instructed in an unbiased look on the economic effect of their enterprise which paved the way through Grant Thornton. The findings reveal the bought fee created whenever a purchaser inquiry about their merchandise and is based totally at the "input-output" model from the Ulster University Economic Policy Centre. This effect was regarded in all sectors: from manufacturers, packers and local manufacturers and providers, to marketing and advertisement on the production distribution in wholesale and retail (Coca-ColaHBC, 2019).

Social factors also play a big role in the world of marketing. The health-conscious demographic of people affects a lot of the marketing side of things for Coca-Cola. They prefer diet coke over regular coke due to its presumed health benefits which it carries its branding over. Furthermore, many people can be seen switching from alcoholic beverages to non-alcoholic beverages as they may believe they are greater health benefits in making the switch (Mevada, 2018).

Age is a critical factor, which plays a big role in the advertisement of Coca-Cola. Coca-Cola aims to mostly target younger generations, and the countries with primarily younger generations provide considerable amounts of profit compared to that of older populations.

With the advancement in technology and the importance of it in modern day society, Coca-Cola sees itself as a corporation utilizing technology tremendously to increase sales, notoriety, and ultimately public image. One way this can be seen is through the company's use of recyclable plastic bottles which uplift the company's public image by showing they care about the environment. This in turn makes people more likely to buy the products as they themselves feel as though they're doing something good.

In terms of environmental protection, Coca-Cola HBC has added and upgraded further measures to its policy, along with An Taisce and Keep Northern Ireland in the company's

"Clean Coast Week" for more than a decade. Thanks to the entire organization of the program with the help of over five thousand volunteers, involved in other similar activities, was cleaned and collected nearly 30 tons of garbage (Coca-ColaHBC, 2019).

They are the usage of their management to obtain high quality exchange in the global and build a greater sustainable future for the communities and the planet. These include supplying clients extra beverage picks with much less added sugar, rethinking their product packaging, replenishing water returned to nature and communities and improving the performance of water use and treatment of waste water to excessive requirements, and reducing the carbon footprint across the fee chain whilst assisting their commercial enterprise and communities adapt to the affects of climate alternate (The Coca-ColaCompany, 2021).

With the improvement of machinery in factories and public work spaces, Coca-Cola are not only able to increase number of sales, but also the production in which their products get made.

Swot analysis

The Coca-Cola company also has a large array of products, and said products are offered globally in over 6 continents. And the product strategy used can be seen as marketing mix. The following products are sold in various packaging and sizes: Coca-Cola, Diet Coke, Light, Minute Maid, Coca-Cola Life, PowerAde Zero, Coca-Cola Zero, and Sprite Fanta, etc. They also have significant shares in the market and create outstanding amounts of profits for the company (The Coca-Cola Company, 2021).

The corporation also manufactures its own fountain syrups, manages several bottling operations, and collects revenue on completed merchandise. These operations fall below Coca-Cola's finished product operations. This commercial enterprise section is made from each agency-owned or managed operations in each income and distribution. This consists of the sale of sparkling drinks and nonalcoholic beverages to shops. They are also offered to vendors and wholesalers who, in flip, promote them to outlets (BUEHLER, 2021).

The price of Coca-Cola beverages/products has remained fixed for roughly 73 years. Its price only costing 5 cents over time. However, as the competition gradually increased, the market filled with competitors such as Pepsi. The company was forced to make its pricing a lot more flexible. In this case, if the company followed this strategy, then consumers of said products will begin doubting its quality which in turn would have a negative effect on the value. Or on the other hand, the company steadily increases the price unreasonably and people switch to a better alternative (Mevada, 2018).

For years, the price of Coca-Cola products was 5 cents. After the two world wars of the middle of the last century, the world began to change economically. In a market economy and with the entry of serious competitors such as Pepsi, the company is changing its pricing strategy. With solid market experience and good marketing strategies, Coca-Cola continues to be among the best on the market. The price is determined by quantity, packaging, taste (The Coca-Cola Company, 2021).

The Coca-Cola company has a vast network of distribution all over the world, having their products sold in over 200 countries. They have six operating regions: Latin America, Africa, Europe, Pacific, Eurasia & North America. The company's dependence on its bottling partners is crucial in the distribution of the product. The bottling partners are responsible for manufacturing, packaging, and shipping to the agents who then transport the goods on road

by stocks to distributors who then transport to retailers where it can finally be sold to consumers.

Japan, according to Coca-Cola, is a fairly fast-growing and modern market on a global scale. For this reason, the company launched a wide range of new products, as well as those already known on the Japanese market in 2016. The products are delivered directly to intermediaries, distributors, and retailers, then reaching the end user (BUEHLER, 2021).

Because of the intense competition in the soft-drink market, Coca-Cola focuses on different promotional and marketing strategies. They mainly focus on a strategy known as aggressive marketing. This ensures a utilisation of both traditional and international mediums from which it advertises its brand.

When Coca-Cola was found losing market value in the year of 1913, they decided to arrange a contest for the new design of the bottle. The company's main goal was to ensure that their consumers knew that Coca-Cola is an exceptional product, and no other brown beverage could rival it. The competition winner used a cocoa pod like design which the company made the decision to begin advertising the promoting the product in that shape. Not long after, plastic was seen as a replacement material and is now dominating Coca-Cola bottles (The Coca-Cola Company, 2021).

Coca-Cola is a well recognised brand partly due to its long history with sponsorships. This list of sponsorships includes American Idol, the Olympic Games, NASCAR, and many more (Mevada, 2018).

Whenever any tragedy occurs, the Coca-Cola prides itself on the commitment they must help and support the people which are affected by said tragedy. This includes offering aid, technological devices, and food and water (The Coca-Cola Company, 2021).

The company also knows how to impress people by applying different strategies. Its competitor's goals are constantly changing Pepsi mostly targets younger generations however Coca-Cola does not restrict itself and aims to target people of all ages. They also target people by using celebrities in their commercials and advertising campaigns (HUGHES, 2021).

Pepsi made a smart move by diversifying their business into a new segment: by introducing new snacks which go into a completely different market base. However, Coca-Cola stands to still be only in the drinks business. This new segment from Pepsi begins to be a great driver for profits for the company (HUGHES, 2021).

Coca-Cola as a brand have continued to diversify the business in health and food as it continually improves the products in accordance with the demand level. By doing so, the company gets a higher level of profit from their loyal customers by selling the products. They also want a diversification of business in the snacks segment, this supply-chain which distributes beverages will distribute snacks by sharing the supply chain cost (Mevada, 2018).

The number of products under the name of Coca-Cola have extended beyond belief, so in turn products which unfortunately don't sell become marketed. In addition to this, the company spends a lot of money launching said products so the company then needs to focus more spending money for promotional events to enable the products to succeed.

Porter's analysis of five forces in the consumer goods industry.

Threat to new entrants new drinks - soft drinks have brought innovation, new ways of doing things and pressure on Coca-Cola through a strategy to lower prices, reduce of costs and providing new value to customers. Coca-Cola must meet all these challenges and build effective barriers to maintain its competitive advantage. How Coca-Cola responds to the threat of new entrants Innovation through new products and services. New products not only attract new customers, but also give old customers a reason to buy Coca-Cola products. Reduce fixed unit costs by creating economies of scale. Capacity building and funding of research and development (Michaux, 2015).

The power of supplier negotiation Almost all companies in the soft drink industry buy raw materials from many suppliers. The dominant supplier reduces the profits Coca-Cola can make in the market. Powerful suppliers in the consumer goods industry are using their negotiating power to squeeze higher prices from soft drink companies. The overall effect of the supplier's higher bargaining power is that it reduces the overall profitability of soft drinks. How Coca-Cola Copes with Bargaining Power, by creating an efficient multi-vendor supply chain (Mevada, 2018).

By experimenting with the design of products using different materials, if the price of one raw material rises, the company can move to another. Development of specialized suppliers, whose business depends on the company. Negotiating power of buyers. Buyers are usually the demanding party. They want to buy the best price at the lowest possible price.

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Conclusion

I conclude this report on Coca-Cola's marketing strategy by saying the company depends on the happiness of the consumers, the technological advancements in the machinery, the promotional campaigns and the bettering of human connections. As time passes, new marketing strategies are created which they promote, and consequently, also follow the strategies that made the company what it is today. The reason behind the success is that they follow proper research and analysis with which they then apply. And within that, they keep themselves aware of every innovation.

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