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COCA COLA

Part 1: Coca Cola; Four Descriptive Reports

a. The Coca Cola Soft Drink

The Coca Cola beverage is a product of the Coca Cola Company which has its headquarters at Atlanta the state of Georgia United States of America. The company which was founded in 1886 has grown over the years to the current multinational status (The Coca Cola Company, 2018). Arguably, the company has subsidiaries and beverage bottling plants that operates as franchise in many parts of the world, making its products available anywhere in the world. The

Coca Cola beverage commonly shortened as Coke, is a carbonated soft drink that was founded by John Stith Pemberton who was a pharmacist by profession. At the time of its invention the drink was intended to be used for medicinal purposes.

After its invention Coke was bought by Asa Griggs Candler a businessman. Candler using Coke as the flagship product founded and incorporated the Coca Cola Company in the year 1892. Immediately after incorporation, Candler embarked on a serious marketing campaign which not only made the product known in many parts of the world but also caused tremendous increase in its demand. Consequently, the tremendous growth of the Coca Cola Company, can be attributed to its active marketing strategy and its way of operation (The Coca Cola Company, 2018). Notably, Candler kept the Coke formula a secret and only distributed the product in the form of a syrup to franchised bottlers for the actual production and selling of the beverage to final consumers.

b. Coca Cola Beverage Packing

The success of the Coca Cola beverages as the market leader in the soft drink industry can equally be attributed to the flexibility of the Coca Cola Company to various market dynamics. Arguably, the company since its inception has been market oriented with its aim being serving all sorts of customers. Evidently, the company has over the years been changing its packaging in order to suit the need of the diverse customers it serves. Consequently, the Coca Cola Company has over the years been undergoing evolution more especially on its packaging.

Notably, for many years Coke was packed in 300ml and 500 ml glass bottles. However, over the years the company has widened its package modes to meet the different needs of its

customers (The Coca Cola Company, 2018). Arguably, the company currently packs Coke in smaller packages of less than 300 ml in an attempt to serve those customers that requires small quantities of the drink. The company has also introduced bigger packages with the aim of ensuring the demands by households and heavy consumers of the soft drink are met. Moreover, the company has introduced new packaging modes apart from the traditional reusable glass bottles. Precisely, the drink can currently be found in metallic cans and plastic bottles, hence making them portable and therefore easy to carry along. Metallic and plastic packages are equally not as delicate as glass which easily breaks. Hence, their introduction has helped to broaden the market, since it allows the beverage to be demanded by those customers who need it for later use.

c. Coca Cola Beverage Pricing

The success of Coke beverage is also due to its pricing strategy. Arguably, even though the Coca Cola Company remains the market leader in the beverage industry with the Coke brand recording the highest sales volume, it is true that coke faces cat throat competition from other Coca Cola company brands and externally from brands produced by other companies. Consequently, for a long time pricing has been the major weapon employed by the Coca Cola Company to market coke. Over the years, the pricing of coke dependent on various variables including the price of the various inputs required to pursue its production, the level of competition and the prevailing demand (The Coca Cola Company, 2017). Apart from the internal competition which coke experiences from the other company brands, it equally experiences

competition from brands of other companies particularly PepsiCo Inc., which equally has a worldwide presence with many of its products resembling those of the Coca Cola Company.

Consequently, the Coca Cola Company has been pricing its soft drinks more especially the coke brand in such a way that their price is either slightly lower or above the Pepsi brand which happens to be its major competitor. The company has also been noted to factor in other elements such as the cost of inputs and seasons. Arguably, the company has always increased or decreased its prices depending on the prices of the various inputs used. Moreover, coke pricing has also been noted to increase during festive seasons for instance Christmas and summers due to the high demand. However, the Coca Cola Company has often strived to keep internal competition minimal by ensuring Coke is priced at the same level just like the other brands.

d. Coca Cola Beverage Market

Coke among all the brands produced by the Coca Cola Company and those of competitors holds the largest market share. The superior market can be attributed to multiple variables including the unique taste and refreshing ability of the brand, the special treatment accorded to coke in all the sales promotion and advertisement campaigns carried by the Coca Cola Company, have also given coke an edge over the other brands and the soft drinks produced by competitors. The growth of the Coca Cola Company to the current multinational stature has immensely boosted the marketing of the Coke brand due to its worldwide presence.

Consequently, Coke occupies a special position in the carbonated soft drink industry. The superior product market position, can be attributed to multiple factors including industry of operation. Considerably, coke is a soft drink, therefore unlike alcoholic beverages do not

experience any restriction in its usage in terms of whom should drink and at what time.

Moreover, Coke was the flagship product of the Coca Cola Company, hence it experiences more publicity as compared to the other products produced by the company and therefore a larger market share. The global presence of the Coca Cola Company either as subsidiaries of the parent or franchisee bottling plants have equally boosted the size of its market. The great sensitivity of the Coca Cola Company to customer needs have also helped in popularizing the Coca Cola over those of competitors. For instance, in response to the negative effects of Sugar, the company currently produces Coke with zero sugar hence able to serve those customers who do not prefer sugar or those suffering from lifestyle diseases.

Part 2: The Coca Cola Company Marketing Strategy

Introduction

The Coca Cola Company operates in an environment characterized by various forces some of which deters its long-term growth and achievement of strategic objectives. Notably, the company operates in an industry where there are other players who are equally scrambling for the same market hence posing competition. Similarly, the company operates in an era when there is an alarming rise of lifestyle diseases such as diabetes and obesity all of which are associated in one way or the other to large intake of carbohydrates particularly sugars which is a major component of the various carbonated soft drinks produced by the company. Consequently, to remain afloat the Coca Cola Company management has been pursuing various marketing strategies with the ultimate aim of ensuring it meets diverse customer needs so as to obtain competitive advantage over its peers. Notably, marketing strategy refers the plans any given business uses to compete with its peers in an attempt to attain an advantageous long-term market position (Kotler et al., 2016). Evidently, the management of the Coca Cola Company has been employing and continues to employ a wide range of marketing strategies in its effort to ensure the attainment of its future goals. Additionally, the various marketing strategies helps the company to identify existing opportunities for exploitation. The various strategies undertaken by the management of the Coca Cola Company are mainly guided by the needs of the customer and the corporation, while at the same time monitoring the various moves pursued by competitors. Precisely, the company spends heavily on product promotion, offers a wide range of beverage

brands and continues to open operations in different parts of the world all with the ultimate aim of ensuring customer satisfaction, attaining company goals and combating competitor efforts.

Product Promotion

Since when it was founded to the modern times, extensive product promotion campaigns have been the major secret behind the success of the Coca Cola Company. Notably, the company employs diverse product promotion mix to market its product portfolio in an effort to attract and retain the existing customers hence boosting their demand globally. The company particularly devotes a good proportion of its resources in advertising, sales promotion and sponsorship programs with the ultimate aim of retaining market leadership (Moghaddam and Foroughi, 2012).

a. Advertising

Advertising basically refers to marketing communication which makes use of publicly available non personal forms of communication, to pass a message in either audio or visual form about a particular product, with the aim of promoting the product so as to cause sales increase (Clow and Baack, 2013). Advertising uses various mediums including radio, newspapers, TV, magazines posters, bill boards and the internet. The Coca Cola Company since its establishment has ever increased its market share and profitability, through an aggressive advertising campaign. The company management regularly runs advertisements on various medium in different countries of the world, with the aim of informing, reminding and persuading customers to continue buying its products. The company, has equally been using advertisements to communicate any new additions to their product portfolio and changes in prices.

b. Sales Promotion

It refers to the various initiatives carried out by any particular business entity aimed at boosting the sales of the organization's product (Clow and Baack, 2013). The Coca Cola Company, occasionally pursues various sales promotion campaigns all of which are aimed at increasing its sales volume. The common sales promotion approaches employed by the company include gifts, whereby sometimes the company attaches various gifts to its various soft drink brands to encourage customers to drink them. Furthermore, the Coca Cola Company management frequently organizes competitions and prize draws, whereby its customers are made to compete in order to win certain prizes.

c. Sponsorship Programs

The Coca Cola Company takes the fore front in sponsoring various activities. The move creates good public relations between the company and the society from which it derives revenues. The Coca Cola Company has particularly been responsible for the sponsorship of various sporting activities hence helping to nurture the talents of various sporting personalities. For example, the company sponsored the English Premier League from the year 2004 to 2010, the Coca Cola Football Camp during the FIFA world cup in 2010, among many other sporting activities. Hence, hence heavy spending in various product promotion efforts, is one of the fundamental marketing strategy employed by the Coca Cola Company.

Broader beverage brands

The Coca Cola Company operates in a highly dynamic environment coupled with competition and changing customer tastes and preferences. Consequently, the company

management continuously endeavors to enhance its market share and improve company profitability by pursuing various measures which are aimed at exploiting current and future market opportunities. Notably, in the recent years, the use of Coca Cola Company products, received a lot of criticism as they were thought to cause various health problems. Among the issues of concern was the issue of sugar whereby majority argued that they are the contributors to the raising instances of lifestyle diseases. In response to the criticism, the company has over the years been responding by pursuing various moves aimed at availing a product for all types of customers. Consequently, through inventions and acquisitions of various companies, the Coca Cola company management has tried to address various customer grievances regarding their products. Consequently, the company's product portfolio has tremendously increased from the founding Coke brand, to several others.

Moreover, the company management has addressed the health issue by introducing beverage brands with zero sugar a good example being Coke with zero sugar. Additionally, through acquisitions such as those of Minute Maid in 1960 and Odwalla in 2001 the Coca Cola Company management is currently able to meet the demand of those customers who prefers taking naturally produced fruit juices (The Coca Cola Company, 2018). The introduction of zero sugar soft drinks and flesh fruit juices has been a beneficial marketing strategy, which has enabled it to tap returns from those consumers who are defecting from consuming those brands that contain sugars. The move strategically positions the company at a position of reaping huge profits from the increasing number of customers who prefer either soft drinks with zero sugars, or flesh fruit beverages.

Worldwide Operations

The Coca Cola Company Management has ensured company presence in all parts of the world. In realizing this the company has employed various strategies which include opening of over twenty-four subsidiaries in different parts of the world which are responsible for the supply of the inputs particularly the syrup used in making Coke to the bottling franchise entities which are responsible for the actual production of the different brands owned by the company. The Coca Cola Company management has equally been carrying out various acquisitions of other beverage companies such as Thums Up in 1993 and Zico in 2011, have helped expand its presence, ease competition and increasing the number of brands offered by the company.

Conclusion

Therefore, from the in-depth analysis of the operations of the Coca Cola company, it is admissible that, the company has employed various marketing strategies all aimed at increasing the market for the various products produced by the company and therefore enhancing profits. Notably, the Coca Cola Company Management actively undertakes product promotion campaigns such as advertising, sales promotion and sponsorship programs all of which are crucial in giving company products a competitive advantage. Similarly, Coca Cola Company has strived over the years to increase the number of brands it offers to its customers. The broad product portfolio has been a major marketing strategy for the company as it enabled it to serve a wide range of customers hence making Coca Cola Company products to gain preference among many users in the market. Furthermore, the global presence of the Coca Cola Company operations, has been a crucial marketing strategy for the company. The multinational stature has

particularly made the company to be known to many people in different parts of the world, in addition to helping the company enter new markets.

Recommendations

Evidently, the Coca Cola Company employs different marketing strategies all aimed at enhancing its market share and profitability. However, considering the declining demand of the carbonated Sugary soft drinks, the Coca Cola Company management should pursue moves aimed at increasing capacity for production of zero sugar soft drinks and flesh fruit juices. Some of the products offered by the Coca Cola Company have in the recent years received criticism particularly their contribution to the increasing levels of lifestyle diseases. Hence the company should get out of those criticism which derail its marketing efforts by clearly outlining the various ingredients contained in the various soft drink brands. Currently even though the company employs all advertisement media, TV, radio and newspaper advertisements dominants the other forms. However, considering the recent advancement in technology, the company should make more use of the various platforms provided by the internet more especially the various social media platforms in its product promotion campaigns in order to reach the youths who forms the largest portion of its market.

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