

A Critical Evaluation of Marketing Activities at The Coca-Cola Company: Addressing ESG Challenges Through Strategic Marketing Transformation

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Executive Summary

This report is an assessment of the marketing practices used by The Coca-Cola Company, focusing on how the organization responds to the Environmental, Social, and Governance (ESG) concerns presented in the previous group presentation. As a result of being the world's leading soft drink company in over 200 countries, Coca-Cola is facing increasing pressure to modify their marketing strategy to meet changing consumer expectations for environmental sustainability.

This study found that while Coca-Cola has world class marketing resources and invests significantly (\$4.8 billion annually) in its marketing programs, it lacks the authenticity and integration of ESG into its marketing strategy. The study finds a large credibility gap between the organization's sustainability messaging (i.e., the "World Without Waste" campaign) and its operations as it continues to increase production of plastics. These gaps have led to the accusation of "greenwashing", lawsuits filed against the organization in several jurisdictions and decreased consumer trust, especially among younger consumers who are increasingly concerned about the environment.

The study concludes that Coca-Cola's current marketing strategy is a form of incremental change management instead of the transformative approach that will be needed to overcome the fundamental ESG issues. The study outlines three main areas of shortcomings in the company's marketing strategies including; misaligned market segments, inconsistent components of the marketing mix, inadequate measurement tools and vulnerabilities in digital channels which amplify criticism.

Recommendations are outlined in terms of short-term (0-12 months), medium-term (1-3 years) and long-term (3-5 years). Short-term priorities include developing sustainable communications, creating integrated marketing/sustainability teams and creating and implementing enhanced measurement frameworks with third-party verification. Long-term

recommendations include transforming the entire marketing mix and the brand positioning from happiness messaging to responsible refreshment messaging that reflects a real commitment to environmental responsibility.

1.0 Introduction

One of the best known trademarks worldwide, the Coca-Cola Company is the world's largest beverage company, operating in over 200 countries and having a portfolio that includes more than 500 brands (The Coca-Cola Company, 2024), however the organization has many challenges due to changes in consumer expectations, changing regulatory environments and increasing scrutiny related to corporate social responsibility and environmental issues. Environmental sustainability and ESG principles are identified as major drivers of marketing change within the beverage industry and therefore significantly challenge traditional marketing practices (Kotler and Keller, 2022)

This report will be evaluating the Coca-Cola Company's marketing efforts and the effectiveness of their current strategies at responding to ESG challenges while identifying marketing opportunities where there are potential opportunities for strategic change. Specifically, this report will analyse the alignment between Coca-Cola's marketing efforts and their sustainability commitments, conduct an analysis of the organization's market segmentation, target marketing and position strategy, analyse the effectiveness of Coca-Cola's marketing mix, and identify measurement tools used by the organization to measure the performance of their marketing efforts.

This evaluation will focus on Coca-Cola's global marketing efforts since 2020 through 2025, with a specific emphasis on sustainability related marketing initiatives, such as the "World Without Waste" campaign. This evaluation will utilize academic literature, industry reports and organizational publications to support its findings based on secondary research. Due to the nature of secondary research and the rapid rate of change regarding ESG requirements some of the information contained within this report may be outdated or less relevant.

The structure of this report will follow the assessment requirements outlined in the evaluation criteria. In section 2 a critical evaluation of Coca-Cola's marketing activities will occur in seven different areas of marketing effort. In section 3 the results of the critical evaluation will be summarized to identify areas of weakness. In section 4, recommendations for action will be made to address the weaknesses identified, organized by implementation time frame. This structure will allow the reader to follow logically from analysis to conclusion to recommendation, as required in the assessment criteria (Cameron and Green, 2016).

2.0 Critical Evaluation of Coca-Cola's Marketing Activity

2.1 The Concept and Importance of Marketing at Coca-Cola

Marketing occupies a central position within Coca-Cola's organisational strategy, reflecting what Kotler and Armstrong (2021) describe as a market-oriented philosophy that prioritises understanding and satisfying customer needs. The organisation's stated mission to 'refresh the world and make a difference' explicitly positions marketing as a vehicle for both commercial success and societal impact (The Coca-Cola Company, 2024). This aligns with the societal marketing concept, which advocates balancing company profits, consumer satisfaction, and public interest (Kotler and Keller, 2022).

However, critical evaluation reveals tensions between Coca-Cola's marketing philosophy and operational practice. Whilst the organisation communicates commitment to sustainability through campaigns such as 'World Without Waste', evidence suggests a significant gap between messaging and reality. The Oceana (2025) report identifies Coca-Cola as the world's largest plastic polluter for multiple consecutive years, directly contradicting marketing claims of environmental responsibility. This phenomenon, characterised by Buchanan and Badham (2020) as the 'crap gap', describes the disconnection between organisational rhetoric and actual behaviour, fundamentally undermining marketing credibility.

The Chief Marketing Officer maintains significant strategic influence, with marketing integrated across product development, communications, and customer experience functions. Nevertheless, integration between marketing and sustainability teams appears insufficient, resulting in promotional messages that operational reality cannot support. Zervoudi, Moschos and Christopoulos (2025) note that such inconsistency erodes consumer trust and exposes organisations to greenwashing accusations, as evidenced by legal challenges against Coca-Cola in Los Angeles, France, and Hungary regarding misleading environmental claims.

2.2 Marketing Resources and Investment

Coca-Cola's organisational strategy reflects its "market-oriented" philosophy, where Kotler and Armstrong (2021) explain that the focus is on being responsive to the customer. Coca-Cola's mission of "Refreshing the World and Making a Difference" clearly indicates how marketing is intended to be a platform for achieving both business success and social good (The Coca-Cola Company, 2024). This reflects the principles of the social marketing concept, which advocates for companies to balance their profit margins, consumers, and the greater public (Kotler and Keller, 2022).

Despite this, when we look at Coca-Cola's marketing philosophy vs operational practices, there are inconsistencies. Although Coca-Cola is promoting their sustainability efforts via marketing campaigns like "A World Without Waste," it is evident that there is a significant disconnect between their marketing message and the reality of their operations. In fact, according to the Oceana (2025) report, Coca-Cola has been named the world's largest plastic polluter in multiple consecutive years, which completely contradicts their marketing statements about their commitment to protecting the environment. According to Buchanan and Badham (2020), the term "crap gap" refers to the disconnect between an organisation's marketing rhetoric and its true actions, and this can undermine the credibility of the marketing function.

The CMO has significant strategic influence at Coca-Cola, since marketing is integrated into all the other major functions including product development, communication, and customer experience. However, despite these positive indicators, the level of integration between the marketing and sustainability departments appears to be insufficient, and therefore the promotional messaging generated by the marketing department does not match the realities of operational activity. As noted by Zervoudi et al. (2025), such disconnects result in erosion of consumer trust and expose organisations to greenwashing allegations, as seen by recent

lawsuits filed against Coca-Cola in Los Angeles, France, and Hungary relative to environmental misrepresentation.

2.3 The Marketing Environment

2.3.1 Macro Environment Analysis

PESTEL analysis indicates there are several environmentally driven marketing changes occurring at Coca-Cola due to political, economic, social, technological, environmental and legal influences.

Political forces are affecting Coca-Cola's marketing through increased government regulations regarding single-use plastics, such as the EU has established a requirement for 10% of packaging to be reusable by 2030 (Oceana, 2025). This is constraining what can be claimed about the company's products and requires compliance checks for all environmental messaging.

Economic pressure is also being placed upon Coca-Cola in terms of increasing costs associated with using sustainable packaging materials and recycled PET. The need for companies to maintain their competitiveness creates a tension between meeting this cost increase and making commitments to sustainability.

The largest social influence facing Coca-Cola is consumer expectation for genuine corporate environmental responsibility. Younger generations (Generation Z, millennials) will abandon brands they perceive as engaged in "greenwashing" (Zervoudi et al., 2025). As a result of advances in technology, greater transparency exists than ever before in relation to corporate environmental responsibilities. Supply chain transparency is now possible, and social media enables companies' positive environmental actions to be amplified while negative perceptions of poor performance are magnified too.

Environmental factors include the impact of climate change on agricultural supply chains and plastic pollution in waterways and oceans which present an operational risk to the business that marketing needs to respond to in a genuine manner.

Legally speaking, the concept of greenwashing is also increasingly litigious; lawsuits filed against Coca-Cola across numerous jurisdictions challenge the company's claims to recycle products and act responsibly in environmental matters (Oceana, 2025). Legal challenges require the company to enhance its compliance check process which delays marketing responsiveness but may still expose it to reputational damage regardless of the outcome of a lawsuit.

2.3.2 Microenvironment Analysis

The findings of Porter's Five Forces model clearly show a growing level of competition in the beverage sector with important implications for marketing. Competition among beverage companies continues to be fierce due to the presence of PepsiCo and other rapidly expanding sustainable beverage brands which are posing a challenge to Coca-Cola's share of the market. Importantly, the sustainability characteristics of these brands have become an essential element of differentiation among competitors. For example, although it is a relatively small brand, Innocent Drinks has gained higher levels of consumer perception regarding authenticity compared to many larger beverage brands (Baines et al., 2021).

In addition, the threat posed by substitutes has grown significantly as consumers seek out healthier options including water, plant-based beverages, etc. that are perceived to be environmentally friendly. Furthermore, buyer power has increased due to consumers being willing to switch between brands depending upon how well a company performs against its Environmental Social Governance (ESG) criteria and at the same time demanding evidence to support a company's sustainability claims. Therefore, this trend will require marketing to prove its sustainability statements through verifiable data as opposed to providing aspirational

statements. The stakeholder analysis indicates multiple demands from stakeholders such as investor groups requiring ESG compliance, consumers requiring authenticity, non-governmental organizations scrutinizing environmental claims, and regulatory bodies enforcing increasingly strict standards for marketing communications to navigate.

2.4 Market Segmentation, Targeting, and Positioning

2.4.1 Market Segmentation

Coca Cola uses an advanced method of segmenting their customers using geographic, demographic, psychographic and behavioural factors (Kotler and Keller, 2022). In terms of geographic segmentation, they create localized advertising and promotion by focusing on regional areas such as creating the "Share a Coke" campaign which includes regional names. They use demographic segmentation by focusing on various age groups; for example, they have created marketing strategies for youth markets, families and older consumers. Behavioural segmentation focuses on identifying consumer behaviour patterns and grouping them into categories; for example, heavy drinkers looking for a way to indulge themselves and those who drink less frequently looking for low or no sugar alternatives.

Although Coca-Cola has recognized the importance of targeting environmentally conscious consumers, they have yet to develop meaningful marketing efforts that satisfy this segments values. According to Jobber and Ellis-Chadwick (2020), an effective segmentation effort is one where a company provides products and services that meet the needs of each unique group rather than just making superficial changes to appeal to the group. Therefore, it can be concluded that Coca-Cola's sustainability segmentation is primarily focused on marketing communications rather than providing a genuine value proposition to their environment-focused consumers.

2.4.2 Target Markets

The primary target markets for Coca-Cola include: young adults aged 18-34 which is the core brand franchise; health conscious consumers who drink diet or zero calorie versions of the beverage (e.g., Diet Coke/Coca-Cola Zero Sugar); family households that buy multiple packs; and increasingly, Environmentally Sustainable (ESG) conscious consumers who are interested

in the companies sustainability message. However, there are some obvious contradictions within the targeting of these different demographics.

For example, if Coca-Cola continues to grow sales of their traditional sugary drinks while at the same time promoting their new line of sustainable drinks, this will create conflicting messages about the company's commitment to being a socially responsible business. Generation Z is particularly sceptical of corporate claims regarding sustainability and therefore actively investigate brands' authenticity prior to purchasing (Zervoudi et al., 2025).

Furthermore, as indicated by Buchanan and Badham (2020), the credibility gap between what a company says it does versus what it does is damaging to the company's ability to attract environmentally conscious consumers because their marketing messages are undermined by publicly available evidence of their operations via digital media.

2.4.3 Differentiation and Positioning

Coca-Cola currently positions itself as a brand that creates "Real Magic" through its advertising by emphasizing the emotions associated with drinking a Coca-Cola, including the enjoyment of shared experiences and moments of happiness. Their sustainability branding through "World Without Waste" aims to add an element of environmental responsibility to their emotional branding. However, the positioning analysis clearly shows that there are numerous inconsistencies between the two platforms that undermine their effectiveness.

An analysis of how Coca-Cola positions itself against the competition (via perceptual maps) indicates that Coca-Cola continues to have a strong heritage and taste association but has significantly lower perceived sustainability than its purpose-driven competitors. As emphasized by Ries and Trout (2001), successful positioning relies on a consistent promise and delivery. Unfortunately, the gap between what Coca-Cola says it is doing to reduce waste through sustainability, and what they are doing, according to de Hoyos Guevara and Dib (2022) fundamentally hinders ESG implementation and ultimately reduces their positioning from an

asset to a liability. Competitors that may have smaller product lines but also demonstrate a genuine commitment to sustainability are now attracting the environmentally conscious customer base that Coca-Cola's positioning purportedly addresses but does not satisfactorily serve.

2.5 The Marketing Mix

Coca Cola has a long list of marketing opportunities that can be viewed positively or negatively based on the company's performance; there is a long list of positive aspects as well as many areas that need improvement.

2.5.1 Product

Coca-Cola has over 500 brands across the globe in five categories: sparkling beverages, water and hydration beverages, juices, tea/coffee, and sports beverages. In response to changing market trends in terms of health consciousness, Coke has developed new products that offer consumers the choice of lower calorie/zero sugar beverage options. Additionally, about packaging innovation, the company has been testing paper bottles and using more recycled materials in their PET bottles (The Coca-Cola Company, 2025).

However, despite these new product offerings and innovative packaging approaches, it must also be considered that the bulk of Coca-Cola's revenue comes from its traditional products that contain a large amount of sugar and are packaged in single use plastics. Furthermore, while packaging innovation is being aggressively marketed, it appears to represent only a small percentage of the overall packaging volume when compared to the traditional packaging methods. Although the company had announced a goal to achieve 25 percent of all packaging to be reusable by 2030 (Oceana, 2025), this initiative was later cancelled indicating that the company prioritizes current business practices over future business practices that promote sustainability.

2.5.2 Price

Premium pricing is maintained for Coca-Cola's main brands utilizing the company's strong brand equity. While some lower-priced versions of Coca-Cola's brands exist in emerging markets, the company charges a higher price for products that incorporate sustainable ingredients due to the increased cost of production. However, the company does not provide clear information to customers about the 'green premium' they will receive in exchange for the higher prices charged for sustainable products, which would allow environmentally conscious customers to understand the value proposition of purchasing products that are truly sustainable (Fill and Turnbull, 2019). Thus, the company has lost an opportunity to profit from the growth of the sustainable consumption segment.

2.5.3 Place

Coca-Cola has a vast global distribution network comprised of many independent bottling partners that allows the company to reach over 200 countries through multiple channels including retail, food service, vending and e-commerce. The size of Coca-Cola's global distribution network represents one of the company's greatest competitive advantages. However, the same structure that provides Coca-Cola with such a wide distribution network is a structural barrier to the company's ability to implement sustainable packaging innovations since many of the bottlers have made large investments in single-use packaging and resist switching to reusable systems that require changes to their logistics processes (Cameron and Green, 2016).

2.5.4 Promotion

Coca-Cola utilizes four types of promotional strategies: advertising, sales promotions, public relations and digital marketing. Advertising for Coca-Cola occurs primarily through global

campaigns. Sales promotions occur through limited edition releases and co-branding arrangements. Public relations occur through sustainability reports and other corporate social responsibility communications. Digital marketing occurs through social media and influencer partnership activities. All creative executions maintain a high level of production quality and emotional appeal consistent with the brand's heritage.

A critical evaluation of Coca-Cola's promotional strategy demonstrates that promotional strategy is the primary source of credibility gap issues for the organization. The organization's sustainability messages through campaigns such as "World Without Waste" make claims that are contradicted by evidence of operational practices creating a situation where the organization is subject to accusations of greenwashing and scepticism from consumers regarding the organization's commitment to sustainability. Social media platforms intended to create customer engagement for Coca-Cola serve to amplify criticism of the organization's sustainability performance. Negative comments regarding the organization's sustainability performance have become highly visible in social media (Marketing Week, 2024).

2.5.5 People, Process, and Physical Evidence

Public relations efforts of Coca-Cola to communicate the organization's environmental achievements are diminished by reports and investigations by non-government organizations and journalists revealing the disparities between what the organization says and what the organization does.

In terms of internal marketing, the organization emphasizes employee engagement with the organization's brand values and sustainability initiatives. Employee education programs communicate the organization's corporate environmental commitments. It is unclear whether the employees involved in marketing have sufficient skill and knowledge to effectively communicate the organization's environmental commitment in an accurate manner. A process evaluation of the organization demonstrates that compliance reviews related to laws relating to

the environment may slow down the organization's marketing agility. Additionally, the integration between marketing and sustainability functions within the organization has not improved sufficiently to support alignment of the organization's marketing messages with the organization's reality.

Physical evidence, i.e., packaging, represents the most obvious manifestation of Coca-Cola's sustainability performance; however, the organization's current packaging continues to attract negative publicity regarding the organization's environmental performance and is identified as the organization's primary environmental impact area.

2.6 Marketing Channels and Media Selection

Channel strategy involves all media types, including TV advertising during large sports events, Print, Outdoor and Radio, plus Digital channels which include Social Media Platforms, Search Engine Marketing, Influencer Partnerships and Content Creation through the organization's own channels such as Coca-Cola Journey (Chaffey & Ellis-Chadwick, 2022).

High levels of spend are invested in Traditional media, especially in Global Brand Campaigns and Sponsorship Activation. However, due to the fragmentation of audiences and decreasing engagement of younger demographics, their effectiveness is reduced, and the cost of using traditional media limits the ability to test different versions of a message and adapt accordingly. Digital channels provide precise targeting and measurement of engagement; however, they also increase the potential for Negative Commentary to be amplified virally and reach a wider audience.

Evaluation highlights that Channel Strategy has a Reactive, rather than Proactive Orientation when it comes to communicating Sustainability Messages to stakeholders. While Corporate Messages are being broadcast via the Digital Presence, there is limited opportunity to engage Authentically with Stakeholder Concerns. Opportunities for Sustainability Storytelling via User-Generated Content have been underutilized, while Earned Media has become primarily comprised of Critical Coverage from NGOs and Investigative Journalists, rather than Positive Sustainability Messages.

The use of Influencers to communicate Sustainability Messages can result in a Reputational Backlash if the Influencer is Criticized for Associating themselves with Perceived Greenwashing, resulting in Reputational Interdependencies that need to be carefully managed.

2.7 Measuring Marketing Effectiveness

Coca-Cola has implemented an Advanced System of Measuring its Marketing Performance including Financial Metrics (e.g., Revenue Growth, Market Share, Return on Investment), Brand Metrics (Equity Tracking, Awareness and Consideration), Customer Metrics (Net Promoter Score and Satisfaction Indices), and Digital Metrics (Engagement Rates, Reach, Conversion) (Farris et al., 2021).

While Coca-Cola does report Sustainability Metrics (e.g., Recycling Rates, Carbon Footprint), the Credibility of these Measures is Challenged. The Oceana (2025) Report Challenges Coca-Cola's Reported Recycling Claims Highlighting Gaps between Organisational Metrics and Third-Party Assessments. Furthermore, the Framework used to measure Marketing Performance fails to Measure Authenticity Perceptions, Credibility Gap Impacts or the Contribution of Marketing to Genuine Sustainability Outcomes, rather than Communication Outputs.

Control Processes for Marketing, including Annual Planning Cycles and Campaign Performance Reviews, Focus on Traditional Commercial Metrics, with Sustainability Considerations treated as Secondary Factors, rather than Integrated Performance Dimensions. As described by Ambler (2003) this represents an Underlying Strategic Priority, suggesting that Sustainability Remains Periphery to Central to the Organization's Marketing Strategy, despite prominent communication positioning.

Absence of Third-Party Verification of Sustainability Claims in Marketing Materials Further Erodes Measurement Credibility and Exposes the Organization to Continued Accusations of Selective Reporting.

Task 2: 3.0 Conclusions

Although the company has made some progress, it still faces many of the same marketing challenges today, such as the inability to develop effective marketing programs that are designed to meet the changing needs of an increasingly environmentally conscious consumer population.

The most serious issue is the credibility gap between what the company says it does through its marketing communications and the actual actions it takes in practice. For example, while Coca-Cola's "World Without Waste" campaign and related environmental messaging claim that the company is committed to sustainability, there is growing evidence that suggests this may be nothing more than "greenwashing." As Buchanan and Badham (2020) explain, this is an example of the "crap gap," which is the difference between marketing claims and what happens. When this occurs, marketing becomes a liability rather than an asset and can lead to accusations of greenwashing and even lawsuits. Moreover, when consumers learn that they have been lied to about a company's commitment to sustainability, their trust in the company is likely to erode.

Another issue is that the company has not developed effective market segmentation and targeting strategies to reach consumers who are concerned about the environment. While the company recognizes that environmentally conscious consumers represent an important target market, it has not developed marketing strategies that create meaningful value propositions for these consumers. In fact, sophisticated consumers like Generation Z are beginning to recognize that the company's positioning around sustainability is at odds with what it does in practice. Therefore, when the company targets this group with marketing campaigns, it creates scepticism among them instead of creating loyalty.

A third area of concern is that the company's marketing mix (product, promotion, price, place, and people) is fundamentally inconsistent with respect to its sustainability commitments. For example, the company promotes its sustainability commitments through advertising and other forms of promotional activities; however, the products it sells do not reflect those same commitments. Similarly, the places where the company sells its products (e.g., retail stores) do not reflect the company's sustainability commitments. Finally, the physical evidence used by the company to promote its sustainability commitments (e.g., packaging, labeling) also do not reflect the company's sustainability commitments. All of these inconsistencies violate one of the basic principles of marketing that requires all of the elements of the marketing mix to work together to achieve common goals. These inconsistencies create cognitive dissonance among consumers who resolve this dissonance by rejecting the company's brand rather than accepting the company's marketing messages.

A fourth area of concern is that the company uses inadequate measurement frameworks to evaluate the success of its sustainability marketing efforts. Specifically, the company evaluates its sustainability marketing efforts based on how well it communicates its sustainability commitments rather than whether its marketing efforts are perceived as credible, believable, and authentic, or whether the company achieves its sustainability objectives. Because the company lacks adequate measurement frameworks, it cannot effectively manage the performance of its sustainability marketing efforts or demonstrate accountability for its sustainability-related commitments.

Finally, the company's use of digital channels to deliver its sustainability marketing messages creates vulnerabilities that amplify criticism of the company much more quickly than the company can use digital channels to build positive associations for itself. At present, the company responds reactively to criticism it receives from digital media rather than using digital media proactively to tell an authentic story about the company's sustainability efforts. By

failing to use digital media in this way, the company exposes itself to reputational damage from negative earned media.

Overall, the issues described above suggest that the company's approach to sustainability marketing is limited to making incremental changes to its marketing practices to overlay sustainability messaging onto its existing business model rather than developing the transformative changes in its marketing practices that ESG-related challenges require (Cameron & Green, 2016). Unless the company makes fundamental changes to its marketing strategies, it will continue to experience credibility problems with respect to its sustainability marketing efforts and with respect to its overall brand equity.

Task 3: 4.0 Recommendations

From findings made in this assessment, it follows that the following proposals to address shortcomings identified whilst considering the resources of Coca-Cola and its relevant market environment will be provided to guide a strategic path of action, each proposal being categorized by an expected time frame of implementation.

Each recommendation is directed at a specified shortcoming of Coca-Cola while considering what can feasibly be done given the resources available to Coca-Cola and the market conditions it operates under.

4.1 Short-Term Recommendations (0-12 months)

Recommendation 1: Adopt Authentic Sustainability Communication Approach. The organization must halt making marketing claims it cannot substantiate with operational data and publicly admit that it has not yet met sustainability goals as it commits to only using evidence to communicate its sustainability efforts. By taking this "unfreeze" step (Cameron & Green, 2016) to restore trust, the organization establishes an honest and not aspirational message about its sustainability efforts. The feasibility of this recommendation is high since no capital expenditures are required to establish a communication discipline. The results anticipated from this recommendation are reduction of risk due to legal exposure; fewer accusations of greenwashing; and foundation laid to rebuild the credibility of the organization.

Recommendation 2: Organize an integrated marketing-sustainability function. Cross-functional teams consisting of marketing professionals and sustainability experts with authority to approve all environmental communications will need to be established. This organizational change addresses the lack of alignment between marketing messages and operational realities by establishing that marketing communications will be aligned prior to them being released to the public. Organizational restructuring of existing resource allocations is required to

implement this recommendation, which involves a moderate level of expenditure for creating credibility.

Recommendation 3: Implement Advanced Metrics Framework. Use marketing dashboards that incorporate Environmental Social Governance (ESG) metrics along with traditional marketing performance metrics and use third party verification to ensure the authenticity of sustainability claims and track how stakeholders perceive the authenticity of sustainability claims. This recommendation addresses the shortcomings related to measuring the effectiveness of sustainability marketing efforts and enables the organization to make evidence-based marketing decisions and demonstrate accountability for marketing efforts. The investment needed to implement this recommendation is moderate as it uses existing analytics capabilities and includes establishing relationships with third party verification partners.

4.2 Medium-Term Recommendations (1-3 years)

Recommendation 4: Align Target Market Strategy. Develop authentic value proposition(s) to ESG-conscious segments based on the organization's actual sustainability capabilities and not **aspirational** positioned. This requires research to determine the actual sustainability priorities of the target segment, product development to meet those sustainability priorities substantively and marketing communications that contain only verifiable sustainability claims. A significant amount of investment is needed to create value proposition(s) for ESG-conscious segments, but it is also necessary to capture growing sustainable consumption markets and to enable competitors with greater authenticity credentials to gain an advantage.

Recommendation 5: Change Digital Channel Strategy. From a defensive position to a proactive one, utilize user generated content to tell authentic sustainability stories, create transparent supply chain tracking that is available to consumers and partner with credible sustainability advocates instead of traditional influencers. This recommendation addresses the vulnerabilities of the digital channels and creates positive earned media to offset negative media coverage of

sustainability issues. Building upon existing digital capabilities, the change in digital channel strategy is primarily a matter of redirecting content strategy and partnering approaches.

4.3 Long-Term Recommendations (3-5 years)

Recommendation 6: Transform the Entire Marketing Mix. Systematically align all seven components of the marketing mix with the organization's actual commitment to sustainability. The product component of the marketing mix should focus on accelerating the introduction of sustainable packaging and sustainable reformulation of products. Pricing should create affordable options for sustainable choices. The location component should transition distribution systems to support reusable systems (despite the reluctance of Coca-Cola's bottling partners). The promotion component should communicate only sustainability claims that are based on evidence. People development should ensure that sustainability expertise exists throughout the organization's marketing functions. Process redesign should include ESG reviews of all marketing-related activities. The physical evidence (especially packaging) of the organization should reflect a visible commitment to sustainability. This transformational approach to the entire marketing mix is likely to require a substantial investment over several years, but it is the fundamental transformation that has been unable to occur through incremental approaches.

Recommendation 7: Pursue Strategic Brand Repositioning. Gradually evolve brand positioning from 'happiness' and 'Real Magic' emotional platforms to 'responsible refreshment' positioning that truly reflects the organization's environmental stewardship commitment. This evolution of brand positioning (aligned with the societal marketing concept principles outlined by Kotler and Keller, 2022) requires the organization to develop a new narrative that is gradually developed in conjunction with operational evidence, co-created with stakeholders in terms of sustainability storytelling and demonstrated consistently across all touch points. The implementation of this recommendation will take approximately 3-5 years, because brand

repositioning is a long-term effort that cannot be accomplished solely through communication. The expected outcomes of this recommendation include sustainable competitive advantage through differentiation based on authenticity positioning, restoration of consumer trust and improvement of ESG investor ratings supporting long term value creation.

All the above recommendations will require that senior leaders of Coca-Cola demonstrate their commitment to transformative rather than incremental change, recognize that the credibility of marketing depends on the transformation of operations and be willing to incur short-term expenses to obtain long term strategic positioning. The change management models identified in the previous group presentation (Lewin's three-step model and Force Field Analysis) will serve as frameworks for developing plans for implementing change and managing resistance to change during the implementation of the recommended changes.

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Appendices

Appendix A: PESTEL Analysis Summary

Factor	Key Changes	Marketing Implications
Political	Plastic regulations; sugar taxes; EU 10% reusable target by 2030	Claims must be legally defensible; compliance verification required
Economic	Rising sustainable material costs; inflation; supply chain disruption	Price positioning challenges; value communication essential
Social	Health consciousness; environmental awareness; Gen Z scepticism	Authenticity critical; greenwashing detection increasing
Technological	AI in marketing; supply chain IoT; social media transparency	Enables transparency but exposes gaps; real-time criticism
Environmental	Climate change; plastic pollution; 4.13M metric tonnes projected 2030	Core challenge: marketing sustainability whilst increasing production
Legal	Greenwashing lawsuits (LA, France, Hungary); regulatory inquiries	Legal review delays; reputational risk regardless of outcomes

Appendix B: Marketing Mix Evaluation Summary

Element	Current Approach	Critical Evaluation
Product	500+ brands; zero-sugar variants; packaging innovation trials	Core products remain high-sugar/single-use plastic; abandoned 25% reusable target
Price	Premium positioning; sustainable variants at higher price	No clear green premium strategy; missed value capture opportunity
Place	Global bottling network; 200+ countries; multi-channel	Partner model creates structural barriers to sustainability transformation
Promotion	Global campaigns; sponsorships; digital marketing; influencers	Primary credibility gap source ; social media amplifies criticism
People	Brand training; sustainability awareness programmes	ESG communication capability gaps; insufficient integration
Process	Legal compliance review; campaign approval workflows	Delays agility; marketing-sustainability integration insufficient
Physical	Iconic bottle design; packaging as brand identifier	Packaging is primary environmental impact point and criticism source

Appendix C: Recommendations Implementation Summary

#	Recommendation	Addresses Shortcoming	Timeframe
1	Authentic Sustainability Communication	Credibility Gap	Short-term (0-12 months)
2	Integrated Marketing- Sustainability Function	Mix Inconsistencies	Short-term (0-12 months)
3	Enhanced Measurement Framework	Measurement Inadequacy	Short-term (0-12 months)
4	Target Market Realignment	Segmentation Misalignment	Medium-term (1-3 years)
5	Digital Channel Transformation	Channel Vulnerabilities	Medium-term (1-3 years)
6	Marketing Mix Transformation	All Shortcomings	Long-term (3-5 years)
7	Strategic Brand Repositioning	Credibility Gap; Positioning	Long-term (3-5 years)