



Name:- Viratbhai Limbachiya

Student id:- 2420851

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Lecturer name:- Amare Desta

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Table of Contents

1.Introduction.....	3
2.Selection of Organisation and Target Market.....	3
2.1 Organisation identification.....	3
Justification.....	6
2.2 Target market proposal.....	7
3.Comprehensive Strategic Analysis.....	9
3.1 Macro-environmental analysis.....	9
3.2 Competitive Landscape Analysis.....	13
3.3 Internal Analysis.....	15
4.Strategy Development and Formulation.....	17
4.1 Market Entry Strategy Formulation.....	17
4.2 Market entry mode.....	23
4.3 Alignment and Competitive Advantage.....	23
4.4 Corporate Social Responsibility (CSR) and risk evaluation in strategy formulation.....	26
5.Performance Evaluation Framework.....	27
5.1 Applying Balanced Scorecard.....	27
5.2 Triple Bottom Line.....	29
5.3 Value Stream Mapping.....	30
5.4 Alternative framework application: EFQM Excellence Model.....	31
5.5 Key Performance Indicators (KPIs) and Success Metrics.....	32
6.Conclusion and Recommendations.....	33
7.References.....	35

1. Introduction

In order to deal with the dynamic global business environment at present, business firms have to continuously adapt and innovate to sustain their competitive advantage (Bari *et al.*, 2022). Rapid globalization, changing preferences of consumers, and such advancements within technologies have intensified the ultimate need for strategic agility. For multinational corporations such as Coca-Cola, expansion in the emerging markets indicates greater scope for growth and diversification (Huse *et al.*, 2022). The aim of the study is to develop an analytical report outlining the organisational expansion plan for Coca-Cola with critical applications of different strategic analytical frameworks. The core objectives of the research are evaluated below:

- To identify how Coca-Cola is going to expand in Cuba with a strong market share in upcoming years.
- To examine what kind of recommendations can be made for Coca-Cola for expanding in a new emerging market.

2. Selection of Organisation and Target Market

2.1 Organisation identification

The chosen organisation for this expansion is the Coca-Cola, the global leader in the non-alcoholic beverage market with the extensive manufacturing, distribution, and marketing abilities. The organisation has 17,000 employees, 11 production centers, 60 distribution & sales centers, and serves more than 60 million customers in 200 countries and territories each day, reflecting the strong global presence of the firm (Coca-Cola, 2024).

A Winning Portfolio

Millions of refreshing moments. Delivered by more than 300 brands.

Satisfying more than 60 million consumers across 14 states and the District of Columbia. It's no accident that Coca-Cola Consolidated is an industry leader. Our leadership is driven by our Purpose, our expertise, our commitment to growth, our exceptional service, and our broad portfolio.



17,000 Teammates, **11** production centers and **60** Distribution and Sales Centers that enable us to sell and distribute nearly **350 million** cases per year

Figure 1: Overview of Coca-Cola

(Source: Coca-Cola, 2024)

In 2024, the net sales of Coca-Cola were identified as US\$6,899,716, which is a US\$245,858 increase from the previous year (Coca-Cola, 2024). The net income of the firm was observed as US\$633,125 in 2024, as well as a gross profit of US\$2,753,179, highlighting the capacity of the firm to manage direct cost structures and profitability perceptions after accounting for all expenses (Figure 2). Hence, the 2024 result of Coca-Cola showcased the solid financial momentum where the rise in net sales indicates high market demand and the gross profit, along with healthy net income, evaluate suitable cost control & operational efficiency. Therefore, it can be stated that Coca-Cola is able to maintain profitability, enhance its competitive position, and support the future strategic growth initiatives.

(in thousands)	Fiscal Year		Change
	2024	2023	
Net sales	\$ 6,899,716	\$ 6,653,858	\$ 245,858
Cost of sales	4,146,537	4,055,147	91,390
Gross profit	2,753,179	2,598,711	154,468
Selling, delivery and administrative expenses	1,832,829	1,764,260	68,569
Income from operations	920,350	834,451	85,899
Interest expense (income), net	1,848	(918)	2,766
Mark-to-market on acquisition related contingent consideration	59,166	159,354	(100,188)
Pension plan settlement expense	—	112,796	(112,796)
Other expense, net	2,682	5,738	(3,056)
Income before taxes	856,654	557,481	299,173
Income tax expense	223,529	149,106	74,423
Net income	633,125	408,375	224,750
Other comprehensive income, net of tax	6,161	80,561	(74,400)
Comprehensive income	\$ 639,286	\$ 488,936	\$ 150,350

Figure 2: Financial performance of Coca-Cola in 2024

(Source: Coca-Cola, 2024)

Moreover, Coca-Cola assured the high cumulative return for the last 5 years, which was US\$447.02, the highest among the S&P 500 Index and a Peer Group, indicating strong overall performance of the firm as well as profitability of its investments across 5 years (figure below).

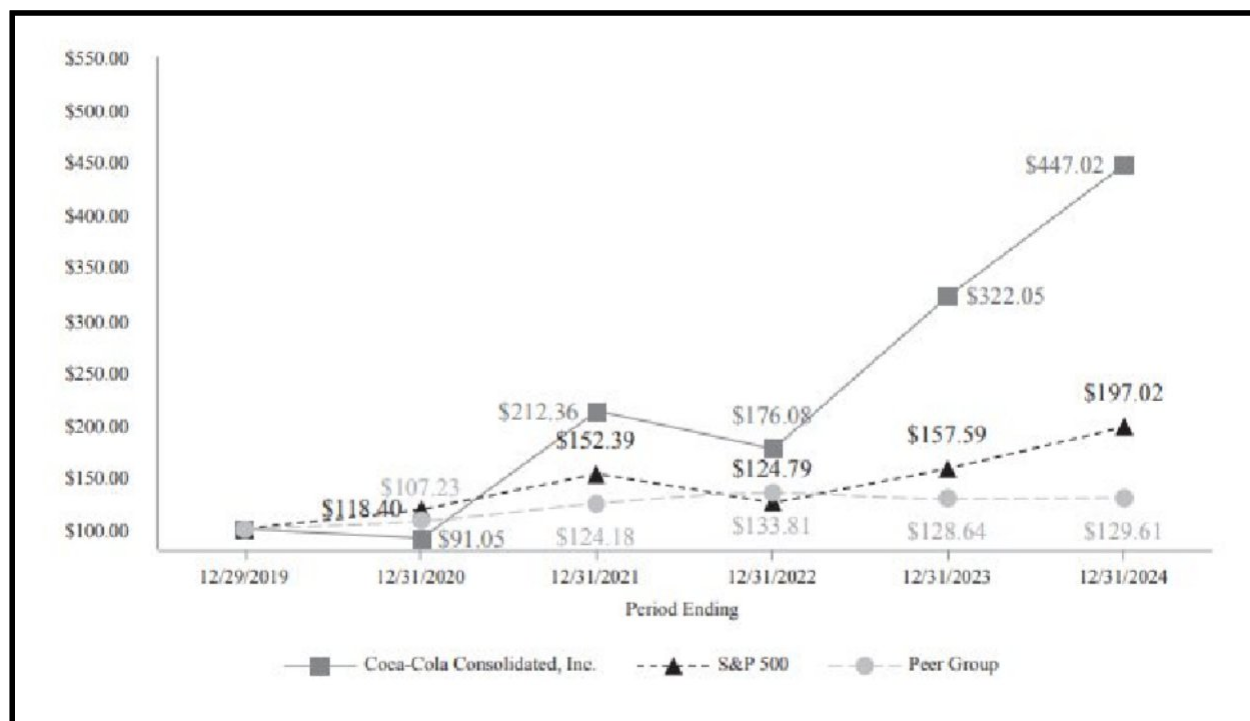


Figure 3: Comparison of the 5-year cumulative return

(Source: Coca-Cola, 2024)

Justification

Coca-Cola is an ideal organisation for this expansion plan due to its global leadership, such strong financial capacity, and proven expertise in the market entry. With operations in 200 nations and a net revenue of US\$47.1 billion in 2024, the firm possesses scale and greater flexibility for navigating complex international markets (Coca-Cola, 2025). According to the sales structure, Coca-Cola has been identified as the third leading beverage company in the world with total sales of US\$47 billion (Statista, 2025). Moreover, the firm's extensive distribution network, effective strategic partnerships, and localized models of marketing make the firm highly adaptable to emerging markets like Cuba.

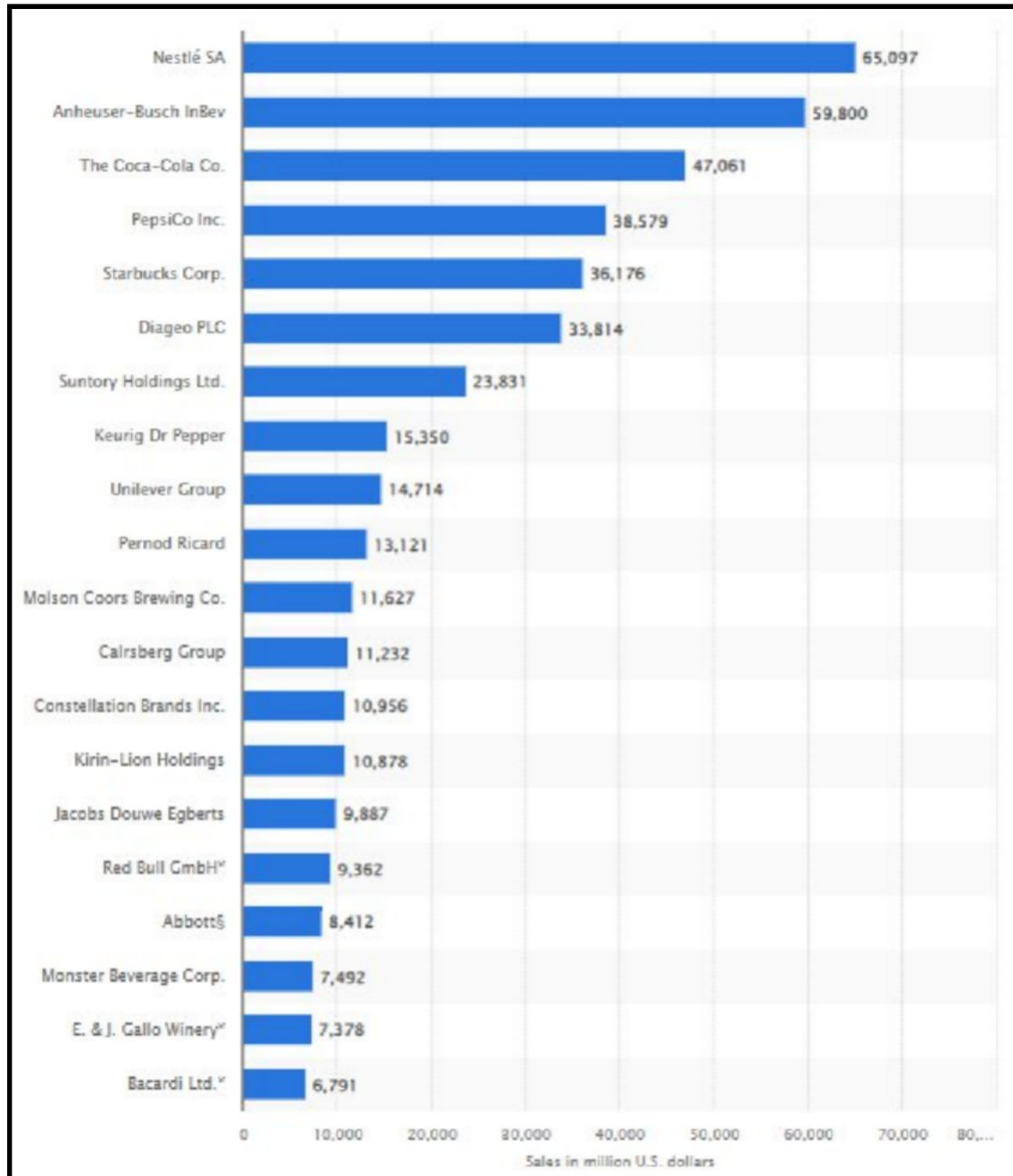


Figure 4: Leading beverage companies worldwide as per sales

(Source: Statista, 2025)

2.2 Target market proposal

The proposed market for expansion is Cuba, an island country in the Caribbean with a total population of 10,979,783 (World Bank Group, 2024). The increased population and the recovering tourism sector of the nation create a scope for the concentrated customer demand in Havana and key resort areas, where premium as well as zero-sugar beverage variants can find an attractive

consumer base. As the target customers, focus will be provided on the 18-45-year age group mainly.

Justification

Cuba is strategically significant, but an underexplored market for the global expansion of Coca-Cola. The nation is currently undergoing the gradual economic transformation where the private sector, as well as the tourism industry, is gaining momentum (Reuters, 2024). The beverage market of the nation is strongly dominated by the imported soft drinks along with domestic producers, presenting the first-mover advantage for Coca-Cola as well (Spadoni, 2023, p.635). Hence, it can be stated that the selection of Cuba is appropriate for this research.

3. Comprehensive Strategic Analysis

3.1 Macro-environmental analysis

The PEST analysis has been taken into focus to identify the key external forces that might affect the business of Coca-Cola (Lecture slides, week 2, slide 14).

Political

The political stability of Cuba in 2024 has been characterized by a strong and centralized government that suppresses dissent while facing the growing public discontent due to economic challenges. The governance value for the “political stability index” has been identified as 0.38 in 2023 with a percentile rank of 56.9, indicating the turbulent market scenario (Trading Economics, 2025).

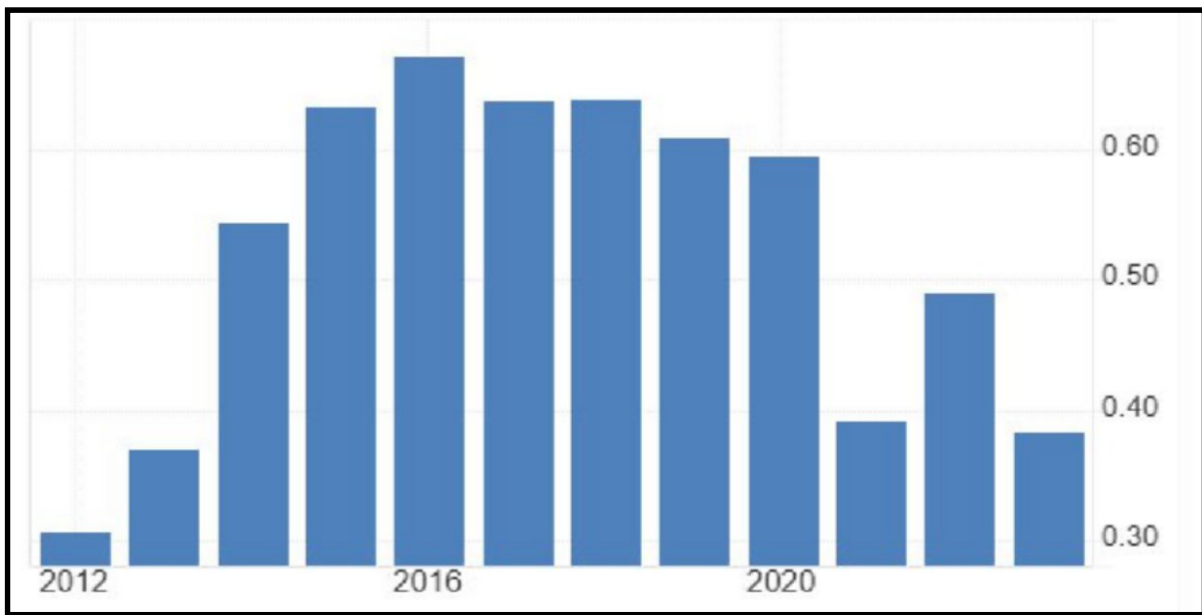


Figure 5: Political stability of Cuba from 2012 to 2023

(Source: Trading Economics, 2025)

However, the single-party government has initiated gradual reforms, allowing FDI in food processing, tourism, and manufacturing sectors that can be well aligned with the business operations of Coca-Cola (Marie, 2025, p.15). However, the US embargo can be a substantial obstacle, and hence, entry needs to occur through “third-party bottlers” or the “non-US subsidiaries” to comply with the international laws.

Positive drivers

- The single-party government ensures greater political stability.
- Strengthening the trade connections with European and Latin American partners.

Negative drivers

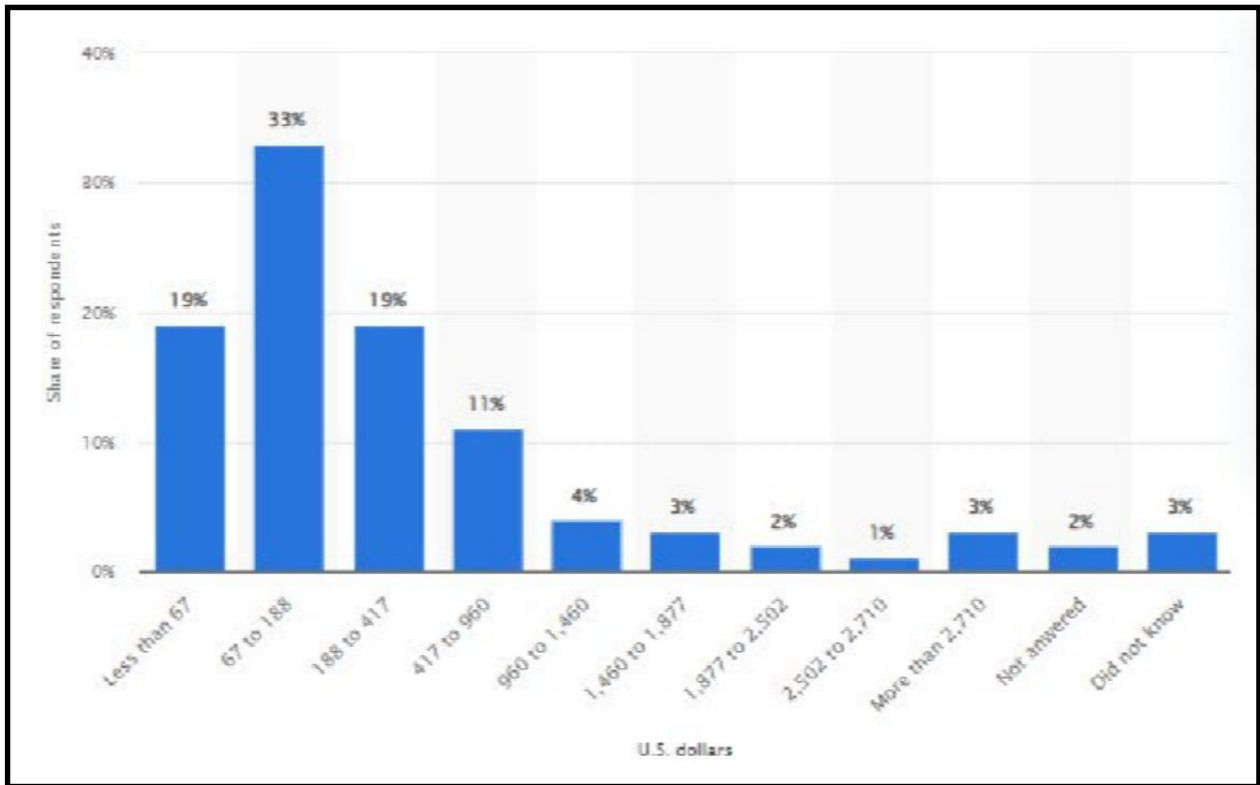
- The US trade embargo is responsible for restricting the direct business operations.

- Complex bureaucracy, as well as limited transparency in the decision-making area.

Economic

The economy of Cuba is showing the signs of stabilization, which is mostly supported by the tourism industry, and the approval of the government towards small, medium, and micro enterprises represents a step towards liberalization. The economy of Cuba is expected to increase only 1% in 2025 after the decline of 12% since 2019 (Reuters, 2024). The export earnings also fell by US\$900 million, which is 10% short of the plan of the government. However, the presence of strong government support can indirectly benefit Coca-Cola by developing new distribution as well as retail networks. The lower average monthly income in Cuba, such as 19% of the population had a monthly income lower than US\$67, 33% had the income of US\$67-US\$188 and only 3% had the income of US\$2710 or more, indicates the need for deploying a “value-based pricing strategy” to match the local purchasing power (Statista, 2024).

Figure 6:
Monthly average income of households in Cuba in 2024



(Source: Statista, 2024)

Positive drivers

- Gradual GDP recovery in 2025 ensures higher consumer spending, indicating higher profits and sales structure.
- A rebound in tourism can drive consumer demand.

Negative drivers

- The low income of the population limits the purchasing power of customers.
- High dependence on imports and such limited access to the credit.

Social

The total population in Cuba has been identified as 10.9 million as of 2025, of which 68% of the population belonged to the 15-64-year age group, which is well aligned with the target audience of Coca-Cola (Unfpa.org, 2025). This particular group is exposed to the Western lifestyles as well as global consumer trends through the media, tourism, and informal markets. The firm can leverage brand aspiration along with youth culture for building high engagement through sports, music, and community campaigns. The unemployment rate has been identified as 1.50% in 2024, which is good for Coca-Cola to build a strong customer base (Trading Economics, 2024). However, such restrictions on advertising and the control of the government on media channels indicate that digital marketing and sponsorship can be limited for Coca-Cola.

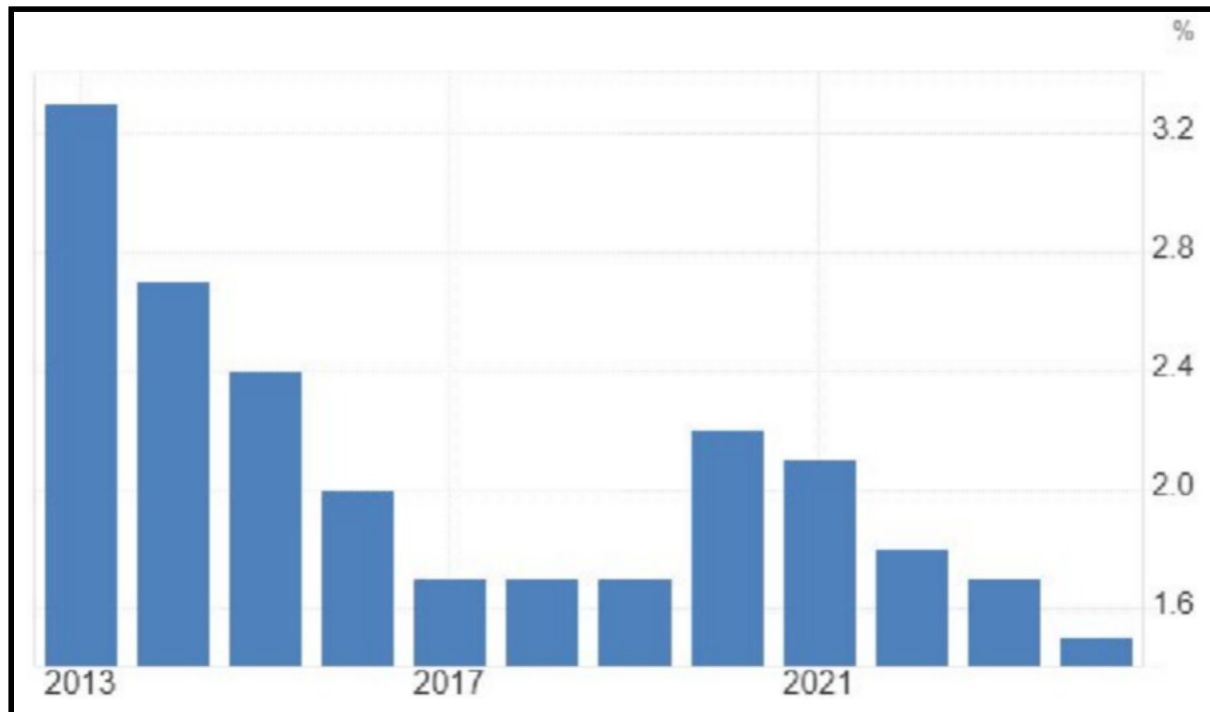


Figure 7: Unemployment rate in Cuba from 2013 to 2024

(Source: Trading Economics, 2024)

Positive drivers

- Young and educated population with a strong cultural affinity for social interaction.
- Rising exposure to Western brands through tourism and media.
- A lower unemployment rate facilitates purchase power.

Negative drivers

- Limited advertising freedom.
- Lower scope of branding to enrich brand engagement through digital marketing.

Technological

The technological landscape of Cuba is evolving, and it was home to 6.69 million “social media users” in 2024, and the internet penetration rate stood at 73.2% (Kemp, 2024). This type of perception opens doors for the digital marketing along with e-distribution models, allowing Coca- Cola to connect with the young customers easily. However, logistic infrastructure seems to be limited here and Coca-Cola may need for investing in infrastructure partnerships with the local distributors.

Positive drivers

- Expansion of internet access and mobile services.
- Growth of the e-commerce platforms along with digital payments.

Negative drivers

- Technological infrastructure seems to be underdeveloped still now.
- Limited presence of the logistic automation as well as “cold-chain systems”.

3.2 Competitive Landscape Analysis

Porter’s five forces framework has been taken into focus for assessing the level of competition and profitability potential within the “Cuban beverage market”.

Porters 5 forces	Impact	Analysis
Threat of new entrants	Moderate	Entry barriers in Cuba seem to be high due to such government regulations and capital constraints, whereas local producers are emerging under MSME reforms that produce fruit juice, soft drinks, and others. In case of Coca-Cola, its strong brand recognition and distribution efficiency would develop a competitive mode if the entry is allowed (Coca-Cola, 2024).
Bargaining power of suppliers	Low-moderate	Most of the raw materials seem to be locally sourced, whereas due to the import restrictions along with the shortage of currency, the supply chain remains quite vulnerable. The standard strategy of Coca- Cola to work with the local suppliers can be effective in reducing dependency (Coca- Cola, 2024).
Bargaining power of customers	High	The limited disposable income of populations, such as lower than US\$67

		makes the customers highly price sensitive (Statista, 2024). The government, along with state-owned retailers, is responsible for controlling most of the distribution network, and to deal with this, Coca-Cola should acquire differentiated pricing to maintain consistent product availability for building loyalty.
Threat of substitutes	High	Substitutes mainly consist of coffee, bottled water, and other along with alcoholic beverages (Unfpa.org, 2025). The strategy of Coca-Cola must be related to the offering of healthier beverage options like zero-added sugar that are effective for reducing substitution risks.
Industry rivalry	Moderate	The beverage market is moderately competitive due to the presence of different local companies, such as Ciego Montero, which is capable of dominating the soft drink segments of Cuba (Coca-Cola, 2024). However, by offering premium drinking options, Coca-Cola can capture multiple consumer niches.

3.3 Internal Analysis

The VRIO framework has been used to evaluate the internal resources of Coca-Cola for determining its sustainable competitive advantages (Lecture slides, week 3, slide 11).

Resource	Valuable	Rare	Imitable	Organised to Exploit	Competitive advantage
Global brand equity	Yes	Yes	No	Yes	Sustained Competitive Advantage
Distribution network	Yes	No	No	Yes	Temporary Advantage
Product Diversification	Yes	No	Yes	Yes	Competitive Parity
Financial capabilities	Yes	Yes	No	Yes	Sustained Advantage
Sustainability initiatives	Yes	Yes	No	Yes	Sustained Competitive Advantage

Table 2: VRIO framework

(Source: Self-developed)

As per the above, the brand equity and financial strength of Coca-Cola have been identified as the most valuable and rare resources among all that deliver greater resilience against the political and economic volatility (Coca-Cola, 2024). The large distribution network of the firm has enabled it to thrive properly even in such a restrictive environment. Moreover, the sustainability initiatives of Coca-Cola, especially in recycling as well as community engagement, can enhance the legitimacy of the firm in the global market.

Tool evaluation

The PEST framework is effective to map the macro-environmental conditions of Cuba, based on which Coca-Cola properly understands how the economic instability, technical limitations, and political reform shape strategic choices. However, the limitation is associated with the static nature of the PEST tool, which cannot be able to predict rapid changes and hence, dynamic risks are mostly overlooked. Porter's framework is effective in delivering a systematic understanding of the competitive pressures in the beverage sector of Cuba. However, its limitation is associated with the assumption of market competitiveness that cannot hold in Cuba's "semi-state-controlled economy". This framework also underrepresents the strong influence of the government intervention.

The VRIO framework is effective to analyse the internal strengths of Coca-Cola, highlighting how these can be leveraged for the Cuban expansion. However, this assumes the resource mobility along with unrestricted application, which cannot be applied under the political and trade constraints of Cuba.

4. Strategy Development and Formulation

4.1 Market Entry Strategy Formulation

Ansoff matrix

Coca-Cola is selecting Cuba as a new market, which can be justified as the country has a non- alcoholic beverage market valued at \$2.88 billion (Statista, 2025). Moreover, Cuba does not impose excise taxes on sugary drinks or sugar-sweetened beverages, which can be beneficial for Coca-Cola. Based on the current situation, the Ansoff matrix has been used to refine the market entry strategy.



Figure 8: Ansoff Matrix

(Source: Boolkah, 2024)

Market penetration

The goal of this strategy is to increase the current customer base, their purchase frequency and average transaction value. However, Coca-Cola does not have an existing customer base in Cuba. Hence, gathering feedback from micro-distribution channels can lead to setting up cold chains at strategic locations to ensure faster delivery (Faisal *et al.*, 2025). The use of localised price promotions and the development of small, affordable SKUs (250-330ml) improve market penetration efficiency. As Coca-Cola's packaging has been criticised, the brand is expected to use recyclable PET packaging and refillable bottles.

Market development

While following this approach, the company plans to distribute existing products into new markets. It is highly relevant for the Cuban market as duty-free stores can sell high volumes of Coca-Cola products to tourists. Following the third-party distribution model, collaboration with non-US bottlers can lead to increased legal distribution of products without any risk of foreign sanctions. Besides, forming a long-term supply contract with local bottling agencies can lead to an unrestricted supply of the product in Cuba. Specialised legal sign-off is necessary to enter into the market due to restrictions based on OFAC rules (Velez, 2024).

Product development

The approach focuses on distributing new products in existing markets. Although not an existing market, Coca-Cola can experiment with products such as low-sugar and bottled water. Low-cost packs and locally flavoured variants can be preferred to increase product sales among locals and tourists. The reports of pilot product development for similar economies can be studied to scale operations based on immediate market feedback (Lambré *et al.*, 2023).

Diversification

The last quadrant of the Ansoff matrix supports diversification, which promotes developing new products for new markets. In the case of Cuba, it can be a high-risk, high-reward situation for Coca-Cola. A strategic joint venture (JV) can be considered to reduce legal troubles in FMCG distribution (Liu, 2021). Use of vertical integration into the local distribution system can lead to faster setting up of cold chains. Diversification into non-beverage categories can lead to gaining sales support from convenience stores in Cuba to increase market share.

Based on the analysis, a compliance-first strategy has to be developed while entering the Cuban market. It is recommended that a market development method be followed, where low-capex pilots should be run to gather feedback about product demands. Based on the initial performance and supply chain transparency, distribution partners and supply models are selected to scale operations in Cuba (McGrath *et al.*, 2021).

BCG matrix

While applying the BCG matrix, two parallel demand channels are considered: tourists and the domestic mass market (David and David, 2024). An uncertainty in business operations due to legal complexity and the chances of imposed sanctions has to be considered.

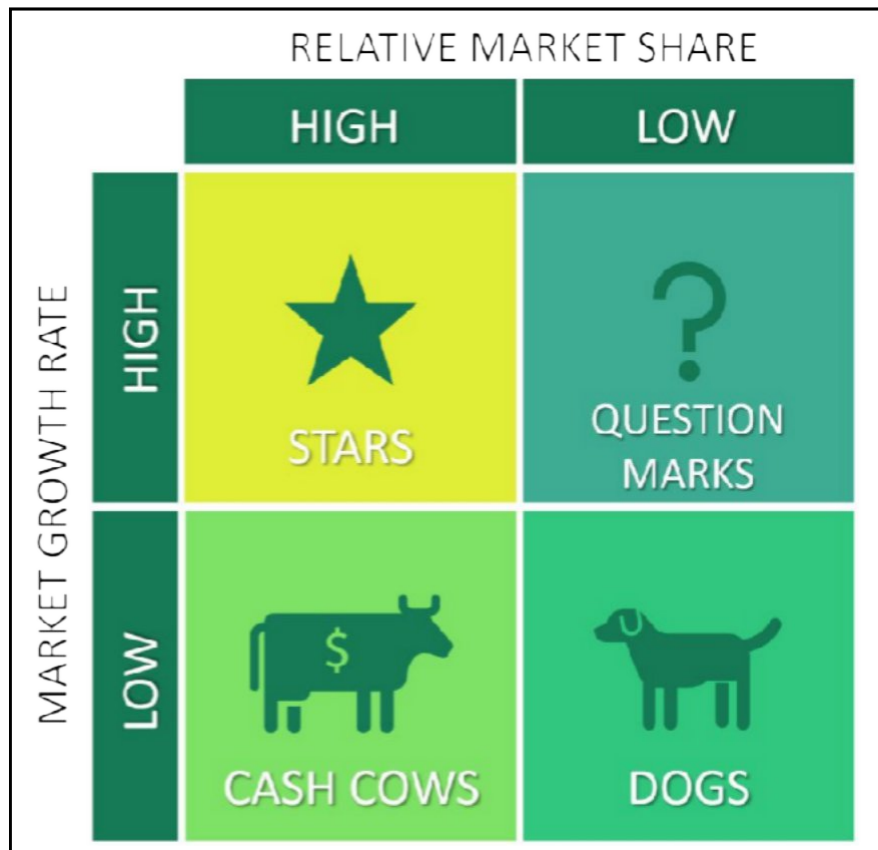


Figure 9: BCG matrix

(Source: de Bruin, 2020)

Stars

The company has products that can provide high market growth and obtain a relatively higher market share. For example, ‘Coca Cola Classic’ can be viewed as a flagship product that can be sold to tourists, expatriates and locals. Higher distribution of the product in tourist nodes can lead to earning foreign currency for the brand. The product can offer immediate brand recognition among locals and tourists (Armutlu, 2023). Aggressive promotion in hotels can be viewed as a strategy to promote ‘stars’ in the Cuban market. Apart from that, Coca-Cola can diversify its promotional campaign with bottled water to attract tourists. Bottled water is preferred to ensure hygiene and safety. Hence, pack-size optimisation can be ensured to facilitate convenience of tourists during purchasing the product.

Cash Cows

Products with ‘low market growth’ with ‘high relative market share’ are considered in this segment. For example, Sprite and other carbonated soft drinks are considered in this category. Due to higher recognition, the sales volume of products can be increased after initial penetration into tourist channels. Steady repeat purchase of the product can be expected as it is the 3rd-most-selling beverage in the USA (Accio, 2025). Another product, ‘Thumbs Up’, can also be promoted as a ‘cash cow’ for the brand (SafetyCulture, 2025).

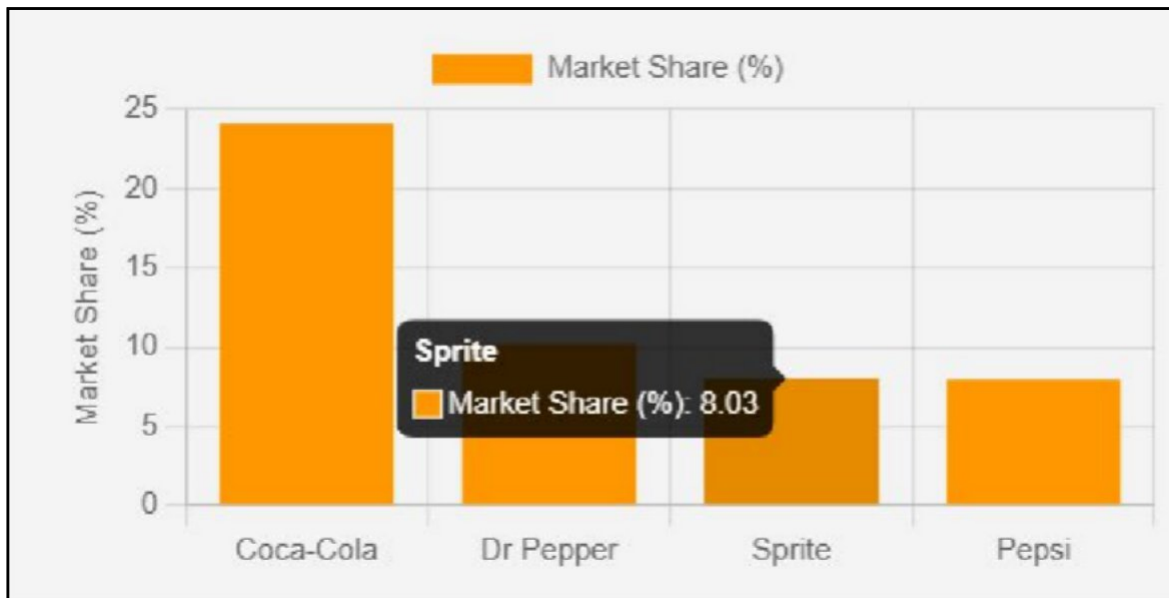


Figure 10: Sprite market share in home country (US)

(Source: Accio, 2025)

Question Marks

‘High market growth’ and ‘low relative market share’ products are considered for Coca-Cola while expanding into Cuba. For instance, the sales of Diet Coke are increasing worldwide due to increasing health awareness and the availability of the product. It is also expected that greater tourist adoption will be the foundation of primary sales targets for Diet Coke in Cuba. Collaboration with premium urban outlets is considered. On the other hand, energy drinks such as ‘Monster’ can be viewed as a ‘question mark’ as it has the potential to obtain greater acceptance

among tourists (Debnath and Dey, 2024). However, regulatory uncertainty is a challenge to sell the products with their current ingredients.

Dogs

Products with ‘low-growth’ and ‘low market share’ are considered in this segment. For example, niche, experimental or locally-adapted SKUs can be developed as per local inputs. However, poor quality of the product can tarnish the brand image for Coca-Cola.

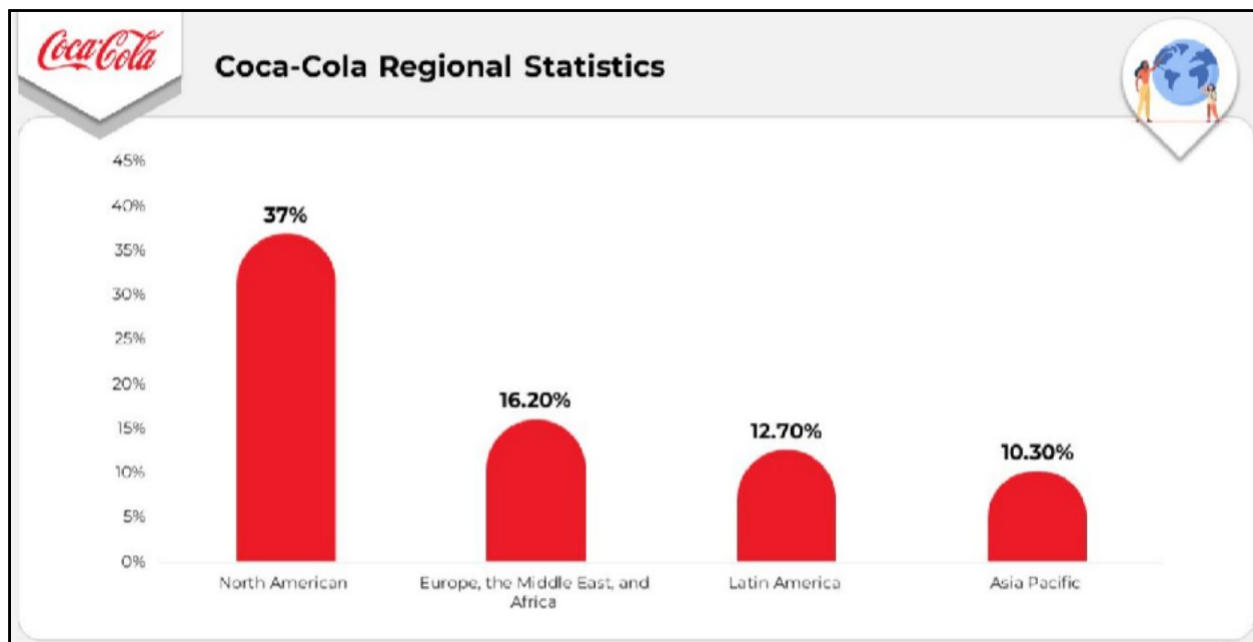


Figure 11: Coca-Cola Regional Statistics

(Source: market.us, 2022)

Based on the analysis, it is recommended that the brand focus on introducing ‘Coca-Cola Classic’ (Star) and ‘Sprite’ (Cash Cow) into the Cuban market. It can be further justified with global revenue generation results for Coca-Cola Classic (\$23 billion) and Sprite (\$7 billion), respectively (Annual Report, 2024). A combination of products can help increase the efficiency of market entry for Coca-Cola in Cuba.

4.2 Market entry mode

A ‘joint-venture’ (JV) or ‘strategic partnerships’ is selected as the most appropriate market entry mode for Coca-Cola in Cuba. Hence, an import-based market entry strategy has been considered so that import-based entry can maximise the chances of success of international expansion. It can be justified as direct investment in Cuba is restricted due to the “US trade embargo on Cuba” and “OFAC Cuba Sanctions Regulations 2024” (Stinebower, Fernández and Garcia, 2023). On the other hand, direct entry is not feasible due to legal complications. As continuing trade for foreign entities requires special authorisation and licensing in Cuba, this method of entry has been preferred. Other advantages of selecting JV are a faster chance of scaling and gaining specialist expertise from local professionals (Lecture Notes, Week 5, Slide 23). Besides, it provides a cheaper alternative than the acquisition method of international expansion. It is necessary that Coca-Cola follows strategic partnerships with existing bottler models (e.g, Coca-Cola FEMSA). It can be said that a non-US bottler plant can face fewer restrictions or sanctions from the Cuban government due to accidental cases of non-compliance. Strategic partnerships with local brands and supply chain networks can lead to tapping into tourist zones (e.g., Havana, Varadero, etc.) to exploit tourist-focused demand opportunities.

4.3 Alignment and Competitive Advantage

Applying “Porter’s generic competitive strategy” for Coca-Cola while entering the Cuban market, it can be said that a ‘differentiation focus’ strategy can bring greater success.

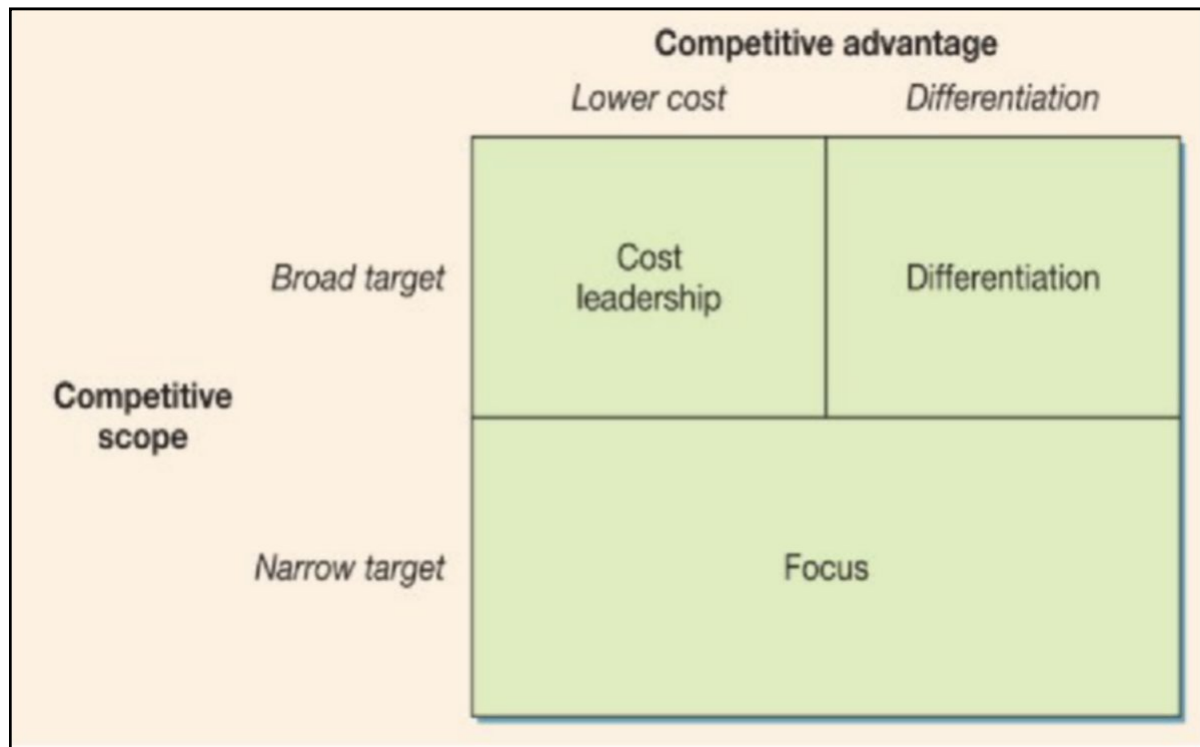


Figure 12: Porter's Generic Competitive Strategies

(Source: Lecture Notes, Week 5, Slide 7)

Competitive Strategies	Appropriateness	Justification
Cost leadership	Not appropriate	● Import restrictions ● Increase of logistics costs by 18% (Shao, 2025) ● Input shortage ● State-controlled pricing
Differentiation	Partially feasible	● Global brand image can be leveraged ● Scope of emotional branding ● Can offer products to various customer segments, including international tourists and local hotels
Cost focus	Limited potential	● Low-price alternatives for local customers ● Longer period to recover investments (12 months+) made in

		local bottling and JV facilities • Reduction in import volume due to regulatory restrictions may harm the expansion process
Differentiation focus	Most appropriate strategy	• Focus on high-value segments • Scope of importing and distribution through local partners • Tourism-driven marketing campaign as 10% of Cuban GDP is obtained from tourism (Rodríguez, 2024) • Brand's familiarity with "brand differentiation and premium pricing" has been successful in new markets

Table 3: Porter's competitive strategy

(Source: Self-developed)

4.4 Corporate Social Responsibility (CSR) and risk evaluation in strategy formulation

To fulfil CSR norms, the expansion activities have to align with the reputation and brand value of Coca-Cola. For example, ethical sourcing and sustainable packaging should be considered in enhancing stakeholder engagement in Cuba. To ensure environmental protection, the business activities should comply with the "ISO 14000 environmental management standards" (Karaeva *et al.*, 2023). Moreover, ethical business practices, including discretionary corporate philanthropy, can be continued to improve brand image and sales in Cuba.

While following a JV approach with a 'differentiation focus' strategy of international expansion, Coca-Cola faces risks of limited control and governance. Higher political and regulatory risks are present due to an unstable regulatory environment. Shifting trade policies often require government intervention, which reduces the confidence of foreign investors. Besides, cultural conflict may occur due to a limited understanding of customer demands in Cuba. In discussing mitigation strategies, clear brand standards are developed along with establishing KPIs (market growth rate, customer acquisition costs, etc.) to prevent strategic misalignment (Wee, Sidharta and Harianto, 2023). Finally, legal due diligence, cross-cultural training for employees and diversification of supply sources are considered as risk mitigation steps for Coca-Cola in Cuba.

5. Performance Evaluation Framework

Assessing the expansion strategy of Coca-Cola in Cuba by using a performance evaluation framework can provide a detailed understanding of opportunities and challenges in this operation. Balance scorecard is used as a primary tool to assess the performance, while triple bottom line, value stream mapping and an alternative performance system have been integrated to evaluate operational, environmental, financial and stakeholder performance results.

5.1 Applying Balanced Scorecard

A holistic view of an organisation's performance can be developed with balanced scorecard analysis, where performance is measured by success rate in the concerned domains that connect strategy and performance. This integrated approach analyses the strategic performance of Coca-Cola to expand in Cuba by focusing on customer perception, financial strategies of potential efficiency and new approach learning processes based on strategic objectives.

Perspective	Strategic Objective	Key Performance Indicators (KPIs)	Target / Timeframe
Customer	To increase brand trust based on local culture integration	Customer satisfaction and review trends, brand awareness	Launch 2 new variants in 2 years
Financial	To obtain profit in the market expansion in Cuba	Revenue, market share and ROI	10% market share in 2 years
Internal Process	To enhance efficiency in brand operations and sustainability practices	Eco-friendly ingredient use, local resource use and technology-mediated operational process optimisation	25% plastic waste reduction in 5 years
Learning & Growth	To integrate innovation and workforce skills	Workforce training, R&D investment, innovation index	+15% R&D investment annually

Table 4: Application of the Balanced Scorecard

(Source: Influenced by Kumar et al. 2024, p. 2399; Coca-Cola company, 2025)

From the table, Coca-Cola aims to achieve its market expansion objectives with sustainable profitability based on innovation and value creation among stakeholders.

Focusing on the profitability and market penetration strategies, financial operations have been strategised to initiate distribution alliances and partnerships with local bottling facilities in Cuba. Local supply chain has been integrated in the process to optimise cost in supply chain and logistics. These strategies are expected to achieve a 10% market share in 2 years, considering the non- alcoholic beverage sector of Cuba to promote successful establishment and growth (Coca-Cola company, 2025).



Figure 13: BSC details for Coca Cola

(Source: Coca-Cola company, 2025)

Developing brand perception and stimulating responsiveness to local preferences can generate customer satisfaction, which is a primary factor to assess customer perspective for a newly integrated brand (Monfort et al. 2025, p. 100105). Coca-Cola must focus on brand awareness level, along with assessment of customer satisfaction scores and low to zero sugar level in beverages, to understand potential customer preferences for its products while competing with local brands like Bucanero SA Brewery (Angulo, 2025). The aim to launch new products in Cuba must address the adaptive nature and health-conscious practices of the local population.

Operational efficiency and sustainable approaches need to be evaluated based on an internal process perspective where KPIs such as local sourcing rate, plastic packaging reduction and supply chain efficiency

is to be considered (Cristea and Cristea, 2021, p. 3498). The primary aim of Coca-Cola is to promote the "World Without Waste" initiative while reducing plastic waste by 25% in 5 years.

Process innovation, employee capability and continuous development are the primary focus of the learning and growth perspective, where employee training hours and expenditures are evaluated based on studied objectives. Zhang (2025, p. 2355) stated that the financial allocation of USD 1.5–2 million annually in R&D and 40 hours of structured training per employee per fiscal year are key strategies to achieve the goal.

5.2 Triple Bottom Line

The integration of profit, people, and planet has enabled Coca-Cola to achieve its strategic objectives of market expansion while achieving sustainability and product innovation.

The profit domain can be obtained by implementing the financial perspective as mentioned earlier. In 2024, the annual report showed the growth of net revenue by 3% while organic revenue increased by 12% (Coca-Cola company, 2025a). It sustains the attainment of market expansion objectives while achieving 10% of the market share, considering the non-alcoholic beverage market of Cuba.

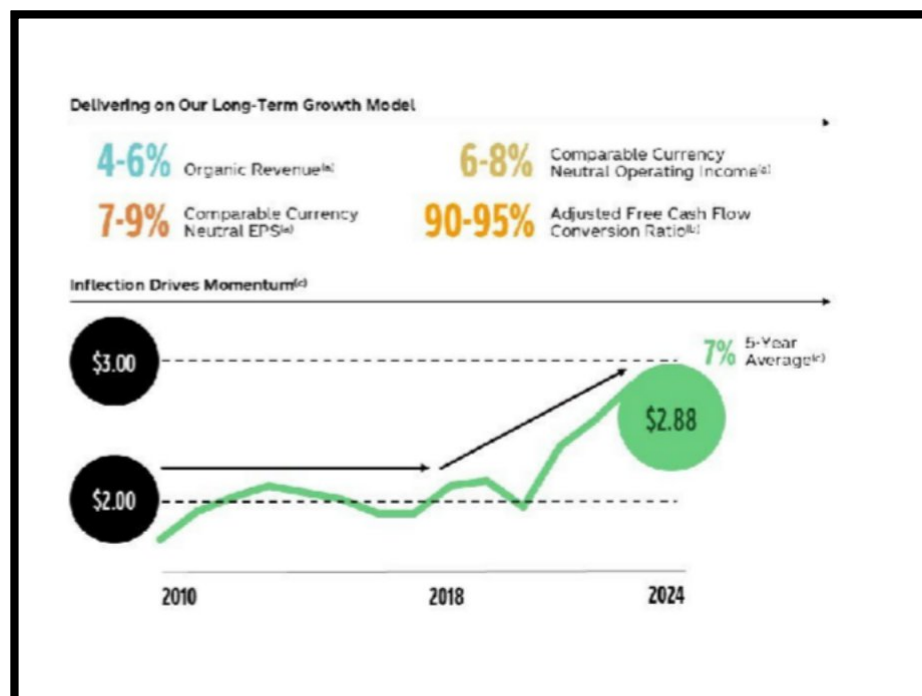


Figure 14: Financial growth

(Source: Coca-Cola company, 2025)

Addressing customer and internal growth perspectives, Coca-Cola can achieve the people section of the triple bottom line framework. Innovation-based creative training of employees while increasing the investment in digital infrastructure by 5% can help in gaining sustainability options (Hussain et al. 2025, p. 3773). Community investment and localising newly launched products can increase brand trust.

Internal processes and planned objectives can be achieved with an environment-oriented strategy. For instance, the use of 35-40% recycled material in the packaging process can help in achieving 25% plastic packaging waste reduction to sustain value creation (Coca-Cola company, 2025). It can induce positive brand image development in Cuba while competing with Cawy Bottling Company and Lindos Group.

5.3 Value Stream Mapping

Value Stream Mapping (VSM) is a lean operations tool to visualise and analyse material and information flows across processes in order to identify waste, delays, and inefficiencies. VSM maps the key steps of raw material arrival, concentrate production, packaging, logistics, distribution to retailers, and end-customer delivery in relation to Coca-Cola's bottling and packaging operations for the Cuban market (Kilel, 2023, p. 19). In this regard, Coca-Cola can identify bottlenecks such as lengthy lead times for imported plastic packaging, excess inventory of bottles, and delays in local sourcing.

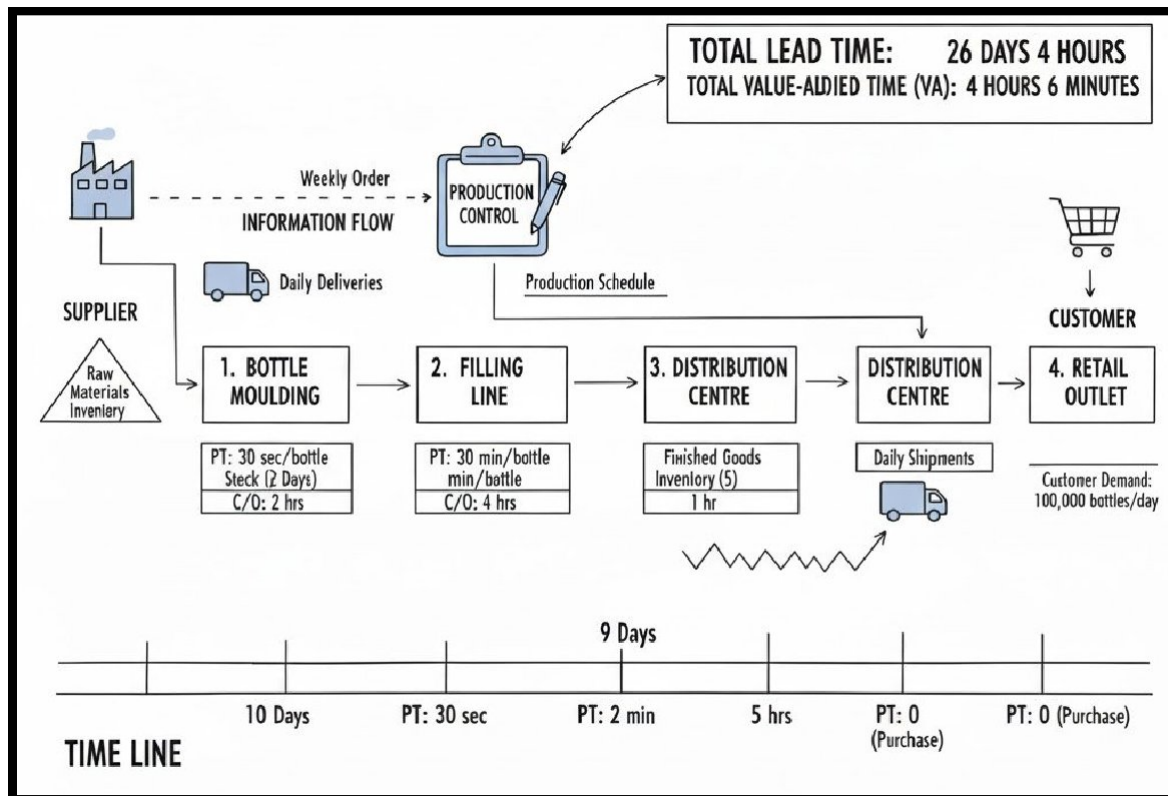


Figure 15: Value Stream Map
 (Source: Created by author)

This allows the firm to improve the internal processes, for instance, finding nearer local suppliers, re-engineering the packaging flow, or reducing the buffer inventory in finished goods. Through this action, Coca-Cola supports the Balanced Scorecard's Internal Process Perspective through better flow of resources, embedding circular economy initiatives like reusable or refillable bottles and increasing recycled content in a schematic current state map (Pérez et al. 2024, p.e738). From this map, a future-state flow with fewer steps, shorter lead times, and higher usage of recycled materials can be designed, allowing more efficient and sustainable operations in Cuba.

5.4 Alternative framework application: EFQM Excellence Model

Evaluating the leadership strategy partnership, human resources and acids can help to interpret the process and outcomes of a company, which can be supported with EFQM Excellence Model application. Applying this framework, Coca-Cola can estimate the outcomes of a balanced scorecard to assist satisfaction of its key stakeholders while maintaining its sustainability commitment with continuous improvement opportunities. The global focus on shared value can be achieved with an ethical governance system while managing performance with reference to this

framework application (PIETRZAK et al. 2025, p.438). The expansion in the Cuba region can be supported with financial stability and consistent strategic options with an inclusive strategy for optimised performance.

5.5 Key Performance Indicators (KPIs) and Success Metrics

Market Performance Metrics

Market share (%), sales volume (units) and revenue growth (%) are significant KPIs considered in the international business expansion for Coca-Cola (Duan, 2022). As the brand has captured 46% of global market share of CSD, it is targeted that 10% market capture can be successfully executed in Cuba within 2 years of starting business operations. It is expected that nearly 15 million units must be sold in Cuba with the JV approach. In the second year of operations, 8% annual growth has been targeted due to higher brand recognition.

Brand and Customer Metrics

“Customer Satisfaction Score” (CSAT), “Net Promoter Score” (NPS) and “brand awareness” (%) are relevant KPIs considered to determine brand engagement. As 80-85% CSAT is commonly found in soft beverages industry, it is expected that Coca-Cola reach a >80% CSAT score within two years of operations (Baquero, 2022). 70% of international tourists in Cuba and 50% of Cuban nationals are expected to immediately recognise the brand from marketing campaigns and product displays. A >35 NPS is targeted for the brand in Cuba.

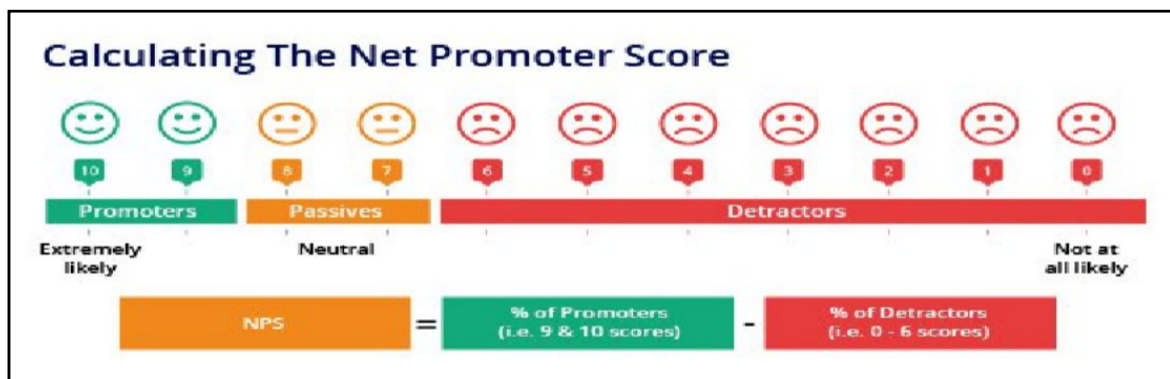


Figure 16: Calculator of Net Promoter Score

(Source: B2B International, 2023)

Financial Metrics

“Return on Investment” (ROI) and operating margin (%) are recognised as significant financial KPIs (Wang, 2025). It is targeted that more than 12% ROI must be generated for Coca-Cola in three years. As Coca-Cola has a global operating margin of 28.6%, a 15% margin should be targeted at the end of 3 years in Cuban operations.

CSR and Compliance Metrics

“Water use ratio”, “returnable packaging share” and “regulatory compliance score” are included as CSR and compliance metrics for Coca Cola (Zhang, 2025). It is necessary to keep the water use ratio less than 2 (preferably 1.95) should less than 2 litres of water is necessary to produce 1 litre of beverage (Knežević, 2021). 90% of packaging and container recyclability have been targeted. On the other hand, plastic packaging waste has to be reduced by 25% within 5 years. 100% compliance is necessary to prevent violation of regulatory compliance.

6. Conclusion and Recommendations

A detailed strategic management report is presented for Coca-Cola as it plans to enter into the Cuban market. Initially, the selection of target market has been justified as rise in demand for carbonated soft drinks has been analysed. A macro-environmental and micro-environmental analysis of the target market has been conducted with the help of frameworks such as PESTLE, VRIO and SWOT analysis. Next, a joint venture (strategic partnership) market entry method has been justified with the help of frameworks such as BCG matrix and Ansoff matrix. Porter’s generic strategies have been followed to analyse competitive efficiency of the strategy. In analysing frameworks, balanced scorecard, TBL, value stream mapping have been considered to generate KPIs for the market entry plan.

Based on the discussion, it is recommended that the JV should be formed with a reputable local partner to prevent cultural misalignment. Differentiation through premium packaging and

monitoring KPIs can help refine strategies. Finally, CSR protocols should be aligned with risk management factors to minimise risks of business failures.

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