

COCA COLA

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Introduction

The aim of this report is to present and analyse the different marketing strategies used by the Coca Cola company over the years. Also this report will provide a short history of Coca Cola.

Discussion

The Coca Cola company is an multinational corporation, retailer, manufacturer and marketer. They produce and sells non-alcoholic drinks, concentrates and syrups. They are a market leader selling in more than 200 countries and they are best known for their flagship product: Coca Cola.

The Coca Cola history started in 1886, in Atlanta US, when doctor John S Pemberton, a pharmacist, created by curiosity a soft drink which was sold at soda fountains. The name and the design of the trade mark which is still used today was given by the doctor Pemberton bookkeeper and partner Frank M Robinson.

In 1888 a business man from Atlanta, Asa G Candler, both the majority of company interest. In 1899 was created the distinctive and exclusive bottle of Coca Cola, which is used even these days. (Coca Cola, 2019)

Coca Cola took the advantage of marketing from its early days thanks to Asa G Candler business abilities. During the years, Coca Cola used many types of marketing in order to promote their products and become world leaders of soft drinks makers, and also to grow their profit.

Marketing strategy meaning a long term, future looking plan that has as fundamental goal to achieve competitive advantage. Each business not matter of its size need to have clear goals to expand their business. A clear and well defined marketing strategy helps to reach the company goal but also to reach the customers expectations from the company. A good marketing strategy create win-win situation for both parts, the company and customers.

Most of businesses that are successful are using an optimum marketing strategy to increase their profit. In order to achieve its goals, and also its customer needs, Coca Cola is using a large variety of marketing strategies over the world, most of them very successful strategies as result Coca Cola is the world leading beverage producer and seller. (Marketing 91, 2019)

Market Segmentation

This is a very useful and strategic way to divide the market that is based on the capacity and volume of customers. Coca Cola is using this technique to divide the market in: developing markets, emerging markets and mature, developed markets, this way they maximized profits, making profits from each market.

In emerging markets they focused on increasing the volume of sales instead of profits, this way they increased the customer domains and made a strong foundation for future. They made this by selling their products at economical prices, this way a higher volume of masses could enjoy their products.

In developing markets they made a balance between price and volume sold, Coca Cola focused on both aspects equally.

In developed markets they focused on making profits, this way they offered small packages and also premium packages like aluminium bottles or glass.

Brand Establishment and Customer Relationship

Brand establishment is vital when a company wants to expand its organisation portfolio. The consumers incline to trust in a branded product and many times they spend extra money, instead choosing a cheaper, unknown product. Brand name is obviously viewed as a condition in developed markets.

Coca Cola made a good decision to invest in developing their brand value through improvements and modernising their adverts by investments, more than 250 million dollars. Their ads were focusing on making an impact on people, this way they changed the perspective of Coca Cola, from a casual drink outlook to a everyday part of peoples life.

An important break through emerged in 2015 when Coca Cola evolved its first global marketing campaign. The main objective was to start a “one brand” strategy and bring all the company products under Coca Cola brand name.

They moved close to fitness orientated customers, sending a message that they can enjoy Coca Cola products by choosing a large variety of drinks with different number of calories.

Increasing financial efficiency

The ultimate goal of any business is to get maximum returns for their investments, with maximum productivity. Coca Cola made savings by choosing to cut expenses in non-media marketing and more important they advertised carefully. In 2015, they made 600 million dollars by productivity improvements and they invested this money in business improvement, marketing and brand making.

Focusing on competences and business models

Coca Cola has a business portfolio which includes more than 500 brands, from beverages to value added dairy and many more. Coca Cola managed to converge a large variety of consumers, generating profits from all market segments.

Increasing process efficiency

An organisation is fully efficient when its process time is reduced to minimum without this way its quality of products to be affected. When the demand is increasing, the process time is very important and an inefficient preplanning and process planning will conduct to disruption in supply.

Coca Cola made a reshape of their business processes and searched for dispensable areas. They removed some of their functional management and connected the regional business units straight to headquarters. The employees were motivated to maintain curiosity, innovation, learning and growth. (iosrjournals, 2019)

Coca Cola marketing mix

The marketing mix is a combination factors which can be controlled by an organisation to influence the consumers to acquire the company products.

Product

Coca Cola a wide range of products, but its core product and the most worldwide spread is the original Coke. They sell their products in various packaging and sizes. The packaging range from glass, plastic to cans. The Coca Cola bottles have a unique shape for more than 100 years, this thing make them to be recognised and differentiate them from other beverage products. The largest market share is brought by Coca Cola, Sprite and Fanta but their growth is nearly stagnant. Coca Cola also produces and sell a large variety of fruit juices and sport drinks.

Price

This aspect of the marketing is creating revenue to the company and is very important to a company to choose the correct prices for their products. The prices are set following a number of pricing strategies and are based on the companies objectives set to be achieved.

Coca Cola is using the pricing according to the geographic segmentation and market. Coca Cola sub-brands have different pricing strategies based on the competitors pricing and target area.

Coca Cola is using a market-skimming pricing in its competition with Pepsi, they set a high price initially and then lowers the price slowly to make their product accessible to a wider market.

Coca Cola also are using penetration pricing, this way they can hold a maximum share of the market. They also use discount pricing strategy during sales periods and special occasions.

Also Coca Cola are using competitor pricing strategy to meet the competition, setting the price around the same level as the competition.

Place

Coca Cola is in the market for more than 130 years and sells its products in more than 200 countries, this way they have developed a strong distribution network. Coca Cola are producing the syrup and transported to the bottling companies which are located in different parts of the globe. From there they transport to the distributors, to whole sellers from there to the retailers and finally the products are brought by customers. Coca Cola got an extensive distribution channel and their products are available all over the world.

Coca Cola has also a wide reverse supply chain, they collect the leftover Coke bottles and reused them, this way saving cost and improving profit.

Promotion

Over the many years Coca Cola has been in the market, they used successfully or not, many promotions strategies. This days Coca Cola focuses on an aggressive marketing ads campaigns as media, prints, sponsorship etc. They are engaged in many major, sport events as NASCAR, NBA, FIFA WORLD CUP, OLIMPYC GAMES etc. They also have various TV advertisements in many national languages around the world. The campaign launched by Coca Cola in 2016 named "taste of feeling" recalled to the customers the memories about the joy and happy moments Coke brought and kept bringing to their life. (mbaskool, 2019)

Coca Cola offers special motivation to the distributors and sellers which are pushing Coca Cola products to the front. Also they get refrigerators and Coca Cola stockpile for advertising the brand. At supermarkets and small shops, special space is given on the shelf spaces to get more visibility for its products.

Coca Cola uses many methods to advertise their products, media being one very important, radio, television, magazines and in the last years the internet. Television is the main media channel used by Coca Cola, this media source give the opportunity to the company to reach a large audience. A good example and well known all over the globe is the Christmas Coca Cola truck advert, this is a very smart move made by Coca Cola as the kids and not only, associate Christmas and Santa Claws with Coca Cola. Coca Cola is also engaged in many activities to help and support the environment and social issues all over the world.

Many of the business specialist are saying that the marketing mix has another three additional elements: people, process and physical evidence.

People

People are a very important element in the marketing as they determine a service. The people that are in direct contact with the customers are playing an important role in a company because the customers rely on a good service when they are buying an product. The Coca Cola company employers have a standards uniform, and they focus on a friendly and prompts service to the customers.

Process

The product process is essential in marketing as it determines the ability of the product to fulfil the customer needs. At Coca Cola, the process is transparent and also hidden, not whole process is visible to the customers. Coca Cola process involves production, bottling and labelling solution. One of the most important of the Coca Cola process is to get their products at the agreed time and with a good quality.

Physical evidence

The physical evidence is important because here the customers will make their decisions based on the service they received. The concept of the physical concept is branding and over the years Coca Cola did build a strong and successful brand name. The aim of Coca Cola is to manipulate the consumer perception to think to Coca Cola products when they think about fizzy drink or they are thirsty. (marketingmix, 2019)

Stakeholders analysis

This is a process of spotting the impact on individuals or groups as a consequence of an action a project of a company. Coca Cola as any other company cannot fulfil they proposed goals alone because of this, Coca Cola has developed different channels for regular and constant interaction and communication with the stakeholders. Coca Cola has a substantial engagement with the stakeholders via many projects under Corporate Social Responsibility, this project helped the company to come close to the communities.

Engagement with stakeholders

Employees

The core resources of any company are the employees. At Coca Cola they get constantly training, the company take care of their concerns in order to build loyalty. Also safety measures are implemented to provide a safe working environment.

Customers

Coca Cola opened dialog channels where customers can give their opinions about Coca Cola. Through this platforms, Coca Cola inform and ask their opinion and suggestions about new products that will going to be released or already on the market.

Suppliers

Coca Cola allow suppliers to have access to advanced and innovated technology, and also collaborate with them to initiate energy efficient and climate protection programs.

Consumers

Coca Cola established sales points information, here the consumers can find any information they want about the company and company products.

Government

The company is working close with governments through different programs to help and inspire people to have a healthy lifestyle through sport. They also runs programs in partnership with governments, in order to educate people to have a good nutrition, providing support for sport activities in schools.

Recommendations

There have been reported many cases of conflict with the company, mostly in developing countries.

Should be more beneficial for the company image to resolve this conflicts at earliest possible. They should pay more attention in Asia and Latin America as this are expanding markets, and the company strategies should suit to the needs of the people, local laws and their culture. Another recommendation is to invest more in the research and development department in order to reduce cost and to provide more support to suppliers and retailers.

Conclusion

The company future is secure despite challenges and difficulties. There are no immediate competitor except Pepsi. The company marketing strategies, they involvement in local communities, its in investments in new, greener technologies can make its strategic

advantage stronger. The company strategy to invest in new healthier with less calories, soft drinks will attract new customers.

There are many reasons to say that Coca Cola is likely to dominate the market for decades to come.

REFERENCES

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