

Bottling company persuasive essay



**ASSIGN
BUSTER**

Barriers to entry determine the ease with which a competitor can enter the market. 17 The Coca-Cola Bottling Company of Jordan exists as a market competitor, a situation which, if combined with the relatively low fixed costs compared to other industries, makes it easy for competitors to make entry.

18 The low barriers to entry make the Riwa drinking water business a purely competitive industry for the Coca-Cola Bottling Company of Jordan. Barriers to exit serve as indicators on how easily a competitor can exit the market.

The Riwa drinking water product of the Coca-Cola Bottling Company of Jordan is characterized by high barriers to exit because the company has a wide network of branches and highly specialized equipments that cannot be sold easily.

20 Moreover, Coca-Cola Bottling Company of Jordan is fully backed and regulated by the Coca-Cola global headquarters in Atlanta, Georgia, a factor which reduces the likelihood of the product to exit the market that easily.

Customer buying power represents the level of power that buyers have over the company. 21 The demand for drinking water products is elastic in the short run. Although the consumers in Jordan have much of options for other drinking water utility options, the Coca-Cola Bottling Company of Jordan has the advantage of a strong brand name of the parent company.

As such, customers in the Jordan have high buying power relative to the drinking water products offered by Coca-Cola Bottling Company of Jordan because buyers have many options for switching suppliers on product and cost preferential grounds. 22 17. Porter, M. E.

(1980) Competitive strategy, New York: Free Press 18. Porter, M. E. (1980) Competitive strategy, New York: Free Press Porter, M. E. (1980) Competitive strategy, New York: Free Press 20.

Coca-Cola Press Release, (February 27 2007), Coca-Cola Launches ‘ Riwa’ Water, retrieved on April 24 2008 from <http://www.ameinfo.com/111995.html> 21. Porter, M. E.

(1980) Competitive strategy, New York: Free Press 22. Coca-Cola Bottling Company of Jordan, Company Profile (2007) retrieved on April, 24. 2008 from http://www.efesinvest.com.tr/english/yatirimci_iliskileri/pps/Efes%20Invest-teleconference-September%202005.pdf

The threats of substitute products are very high. Despite being more or less a monopoly in the soft drinks industry in Jordan, the Coca-Cola Bottling Company of Jordan faces numerous challenges of substitute drinking water products. 23 There are several local and international drinking water companies in Jordan which have made considerable impact in the drinking water market and so far pose serious threats to the Riwa drinking water product of the Coca-Cola Bottling Company of Jordan. Competitive rivalry refers to the ability of a product to match the performance of the existing services or products in the market (Porter, 1980). The Coca-Cola Bottling Company of Jordan is a market competitor within the maximum competitive intensity in most of its product territory in Jordan.

24 The Macro-Environment of the Coca-Cola Bottling Company in Jordan The macro-environment refers to the key aspects of the organization that are most affected and determined by the status and direction of the PESTLE <https://assignbuster.com/bottling-company-persuasive-essay/>

factors (Hunger & Wheelan (2003). PESTLE is a synonym that stands for political factors, economic factors, socio-cultural factors and technological factors, legal factors and environmental factors in the marketing environment. The macro-environment forces are the main determinants of the influence of PESTLE factors in business organisations. 25 Proper evaluation and analysis of the macro environmental forces of the external marketing environment in the business goes along way in determining the success or failure of the marketing strategies adopted by an organisation (Wilson, 1982). The analysis of the implications of the macro-environment forces on the marketing strategies of the Coca-Cola Bottling Company of Jordan involves comprehensive insight into the PESTLE factors of the company's external marketing environment.

23. Coca-Cola Bottling Company of Jordan, Company Profile (2007) retrieved on April, 24. 2008 from [http://www. efesinvest. com. tr/english/yatirimci_iliskileri/pps/Efes%20Invest-teleconference-September %202005.](http://www.efesinvest.com.tr/english/yatirimci_iliskileri/pps/Efes%20Invest-teleconference-September%202005.pdf)

pdf 24. Coca-Cola Bottling Company of Jordan, Company Profile (2007) 25. Wilson, A. (1982), Marketing Audit Check Lists, London: McGraw-hill. Political Environment The political arena holds significant influence in the regulation of business activities as well as the spending power of consumers (Hunger & Wheelan, 2003).

Emphasis of analyses are always placed on the stability of the political environment both in the domestic and international markets, government policies and how they influence business laws and regulations, and

<https://assignbuster.com/bottling-company-persuasive-essay/>

governments' position on marketing ethics (Hunger & Wheelan, 2003). The PESTLE analysis identifies nature changes, radical changes, gradual changes, policy changes, and changes in foreign governments to be the key political factors that influence marketing and business planning in the Coca-Cola Bottling Company of Jordan. The company enjoys the peaceful political environment because Jordan is one of the few countries in the Middle East enjoying political stability. The country enjoys good relations both with its Islamic neighbours and western countries.

26 Jordan is undergoing gradual change from an autocratic and dictatorial system to a democratic system as evidenced by the emergence of political parties in the country. This portends a bright future to foreign investors in the country, because the business environment will improve with reduction in corruption within the government. On the international level, the Coca-Cola Bottling Company of Jordan faces the challenges business uncertainties that are posed by political factors such as terrorism. 28The political situation in the Middle East and terrorism has significantly reduced the prospects for expanding the market for Riwa drinking water several Middle East countries such as Lebanon.