

Main strategic issues facing coca cola company essay sample

[Business](#), [Strategic Management](#)



1. Wellness and health trend : The products of Coca Cola Company are considered to be a high sugar product and harmful for health . In 2006 , the Indian government agencies have claimed that Coca Cola products contain pesticides that cause dangerous problem for health . Such publicity can have a serious damage to the company in international and growing markets especially with the increasing of consumer , public health and government awareness of the health problems .

In fact , Nowadays , societal concerns , lifestyles , attitudes and behaviour change is enormous , people are becoming more aware about health problem and more concerned with a healthy lifestyle . This health trend and consumer awareness of health and obesity problems are considered to be a serious risk to the carbonated drinks company and a significant challenge to the Coca Cola industry . A great number of soft drink consumers are shifting their consumption to healthy products and preferring more low-calorie carbonates drink , sports drink , bottled water , juice and withe tea .

So why this trend is becoming so predominant in the beverage market ? In fact , a study in the medical journal “ The Lancet in 2001” revelled that A child’s risk of obesity greatly increases with the amount of sugar -sweetened soft drink that he adds to his diet . According to the European Journal of Cancer Prevention , Regular soft drinks have been linked to elevated the blood sugar and insulin levels in the body . furthermore , soft drinks contain high-fructose corn syrup that was implicated in the rise of obesity and diabetes.

2. PepsiCo competition : Coke main competitor is Pepsi Co . both brand represent the most heated enemies in the beverage business . there is others competitors , but none of them have successfully penetrated in the market like Coke and Pepsi Co . The competition between the two brand consist on the creation of new variants of carbonated drinks and non-carbonated drinks and increasing revenue and market share . Both of them have similar strenghts and weaknesses .

But the problem is that Coke focuses almost exclusively in beverage product while Pepsi don't concentrat all its resources on one specefic product , it operates also in non-beverage category such as oats and chips which creat more opportunity for pepsi Co to takes sales advantages of resulting synergy among various products . 3. Lack of innovation : The innovation and the introduction of new products that have the ability to respond the consumer change and the constumors trend is one of the biggest challenges facing Coca Cola company .

Over the last few year , coca cola has failed to innovate new product and has then struccgled in the face of fierce competition of Pepsi Co. I n the North American market, studies show that Coca Cola has not created a best selling new soda since Diet Coke in 1982 . In recent years , Coca cola has been overtaken by its competitor Pepsi Co for the fast growing of non carbonated drinks like Gatorade and this is due to it's better adaptation to costumer health . Innovation is the key for profitable growth .

2- What two or three strategic recommendations would you make to management to ensure the company's future success?

2. Recommendation. Health trend represents a major challenge to the global beverage market . Pepsi co began emphasizing products that are at healthy it invests more in new health conscious brands and more and more its strategy is to move forward with initiative and commitment to contribute to a healthy life style . The recommendation for Coca Cola is to : 1-stay in touch with costumers and shoppers

2-to understand and to recognize the needs and wants of each generation : the youger generation demands 3energy drink and sport drink and on the other hand , the aging boomer focuse more on healthy foods and beverage that avoid problematic ingredinets like sugar and sodium 3- to develop new strategies in order to adjust their product with the changing market 3-to keep innovating (new products services and packages , supply chain innovations) , and creating value . and to continue expansion of its product line .

Because the industry of soft drink is saturated with competitors and since the consumers prefer healthy product the market share is actually decreasing . Thus , the introduction of new products will enable Coca cola to rise its profits and to to keep growing .

3- How does the macroeconomic and competitive context affect management's margin for manoeuvre? Coca cola operate in an aggressive and fierce concurrence weights. Pepsi launch promotions and big deals with

determination to gain the market share . with the increasing of public awareness of the health .

The biggest competition actually concerns the innovation of new products that have the ability to respond the consumer trend . In fact , the two company have adopted their strategy to attract more consumers and to drain more sales. They spend billions of dollars each year in order to promote their product and to attract new customers , and they develop continuously new product to replace the lost revenue due to the declining of soda sales . Coca cola company How would you organize the company to pursue your recommendations?

To be competitive, Coca Cola GB should adopt competitive strategy and focus on factors that separate the company from its competitors. As said above , I think that the innovation and the diversification of the beverage is one of the key success for Coca cola company . And in order To achieve success the company should be organized and structured in a way that reflects that fact ad aims , to do so , a development plan has been elaborated in this direction:

1- Since the majority of sales comes from the non sugar products , we will focus more on these products by :

- i. Accelerating our investment on non sugar product .
- ii. Promoting and supporting non-sugar product by creative and innovative marketing strategy including : marketing compaign using : social media,

television, radio and retail advertising and competition with prize money and tours organizing in a strategic place and at strategic time of year .

2- While encouraging the non-sugar options , we are going to work on the original coca cola which contain 35 g in 330 ml and that have no nutritional value and to focus on how we can incorporate it into a healthy lifestyle ‘ offering smaller bottles and cans to reduce the amount of calories)

3- Encouraging active lifestyles and giving the chance to people to be active by Investing more in programs which support physical activity across our country . This will make Coca Cola’product part of a healthy lifestyle of consumers

4. What are the key “ human dimensions of change” facing the company to pursue your recommendations? Provide two sentences on what “ success” looks like after one year and after three years.

The violation of the fundamental right of worker’s is one of the biggest problem that impact on the company development , some employees in Coca Cola china face harsh condition , they are involved in the most dangerous labour , they had to work long hours daily with a minimal pay . Thus the challenge is to change the Coca cola practices in order to prevent human right violation and to push employees contribute to the success of the company without affecting work conditions . Which functions would be most important to pursue your recommendations and what techniques / approach would you recommend to best leverage these human resources?

In my opinion , in order to pursue my recommendations , Coca Cola should value all employees and the contribution they make. In employment the company should provide equal opportunity to all candidate . It should create a good work environment in which there is no discrimination or physical or verbal harassment . The decisions must be communicate and shared with all employees in order to motivate them and to give them more power to work and innovate . Based on the group's solution, what are this venture's three key factors of success? three key factors of success : Meet the expectations of customers:

The structural technologies for EV's developed by the junction Toyota , Mazda Denso shoud meet the expectation of customers and cover a wide range of vehicle segments and types from minivehicles to passenger vehicles , light truck and SUV s in order to establish flexible and fast response to market trends Strong value : Since countries all over the world maintain severe actions and laws to help reduce greenhouse gases , EV's company intend to be capable of enrolling in these state policies by developing and producing electric vehicles as a more environmentally friendly option .

Combination of the three company's strengths : Toyota , Mazda and Denso aim to produce and develop basic structural technologies for electric vehiculs . and they will ensure the successful rapid growth of the company by the innovation of development process using the strengths of the three company ; Mazda's development prowess based on computer modelling , electronic technologies of Denso and the new global architecture platform of Toyota .

What will be the major challenges or stumbling blocks this venture may face? I think that the major challenges or stumbling blocks this venture may face are :

1. Competition : the company should be able to overtook its competitors in terms of its market capitalization . The price of the product should be reasonable and affordable to a vast majority of society .
2. Advertisement : Advertisement plays a key role in stimulating company's sales and building of trust between company and customer . That is why the company should find effective original and attracting advertisement that have the ability to capture the attention of customers and be the catalyst to improved sales .
3. Another challenge for the company is to make better use of existing talent for innovation. What would you do differently to improve the company's chances for success? To improve the company's chances for success , I would work much on the selling process to improve the customer shopping experience and to keep them back . I order to do so , charismatic and enthusiastic persons would be hired to assist the consumers and give unforgettable shopping experiences .

I would also create a website for the company's products and be active social media in order to boost the company's chances of success , promote the company's product and satisfy the customers . How was the group work managed? How could you improve the management of group work in the future? I think that we had a good group . Each of us had the chance to

communicate their idea . At the beginning, we had a brainstorming and then we discussed the ideas we are going to deal with in the presentation and finally we divided the presentation into five sections and everyone has been assigned section of the presentation .

As for the presentation , we were a bit chaotic and disorganized . We did not explain clearly our idea , that is because we prepared the slides the day of the presentation and we did not have time to keep in mind what we want to say and what we want to appear in slides . In the future presentations , I think that we should improve our time management in order to have enough time to answer all questions and prepare the presentation .