

The coca-cola company essay sample

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Since its establishment in 1882, The Coca-Cola Company has grown into the large multinational company it is today. The Coca-Cola Company has used several methods of advertising throughout the years in order to gain brand and product recognition for their products including their most popular, Coca-Cola. This essay explores how effective these methods are to maintain and increase market share, specifically the above-the-line methods employed by The Coca-Cola Company Ltd to promote their product Coca-Cola. Secondary research was used to examine these methods including new markets, mass media which included television, print and radio advertising and the use of sponsorships and celebrity endorsements. All these methods are heavily influence by the asset- led marketing that is established from this well renowned company. From this research, a Boston matrix, Ansoff matrix and Porters Five Forces Analysis were undertaken. This determined where The Coca-Cola Company Coca-Cola stood in relation to the position is in the market. It was discovered from these analysis tools that all of the above-the-line methods implemented were affective in maintain and increasing market share. These methods have seen The Coca-Cola Company grow into one of the world's most recognisable brands. The Coca-Cola product has maintained the most popular soft drink for many decades and continues to gain market share. As these methods have been successful, it is suggested that The Coca-Cola Company continues to employ these methods to maintain and possibly increase Coca-Cola's market share in declining soft drink industry.

The Coca-Cola Company is an American based company that was founded in 1882 with the invention of the soft drink Coca-Cola (Wilhemina, Stephens, & Cooper, 2007). Today in more than 200 countries, The Coca-cola Company

offers over 3, 500 beverages (The Coca-Cola Company, 2006- 2011)500 brands (The Coca-Cola Company, 2011) and sells 1. 7 billion beverage servings each day (The Coca-Cola Company, 2006-2011). It has become one of the world's most recognisable non- alcoholic beverage manufacturer, retailer and marketer with their network of company owned controlled bottling and distribution operations, bottling partners, distributors, wholesalers and retailers. This system is the biggest global distribution system (The Coca-Cola Company, 2011). In 1882 the Coca-Cola product was developed. From the first year of production marketing strategies were implemented in order for the public to gain awareness of the product.

These included advertisements in journals, special coupons and calendars. These methods worked and by 1885 there were production plants in Chicago, Dallas and Los Angeles. By 1901, the advertising budget for Coca-Cola exceeded \$100, 000 and only 10 years later in 1911 it reached a 1 million dollar budget. Furthermore, by 1953 the advertising budget had reached over \$35million for an annual budget (The Coca-Cola Company, 2006-2011). Since the Coca-Cola product was developed 128 years ago, that budget has reached \$3billion over a wider range of products (The Coca-Cola Company, 2011). Three out of four new products fail to succeed after not gaining enough commercial attention (Kotler, 1964) therefore it is imperative that businesses use marketing strategies to avoid costly and risky unsuccessful ventures. Marketing covers many areas including the product, price, place, promotion and e-commerce in the national and international market.

However, in a few cases throughout the years of The Coca-Cola Company's reign, other companies have tried to gain more market share in the industry. The Coca-Cola product and The Coca-Colas Company's main rival was and still continues to be PepsiCo with their main product Pepsi-Cola. At many times PepsiCo has tried to use promotion to promote the taste of Pepsi-Cola to be better than that of Coca-Cola. One major example is the campaign in the late 1970's the encouraged people to blind taste test Coca-Cola and Pepsi-Cola. Surprisingly more people Chose Pepsi-Cola which helped them gain market share and for a small period of time gained a larger market share then Coca-Cola. (PepsiCo, 2005). As Coca-Cola is in a star position in the Boston Matrix there will always be competition associated in the market.

This leads us to ask the question, how effective is the application of above-the-line marketing strategies of Coca-Cola used by The Coca-Cola Company Ltd to maintain and increase their market share?