

Marketing research of the coca-cola company

[Business](#), [Marketing](#)



Layout 1. Introduction of coca cola beverage (discovery , formation , business etc) 2. Product mix (name of products and there discriptions) 3. Pricing strategies 4. Product life cycle for coke 5. Conclusion Intro India has proved to be perhaps the toughest battle ground for the Cola giants. Coca-Cola was the 1st international soft drinks brand to enter India in early 1970's. Indian market was dominated by domestic brands, with Limca being the largest selling brand. Cola was the largest selling flavor with market share of 40%, Lemon drinks 31% and orange drinks only 19%.

Up till 1977, Coca-cola was the leading soft drink brand in India. But due to norms set by the Foreign Exchange Regulation Act (FERA), Coca-Cola left India and did not return till 1993 after a 16 year absence from the Indian beverage market. FERA needed Coca-Cola to reveal its secret concentrate formula as well as reduce its equity stake which was not acceptable. The Coca-Cola Company re-entered India through its wholly owned subsidiary, Coca-Cola India Private Limited and re-launched Coca-Cola in 1993 after the opening up of the Indian economy to foreign investments in 1991.

Since then its operations have grown rapidly through a model that supports bottling operations, both company owned as well as locally owned and includes over 7, 000 Indian distributors and more than 1. 7 million retailers. Today, our brands are the leading brands in most beverage segments. The Coca-Cola Company's brands in India include Coca-Cola, Fanta Orange, Limca, Sprite, Thums Up, Burn, Kinley, Maaza, Minute Maid Pulpy Orange, Minute Maid Nimbu Fresh and the Georgia Gold range of teas and coffees and Vitingo (a beverage fortified with micro-nutrients).

In India, the Coca-Cola system comprises of a wholly owned subsidiary of The Coca-Cola Company namely Coca-Cola India Pvt Ltd which manufactures and sells concentrate and beverage bases and powdered beverage mixes, a Company-owned bottling entity, namely, Hindustan Coca-Cola Beverages Pvt Ltd; thirteen authorized bottling partners of The Coca-Cola Company, who are authorized to prepare, package, sell and distribute beverages under certain specified trademarks of The Coca-Cola Company; and an extensive distribution system comprising of our customers, distributors and retailers.

Coca-Cola India Private Limited sells concentrate and beverage bases to authorized bottlers who are authorized to use these to produce our portfolio of beverages. These authorized bottlers independently develop local markets and distribute beverages to grocers, small retailers, supermarkets, restaurants and numerous other businesses. In turn, these customers make our beverages available to consumers across India. The Coca-Cola Company has invested nearly USD 2 billion in its operations in India since its re-entry back into India in 1992.

The Coca-Cola system in India directly employs over 25, 000 people including those on contract. The system has created indirect employment for more than 1, 50, 000 people in related industries through its vast procurement, supply and distribution system. We strive to ensure that our workenvironment is safe and inclusive and that there are plentiful opportunities for our people in India and across the world. The beverage industry is a major driver of economic growth. A National Council of Applied Economic Research (NCAER) study on the carbonated soft-drink industry indicates that this industry has an output multiplier effect of 2. . This means

that if one unit of output of beverage is increased, the direct and indirect effect on the economy will be twice of that. In terms of employment, the NCAER study notes that " an extra production of 1000 cases generates an extra employment of 410 man days. " Product mix Product pricing the pricing Strategy a business will use will have to focus on achieving the marketing plan's objectives and support the positioning of the product, and take external factors such as economic conditions and competitors in to account.

There are 5 strategies available to business: Market skimming pricing, Penetration pricing, Loss leaders, Price Points and Discounts. Over the years Coca Cola has used Penetration Pricing as a way of grabbing a foothold in the market and won a market share. It's product penetrated the marketplace. Once customer loyalty is established as seen with Coca Cola it is then able to slowly raise the price of its product. There has been a fierce pricing rivalry between Coca Cola and Pepsi products as each company competes for customer recognition and satisfaction.

Till now it appears as if Coke has come up on top, although in order to gain long term profits Coke had to sacrifice short term profits where in some cases it either went under or just broke even, but as seen it has been all for the best. Pricing Methods Good pricing decisions are based on an analysis of what target customers expect to pay, and what they perceive as good quality. If the price is too high, consumers will spend their money on other goods and services. If the price is too low, the firm can lose money and go out of business. Pricing methods include: Cost based Pricing, Market based pricing and Competition based Pricing.

Over the years Coca has lost ground here in it's pricing but has regained it's strength as it employed the Competition-based pricing method which allowed it to compete more effectively in the soft drink market. Leader follower pricing occurs when there is one quite powerful business in the market which is thought to be the market leader. The business will tend to have a larger market share, loyal customers and some technological edge, thus the case currently with Coke, it was first the follower but through effective management has now become the leader of the market and is working towards achieving the marketing objectives of the Coca Cola.

Survival in the market place, own 60 % of market share by 2007, increase further awareness of product and a return on 20% on capital employed for August 2007. Coca-Cola is a behemoth of an organisation with over 3, 500 products expanding to over 200 countries. The success of Coke is in part because of its successful pricing strategies. Coca-Cola's strategies include stabilising prices, unveiling customised products to new markets and engaging in pricediscrimination. Hedging The primary ingredients of Coca-Cola's most popular beverage, Coke, include corn syrup and sugar.

One of its pricing strategies is hedging corn, which can be a volatile commodity. When droughts occur, farming regulations change or the dollar grows weaker, the price of any commodity can swing wildly. These fluctuations create instability for businesses reliant on the commodity as a main input for their productions. By locking in the price of this commodity, the business removes the uncertainty of changing prices due to market forces. Coca-Cola hedges corn syrup by establishing a price in advance, thereby keeping the value of the commodity stable.

Michael Czinkota, author of "Fundamentals of International Business," explains how Coca-Cola hedges foreign currency as well --- in 2000, its strategy yielded ? 56 million in additional revenue. Seasonal Pricing Coca-Cola changes the price of its products depending on the season. Soda goes on sale during Thanksgiving, Super Bowl Sunday, Fourth of July and other holidays. This is in part because competitors lower prices during this time as a way to get customers to purchase their products.

Additionally, grocery stores lower the price of soda during these times because of its high profit margin. By getting consumers in the store to purchase Coke at a discount, the store hopes they will buy other items on the shelves. Thus, a common pricing strategy of Coke is capitalising on the increased consumer demand during these occasions by lowering prices. Plc When referring to each and every product or service ever placed before the consumer i. e. in the long term all the existing products and services are dead. For e. g. - Replacement of Ford Cortina (a highly successful car) by Ford Sierra, the replacement of sierra by the Ford Mondeo and the replacement of the old Mondeo by the new Mondeo in 2001. So every product is born, grows, matures and dies. So in the commercial market place products and services are created, launched and withdrawn in a process known as Product Life Cycle. To be able to market its product properly, a business must be aware of the product life cycle of its product. The standard product life cycle tends to have five phases: Development, Introduction, Growth, Maturity and Decline.

Coca-Cola is currently in the maturity stage, which is evidenced primarily by the fact that they have a large, loyal group of stable customers.

Furthermore, cost management, product differentiation and marketing have become more important as growth slows and market share becomes the key determinant of profitability. In foreign markets the product life cycle is in more of a growth trend Coke's advantage in this area is mainly due to its establishment strong branding and it is now able to use this area of stable profitability to subsidize the domestic Cola Wars.

Insert the picture of the product lifecycle Coca-Cola is currently going through the maturity stage. This maturity stage lasts longer than all other stages. Management has to pay special attention to products during this stage of the product life-cycle. Since its beginning in the spring of 1886 Coca-Cola has become the most popular and biggest-selling soft drink in history, as well as the best-known product in the world. Created in Atlanta, Georgia by Dr. John S. Pemberton, Coca-Cola was first offered as a fountain beverage by mixing Coca-Cola syrup with carbonated water.

The Coca-Cola Company is the world's leading manufacturer, marketer, and distributor of non-alcoholic beverages in the world. The Company and its subsidiaries employ nearly 31, 000 people around the world. Its headquarters is in Atlanta, Georgia During the maturity stage, products usually go through a slowdown in sales growth. According to Coca-Cola's 2001 annual report, sales have increased by 1. 02% compared to last year. This percentage has no comparison to the high level of growth Coca-Cola enjoyed during its growth stage.