

# International trade and the marketing strategy essay examples

[Business](#), [Company](#)



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## **Marketing Strategy of the Coca Cola Company**

The Coca-Cola Company is considered to be one of the largest beverage companies of the world. The company's head office is stationed at Atlanta, Georgia, U. S. A. The Company's aim is to refresh and benefit every single person it reaches. The Coca-Cola Company has been successfully operating for over a century. It is recognised world - wide and has operations in above 200 countries. Coca-Cola enjoys a huge share of the cola segment i. e. approx 85%. The Coca-Cola Company is among the most recognised trade marks throughout the world.

The company offers a wide range of products that includes soft drinks (Coke, sprite, and Fanta), Dasani Mineral water, non-carbonated beverages (flavored tea Nestea PowerAde sports beverage). The Coca-Cola Company (TCCC) basically produces the syrup concentrate that is later sold to the bottlers holding a Coca Cola franchise throughout the world. Coca-Cola bottlers holding the contract that is territorially exclusive produce the finished/ final product in bottles and cans from the concentrate by combining it with sweeteners and filtered water.

The company enjoys a significant share of revenue by serving 1.6 billion servings of its beverages per day. In FY2011, according to Interbrand's best global brand, Coca-Cola was declared the world's most valuable brand. Coca-Cola has a competitive advantage via well-recognized global trade marks by achieving and maintaining the premium prices. On the contrary, Coke is being criticized for significant levels of pesticides in its products, environmental destruction, exploitative labor practices and monopolistic business practices. Due to its product line being restricted to only the beverages, the company's financials show less inventory turnover in comparison with the PepsiCo. Also, the company has given the bottling and distributing authority of its own products to different companies throughout the world, which results in a decline in a substantial share of potential revenue. Different studies showed that Coke is harmful for health if it is consumed in excessive quantity, and Coke is criticized for its aggressive marketing, especially to children, which may result in unhealthy impacts.

### **Marketing strategy**

The Coca-Cola Company's strategic marketing plan is based on 3 basic criteria: (a) to generate consumer awareness for the newly introduced products from Coca-Cola, (b) to create a world-wide brand recognition by capturing the market shares in the beverages segment, and (c) to become the market leader in the beverages segment, achieving the forecasted sales numerals.

In businesses like the beverage business, the costs of selling are usually higher than the costs of production. Due to which the marketing

strategies of the respective companies are paramount. The Coca Cola Company uses the strategies that include campaigns and advertisements. The company uses various sponsorships as a type of marketing itself in numerous activities in the US and all over the world. These sponsors may range from the fields of education, sports, institutional etc.

The company also markets its self by entering into mergers and joint ventures to a market where there is stiff competition and it is not the market leader itself. In many areas of such markets the company owns a stake in a minor local franchise for the reason to have the company's brand name printed on different products.

Advertising for Coca-Cola, has always been an exciting and important part of its business. The company started off with an advertisement strategy that reflected the brand to be connected with friends, fun and good times. In 1971 the company gained international fame by a commercial, in which a group of youngsters from all over the world sang together " I'd Like to Buy the World a Coke" on a hilltop in Italy.

The target market of the Company is all willing consumers. However, the company has introduced some brands, which cater the needs and choice of specific consumers. For example, Coca-Cola's diet soft drinks are aimed at consumers who are diabetic or who want to reduce weight these consumers are mostly between the years of 25 & 39. For those who are fit, do sport and healthy, Power Ade sports water is the product for them. The Company has a primary target market of consumers aged between 13 and 24, and a secondary market of consumers aged between 10 and 39.

An article published on The Wall Street Journal on July, 13, 2012 says ' India Has 1. 2 Billion People but Not Enough Drink Coke'. A survey was conducted and the result statistics showed that there is insufficient supply of the beverage in comparison to the demand hence the company has decided to invest \$5billion by 2020 in order to boost consumption and stamp its presence in one of the emerging markets of the world. The investments by The Coca-Cola Company in India are part of the plan which is to spend \$30 billion in building capacity and on marketing and advertising in emerging economies in order to fulfill its target of doubling the volume and revenue by FY2020.

The company has done so well especially in terms of marketing that it claims ' coke' to be the second most understood word, the first they say is OK. Success is reflected by the admissible and sizeable capture of the market shares along with carrying the company to the top and enjoying the spot of the market leader in the beverage segment. The company has made sure that it is present every where, since its mission statement is to quench the thirst and refresh everyone in the world.

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