

# Coca-cola essay sample



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Solution 1: The five micro environmental factors that affect the development and introduction of Vitango are: The Company: The Company in this case is Coca-Cola. Coca-Cola spent years to develop a powdered beverage named Vintage. The company hasn't any problems with finance related issues. The company had already done successful testing of the products in Botswana. Still the product has issues related to its launching due to preparation & usage of products in countries with lack of pure water and price issue in poor countries.

Suppliers and marketing Intermediaries: To promote, sell and distribute the product to the final users the company needs the resellers, physical distribution firms, marketing services agencies and financial intermediaries. In this case Coca-cola may choose to go with direct distribution with its own channels or indirect distribution by selling through the successful running channels like McDonalds or Wendy's. The problem in this case is that the access of poor people/ target consumers to these channels is very less.

Customers and Consumer Markets: The most important factor in this case is consumer and its behavior. The major consumers of Coca-Cola for Vitango are people of developing/ poor countries. The people in these countries don't have enough educational resources/ knowledge to judge the benefits of products like Vitango as compared to its price. Even if they have knowledge they are lack of financial resources to buy these products. So, companies like Coca-Cola have to make perfect balance between product awareness and price sensitivity of the products like Vitango.

Competitors: Dealing with competitors is most important strategy of successful company operations. Company cannot achieve its goal if it fails to beat its competitor products. The main competitors of Vitango in this case are other powdered products and soft drinks. The Vitango has advantage of its nutritious contents over the other products but this advantage needed to be promoted to overcome short comes of its high price over the other products. More ever price needed to be in accessible range of its consumers too.

Publics: Public is the group that has actual or a potential interest in or impact on an organization's ability to achieve its objective. The major parts of public in this case are Governments of target countries and GAIN (the Global Alliance for Improved Nutrition). The government is responsible to provide the best possible nutritious products to its citizens. So the government may welcome when companies like Coca-Cola approach them for approval to sell their nutritious product like Vitango.

But this action of private companies like Coca-Cola may be suspected by general public bodies due to suspect of hidden motive of private companies. To overcome this suspect the help nonprofit organizations like GAIN can be helpful in this case. Solution 2: The main four criticism of marketing's impact on individual customer are: High Prices: Many critics charge that marketing system causes prices to be higher than they would be under normal sensible system. These are mainly due to high distribution costs, advertising and promotion costs and excessive markups.

In the Vitango case the companies had heavily invested in research & development of the products. To recover those investments companies have no option other than high markups. In this case markups are in reasonable range due to competition by other products and financial capability of target audience. Company can control distribution costs but reasonable advertising & promotion is required to aware the people about the nutritious benefits of these products. Deceptive Practices: Another critic of marketing is deceptive practices that lead consumers to believe that they get more value than they actually do.

In this case this seems to be less applicable as research in Botswana and other parts shows advantages of nutritious products over others. So if products are distributed on comparable prices with other products then consumers will be practically gaining more benefits in comparable prices. The criticism stands in this case only if products are advertised of more benefits than they actually do. Shoddy or Unsafe Products: Another criticism is that products lack the quality that they should have. In this case quality and benefits of products have been tested.

Moreover company like Coca-Cola is delaying the launch of Vitango in countries with lack of pure water; this is only due to their motive to give consumers a qualitative and safe product. Whereas criticism regarding side-effects of products like Vitango where these leads to other problems like obesity is reasonable. Poor Service to Disadvantaged Consumers: Finally the marketing has been accused of poorly serving disadvantaged consumers. This is likely applicable in this case, as nutritious deficiency is found most in

people of poor/ developing countries. So, people of these countries need nutritious products more than others.

But due to lack of awareness and financial resources they are unable to buy or use them, while on the other hand if companies sell these products at reasonable cost then it cannot recover its investment in product development. So, in the case of products like Vitango this criticism of marketing is reasonable applicable. Solution 3: The three main criticism of marketing's impact on society are following: False Wants and Too much Materialism: Many critics argue that the marketing system in general and advertising in particular, urges too much interest in material possessions.

These critics don't view this interest in material as a natural state of mind but rather as a matter of false wants created by marketing. In this case companies may argue that they are not creating new wants but they are trying to fulfill existing wants/ needs. Further if there is no marketing then how awareness will be created among people towards these products and their benefits. Too Few Social Goods: Another criticism of marketing is overselling of private goods at the expense of public goods. Another criticism is driving its domestic suppliers out of business.

In this case the argument by critics is that selling or giving away fortified foods does not solve the underlying problem of poverty. Nor does it teach people good nutritional habits. So it is better to teach people how to grow and use fruits and vegetables. Too Much Political Power: Another criticism is that business wields too much political power. That's true even in this case.

The companies like Coca-Cola or P&G are enough powerful to attain special subsidies or tariffs from the government to control the market.

Though the credits of organization like GAIN is quite high, but still that is not fully acceptable when they are working with big giants like Coca-Cola or P&G. Solution 4: The enlightened marketing means company's marketing should support the best long-run performance of the marketing system. The five principles of enlightened marketing are as follow: Consumer-Oriented Marketing: Consumer-oriented marketing means that the company should view and organize its marketing activities from the consumer's point of view.

The Vitango case will be considered as case of consumer-oriented as the products like Vitango, Nutristar etc. are designed and developed according to the need of the consumers. Innovative Marketing: An innovative marketing means that the company should continuously seek real product and marketing improvements. In this case the companies like Coca-Cola and P&G, had heavily invested by means of time and money for the real development of required distinctive products. Further company like Coca-Cola is still researching for ready-to-drink formula for Vitango where its products are ineffective/ less effective due to availability of pure water.

Customer-Value Marketing: Customer-value marketing means that the company should put most of its resources into value-building investments. It builds long term consumer loyalty by improving the value consumers receive from the firm's marketing offer. In this case companies had done long research & development for the products and still working for further improvements. For example Coca-Cola can launch Vitango in powder form,

but still working on it for more effective ready-to-drink formula so that best value product can be delivered to the consumers.

**Sense-of-Mission Marketing:** Sense-of-mission marketing means that the company should define its mission in broad social terms rather than narrow product terms. In the case of Vitango the mission of the companies is to identify specific deficiencies and to develop new technologies for adding micronutrients to foodstuffs in order to eliminate or reduce the deficiencies in specific companies. Further companies are putting hard efforts to make it possible. This is clearly the case of mission defined in broad social terms rather than narrow product terms.

**Societal Marketing:** Societal marketing means that the company makes marketing decisions by considering consumer's wants and interests, the company's requirements, and society's long-run interests. In the given Vitango case, companies have developed products which will reduce the deficiencies of micronutrients in specific regions, which is surely in long-run interest of the society. On the other side some people say that people should be teach how to grow fruits & vegetables. But overall there is deficiency of micronutrients, people need the micronutrients and companies are working in this direction.

**Solution 5:** The concept of fortified foods is common in North America, but its chances of success in countries like Botswana and Peru depends on many other factors like need, want and demand etc. we will discuss each of these three separately. **Need:** When you compare countries like Botswana and Peru with North America, the need is definitely the more. The people in these

countries are more deficient in micronutrients as compared to North America. According to the concept of need the chance of success of fortified foods in these regions are quite high.

Want: When you compare countries like Botswana and Peru with North America, for wants we have to look at few factors like people's awareness about importance of micronutrients. The people in these countries are more deficient in micronutrients as compared to North America but due to lack of awareness resources they are less aware of effects of these deficiencies. This unawareness causes people to be less attentive towards micronutrients. So, the concept of wants indicates that the chances of success of fortified foods in these regions are moderate.

Demand: When you compare countries like Botswana and Peru with North America, for demand we have to look at market conditions and financial capabilities of people. The people in these countries are more deficient in micronutrients as compared to North America but due to lack of financial resources they are less capable to afford fortified foods. Further market conditions like lack of infrastructure, advertising & distribution network as compared to North America reduced the demand further. So, the concept of demand indicates that the chances of success of fortified foods in these regions are less as compared to North America.