

# Market trends: coca cola in the uk



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## **1. 0 Introduction**

When question of marketing communication is asked there will be numerous answers as there are many respondents. One of the most common answers is the advertising that is most visible of the marketing communication. In twentieth century the term advertising was used what might be called marketing contemporaneously. However the terms communication has eclipsed the advertising and promotion due to the services of the firm in form of its products, brands to its audiences during the last two decades. Marketing Business are the means by which services, supplier of goods and values represent themselves before the targeted audiences with the objectives of stimulating the talks for better commercial and other relationships. Marketing Communication is influenced by the environmental factors and media development, budgetary demands and most likely by the consumer's attitudes. Coca Cola being the one of the largest brands in the world with brand portfolio and value has top four soft drink brands out of the five. Diet Coke, Coca Cola, Fanta and Sprite are owned by the Coca-Cola. Responsible marketing is the fundamental principle of Coca-Cola Company in UK. All marketing initiatives are reviewed to ensure all the complied principles as media buyers and other marketing agencies.

## **2. 0 Marketing Trends of Coca-Cola in UK**

The marketing principles and policies are reviewed to keep up to date with the changing market trends. The Coca-Cola Company in Great Britain is tilted towards the voices of parents and their concerns about the advances in online marketing. Children under age of 12 cannot understand the purpose of the commercial ads and lack the necessary skills and judgments required

for it. For the GB market the Coca-Cola Company has developed a charter for responsible marketing built on the European and Goal commitments. The Coca-Cola Company ensures that its marketing practices are according to social expectations and wants to remain responsible producers. It is also included in core principles of Coca-Cola Company that collaboratively work with public, stakeholders, customers is defined and ensures the compliance. The marketing values of Coca-Cola Company are mainly focused positively with optimism, for that the Coca-Cola Company has stood the time since the cold drinks were sold first time 120 years ago. There are more than 59 competitors of Coca-Cola in UK. Dr Pepper Snapple Group, Nestle and PepsiCo are the famous competitors of Coca-Cola in UK. The electronic technologies and internet have grown rapidly and resulting the increase in global communication. It has allowed the firms to work in partnership with other countries and international market. The global soft market is expected to increase to 3.6% from 2004 to 2010 (Datamonitor, 2005). For the consumers of Coca-Cola the growing trends societal concerns, lifestyle and attitudes are very important. It is causing the industry's business to change because the Coca-Cola is differentiating in its products to increase the sales in a stagnant market.

Coca-Cola is in the rivalry of the Pepsi and they are in power struggle. The main focus of the Coca-Cola is to compete in the non-alcoholic drinks in the beverage industry. Other than Pepsi Coca-Cola is competing a multiple firms located in UK. The products included in list are the carbonated soft drinks, packed water, nectars and juices, energy and sport drinks, coffee and tea, fruit drinks and other beverage. PepsiCo and Coca-Cola have saturated the

European markets. International markets are different from the local UK market. Closer competitor of Coca-Cola is the Pepsi which also offers the similar products. Other closer competitors include the Tango. The brands of the Coca-Cola are much popular among the citizens of the UK. Brands are the more important role players for the promotion of sales of Coca-Cola's products. It is difficult to manage the brands as they constitute many intangible components. These intangible assets account significantly a big part of Coca-Cola's values these days in UK. Tangible assets have moved the Coca-Cola from a situation when its tangible assets represented only 3% of its market value. During the process of evolution and development of Coca-Cola its managers have faces the risks as given below.

**Bottling Partners:** The relationships of the Coca-Cola are at risk with the bottling partners due to sub-par return on capital. To alleviate this issue Coca-Cola needed to increase its shares and capital return.

**Economic Slowdown:** The slowdown of global economic growth has also affected on the Coca-Cola's sales and sale of many brands is slow down.

**Expansion Strategy:** The expansion strategy of non-carbonated market has many growth trends but the market margins are lower and may take the profits away from the core business of Coca-Cola.

In presence of these risks the Coca-Cola has stabilized it in UK and Coca-Cola Enterprises Inc. produces the 240 million cases of products every year in six different manufacturing sites, seven distribution sites with largest plant at Wakefield in the world.

### **3. 0 Strategic Objectives of Coca-Cola**

Being the one of the global company in the world, it took responsibilities to affect the communities in UK in some ways. Company has mission which called the mission stated as “ The Coca-Cola Company exists to benefit and refresh everyone who is touched by our business”. In community company has made efforts to build relationships among the different communities. Coca-Cola Company has focused to improve the quality life of citizens. It has addressed water, waste management and climate changes in UK communities. Company has focused on the higher education to build the strong communities and enhance individual opportunity. Business growth is entire objective of the Company and requires the following five forces model. This model helps to work out the dynamics in UK market and other areas of activity. It tells the company who other companies are competing in the market. It also provides a way to enter into market as a fresh company. The porter’s model helps to find out the other enterprises and also identifying the implications in existing market. There are five key forces as shown in the following figure.

**New Entrants**

**Suppliers**

**Buyers**

**Existing Competitors**

**Substitutes**

Figure 1: Porter’s Five Forces

Porter's model shows us the five forces which affect the Coca-Cola Company's development in UK. These forces include the

New entrants Coca-Cola with other rivals is established in UK and is popular among the customers due to its brands.

## **Buyer's power**

## **Alternative products and services**

## **Potential of Suppliers**

Current Competitors The current competitors of Coca-Cola are discussed above in brief. PepsiCo is the main competitors of the Coca-Cola and is deriving more than 50% shares in industry.

All forces in Porter's model are connected in a dynamic relationship.

## **4. 0 Marketing Communication of Coca-Cola**

### **4. 1 Corporate Objectives**

There are several objectives that company gives to its shareholders include as

The increase in the soft drinks growth rate by the company

Driving the profitable growth by broadening the family brands

Generating the growth through all channels via creating the consistent services to its customers

The direct investment with great extent in different areas of UK drinks market

Driving efficiently and cost-effectively in all parts of the UK where they are planted

## **4. 2 Marketing Objectives**

In Europe the sale of the Coca-Cola brands represents a great percentage in UK with billion dollars. To represent a larger part of European market the Company wants to increase its sale during the next year 2011. It is already told that products are home-consummated drinks. Company wants to increase its impulse during the next 12 months. Due to the satisfaction of the stockholders the market shares can be increased during the next 12 months.

## **4. 3 Communication Objectives**

Communication objectives of the Coca-Cola are as given below

Make awareness among the people facing the products during the next year and grouping the all targeted audiences. As Coca-Cola is a well famous due to its brands in UK, it is not possible to increase its awareness by an important percentage.

Company emphasizes on the awareness of its new products which are compared to its competitors in market. The specific brands are with great tastes which differentiate it from other brands.

Coca-Cola Company is known due its brands in history and can lose its position as a brand for the youth in UK. It requires repositioning it among the teenagers.

Coca-Cola is the leader of the drinks for the consumers in UK, it is not necessary that it will remain at top position during the next years. It requires the brands must reinforce its saturation with leading audiences.

## **5.0 COMMUNICATION STRATEGY**

### **5.1 Target Audiences**

The consumer data collected between 1995 and 2000 shows that women were the heavier users than the men. But this trend changed in 2002 and men became the main users of the Coca-Cola products. Social groups are the main consumers of its brands. Brands need to be increased their sale among the different groups in UK. These groups are future consumers of these brands in a long term of objectives. Women must be encouraged to become the main consumers as seen in previous years.

### **5.2 Targeting the youth**

A pull strategy can appeal to young in country and corporate image of company can be changed by an art sponsorship. This can be achieved by clarifying its name and a best singer can be sponsored for these objectives. Teenagers in UK can recognize the company due to its brands, which are supportive to produce the rock scenes better than previously.

### **5.3 Targeting the males: Sports events**

Coca-Cola is popular among the males due to its sport sponsorships. The idea behind the sponsorship is to approach the large audiences during the sports events in country. Games like football, cricket, rugby and tennis are main events in UK for the all 12 months and Coca-Cola can intensify its



advertising campaign. Banners are useful placed on the doors or gates of the stadiums or playgrounds.

### **5. 4 Young adults**

A push strategy is more useful to attract the young adults. Young people use the alcoholic drinks at clubs with their friends. A common venture of Whisky brand by developing an association with barmen can prove to be favorite drinks at most fashionable place in the cities of UK. In clubbing the Coca-Cola will put the Whisky-Coke as the fashion drink.

### **5. 5 Targeting the large audience: TVs and Cinemas advertising**

By the widespread campaign on TV young audience can become more receptive towards the Coca-Cola's brands. The TV campaign or advertising is a cost-effective way and provides an opportunity to targeted audience to establish an association with sponsors and programs. A new can be diffused by the cinema complexes. Cinema is a place where targeted audience are in a best approach with the kind of the film chosen there.

### **5. 6 Press advertising**

Young and old audiences are targeted by the press advertising and female are more targeted than males. Older people read the magazines due to health articles are written there while teenagers read it for the fashions.

## **6. 0 MIX RECOMMENDATION FOR COMMUNICATION**

### **6. 1 Banners**

The intensive use of banners during the March and April makes the start of the new campaign; banners are based on the same themes shown at TVs. Banners placed on the public transport are good means of advertising because buses are seen by the majority of the people, especially students who travel to their universities. Stadiums are the places where the banners are displayed during the sports events in major cities like London, Manchester and Liverpool etc.

### **6. 2 Sale Promotions**

Two methods are crucial for the sale promotions; first one is used for the manufacturer to resellers and second one used for the manufacturers to consumers. In first place Coca-Cola will encourage the resellers to purchase the products with increased amount and develop a great usage of its products. Brand loyalty is the desired objective of the Coca-Cola. In the second place the Coca-Cola will encourage the users of its competitors to change the use of products. Regular customers are always at the priority list of the company to be benefited.

### **6. 3 Online Promotions**

Website is the main source of the online advertising and updates about the brands, prices and new promotions can be accessed through the websites. Screen savers, games and other downloads about the Coca-Cola brands are available from the Coca-Cola websites. These promotions are not only based upon the product itself but also the images transmitted by these brands.

<https://assignbuster.com/market-trends-coca-cola-in-the-uk/>

## **6. 4 Joint Ventures**

Joint ventures with Whisky brands in clubs and pubs will be useful for the company. The relationship will be established with specific clubs and pubs. Aim is to develop a new fashion about Whisky-Coke. T-shirts and Caps in clubs and pubs can attract more young adults.

## **6. 5 Budget and Media issues**

Several magazines will be the part of campaign to approach the targeted audiences. This campaign will be started from the May to August; Hello and OK magazines will be the sources for this campaign. These are weekly based magazines and young girls are more interested to read them. Top Santé and Readers are the magazines and older audiences are the targets of these monthly magazines.

## **6. 6 Cinema Budget**

A campaign will be started from June to July and new commercial will be diffused in major cities of the UK. The two films will be targeted in the evening séance only on Friday and Saturday. Total budget for the cinema can be calculated as: 1 séance \* 2 days \* 5 cities \* 8 weeks \* 40000 = 3,200,000 (GBP).

## **6. 7 Poster Budget**

There are two possible sources where posters can be displayed: buses banners and roadside banners. Roadside banners will be done during the next 20 weeks and 2000 panels T side buses will be completed during the next 6 months.

## **6. 8 Internet Budget**

The images of Coca-Cola brands and screen savers require the specific knowledge. A budget of 100000 (GBP) will be used to create the games and adaptation of websites.

## **6. 9 Sale Promotion and Joint Venture Budgets**

Coupons offers demand the budget of the 300000 (GBP) and a budget of 200000 will be needed for the competition campaign. Promotions in clubs also need an amount of 400000 (GBP) and it will contain the contacts with J&B, contracts with clubs and packaging designed for the use of T-shirts, glasses and caps.

## **6. 10 Evaluation**

There are numerous methods to evaluate the achievements of objectives and media has their own evaluation methods. This evaluation is helpful to determine the effectiveness of the marketing communication plan.

## **7. 0 Issues of Coca-Cola in Current business Scenario**

According to Dr. John S. Pemberton the mixture of coca-cola syrup and carbonated water yielding the fountain beverage was first time introduced by the Coca-Cola. This product is sold in every state of the state of U. S. (<http://www.virtualvender.coca-cola.com/ft/index.jsp>). In annual report of the Coca-Cola Company 24. 4 billion products were sold in year 2009 (Annual Report of Coca-Cola, 2009). Sustainability of business is an important pillar of 2010 year's business strategy which are carried out for the part of the corporate social responsibility and coalition of global investors have appraised the Coca-Cola with high-quality reports for the investors ([www.](http://www.)

coca. collahellenic. com). Coca-Cola is much focusing upon the Social Responsibility focus because it wanted to promote the lives of people living in the community. Coca-Cola is involved in many programs like “ Education on Wheels” especially in Singapore (O. C. Ferrell, John Fraedrich & Linda Ferrell, 2009). Coca-Cola is diversifying based upon its products a planned to launch new products in UK. As Malven Water a product of Coca-Cola is owned by the UK (Hall, 2007). The competition of the Coca-Cola with PepsiCo Corporation has forced the Coca-Cola to get profit beyond the selling of its products. Company does not only sell the products but works with the bottling companies. Some which are owned by the Coca-Cola but others are not. Company is facing the issue of earning more. To combat this issue Coca-Cola has acquired the companies to make more growth. Mr., Daft the Chief Executive of Coca-Cola in 2001 made recommendations to acquire the Quaker Oats Company. Coca-Cola was interested in the brands of the Quaker Oats Company. But Quaker Oats Company was bought by the Pepsi in 2001 (Lynch, 2007). Coca-Cola throughout history has crises in market shares. The New Coke fiasco was noticed and it took step to replace this version with original brand of Coke and defeated its archival Pepsi. Executives of the Coca-Cola thought to revise the formula of this Coke product (Adam Lindgreen, Martin Hingley & Joëlle Vanhamme, 2009).