

The determination of basic long-term goals and objectives of enterprise



INTRODUCTION

Alfred Chandler a business strategy theorist in the area of business defines strategy as “ The determination of the basic, long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for these goals” (Chandler, 1962: 13). By White (2004) in a simple definition says “ Strategy is regarded as a unifying idea which links purpose and action. In that case strategy combines the communication of human goals and the organisation of human activity to achieve those goals.

The concept of strategies business organization provides the means for it to generate income and competitive advantage by the persistent development and bringing new products into the market. For companies to be in competitive advantage it has to focus on meeting and supplying products to meet the rapid changing needs of the customers (White, 2004) . This proves the reason companies give the idea of new product introduction (NPI) appropriate consideration.

New Product Introduction is a project without a guaranteed success but yet an expensive one. The company has to consider the market in which they are competing, the nature of the competition and how their capabilities will enable their products to be successful (White, 2004). New Production Introduction generally entails innovation, that involves the modification of an existing product. Innovation is an essential accepts of all New Product Introduction projects and it involves a lot risk taking. New Product Introduction entails creativity, experimentations and analysis, that require a

huge amount of finance (Baker and Hart 2007; Allen and Hamilton 1968). In order ways, to achieve a high successful rate in New Product Introduction, we have to manage innovation properly.

The New Product Introduction in companies has to adopt a good strategy for the company to achieve a corporate strategic objective. The help of good corporate strategy facilitates the New Product Introduction strategy for an organized business performance (Baker and Hart 2007). A company's organized business strategy entails high creativity of innovation and technological drive with risk engagement.

The relationship between NPI strategies and business performance was identified by Copper (2001) with the three points of business new products performance which are;

High-quality new product process

Resource commitment

New product strategy

Cooper (2004) establishes that business performance is directly proportional to the introduction of new product performance which is dependent on the strategy employed.

Here are list of New Product Introduction strategies that a company could use:

The Differentiated Strategy: Differentiated strategy is the process that involves market aggressiveness, high technological approach, and quality price. This Strategy involves a percentage of 15.6% of manufacturing companies. In this strategy the companies are liable to maximize their competitive advantage in the market. Differentiated strategy is said to have a brilliant success rate (Anderson and Smith 2010).

The Low Budget, Conservative Strategy: Companies that adopt this strategy usually favour a low R&D budget and undifferentiated products (Anderson and Smith 2009).

The Technology-push Strategy: The strategy here is pre-occupied with technological development and they lose focus of their market demands. Here, their success rate is fairly average. This strategy is mostly seen within the dot-com companies mostly in the late 90s (Anderson and Smith 2010).

High-budget diverse Strategy: High-budget diverse strategy is considered as a high, and unfocussed R&D budget. The strategy is related to the technology-push strategy.

The Not-in-the-game Strategy: The Not-in-the-game strategy has a careful, favouring low risk, low technology products. Its goal is attained by low product performance.

It is concluded that the differentiated strategy provides the most excellent business performance in the market (Anderson and Smith 2010).

COMPANY BACKGROUND

The Coca-Cola Company is the world's largest beverage company refreshing consumers with more than 500 sparkling and still brands. Along with coca-cola, recognized as the world's most valuable brands, including Diet coke, fanta, sprite, coca-cola zero, vitamins water, Powerade minute maid, simply and Georgia coffee. Globally, we are the number 1 provider of sparking beverages, juice and juice drinks and ready-to-drink teas and coffees.

COCA-COLA CHINA

Coca-Cola China is one of the most well known international brands in china, with a leading position in the soft drinks market. Since re-entering china in 1979, coca-cola has invested more than US\$ 2 billion in the local market. By the end of October 2009, china business unit has established a total of 39 bottling plants.

MARKET, COMPETITORS AND CUSTOMERS

The beverage market is a very competitive one, due to the low barriers to entry, also the tendency of replication is high and the rate of changing trend because of the switch in customer feedback on a exact product is high.

NPI STRATEGY

The NPI strategy coca-cola used was the differentiated strategy. The new products are brought into the market by knowing what the customer wants in a specific time and place, which enhances a target market. New products could be accomplished by the process of market trend and recognition of a market place. The success rate of a product is achieved by the market target

(Graham et al, 1993).

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The improvement of the new ultra-light bottle is the peak of its size in the Chinese beverage market and has reduced the carbon footprint by 30%. Thereby helping it be an environmentally friendly in the terms of the global green effect, the bottle is designed in a way that it can be simply be twisted and compressed after consumption, in that process it saves more than 70% of the space needed while the bottle makes it way to recycling(Coca-cola, 2010) Shown in Fig 1 is the sustainable packagin

Fig 1: Shown is a sustainable packaging

MARKET RESEARCH AND PRODUCT CONCEPTS

Trott. P(2005) says that " new product strategy is part of a web of strategies. It is linked to, and its objectives are derived from, marketing strategy, technology strategy and the overall strategy". During a general market research, coca-cola discovered a target market, within which the consumers required their beverages in bottles no longer in plastic bottles. At the moment, ultra-thin classic contour glass bottle are in demand in the market. The ultra glass bottle has found a clear product idea.

PRODUCT DESIGN

The new ultra glass bottles are small but still contain the same content. The bottles are 40% stronger, 20 percent lighter and 10 percent less expensive than the traditional contour bottles. The challenges of the new ultra glass bottle were packaged to step up innovation in soft drinks. Packaging to bring the latest technology.

PRODUCT LAUNCH

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The new ultra glass bottle was launched in 2000.

DIAGRAM OF THE PRODUCT

RESULTS

Trott, P(2005) says " a successful brand combines an effective product, distinctive identity and added value as perceived by customers. Coca-cola china undertook a sustainable packaging rest analysis with its bottling partners to inform new packing solution. We have reduced the glass we use in our packaging by approximately 11, 000 tons by adopting ultra glass technology through responsible manufacturing and redesign efforts.

CONCLUSION

Coca-Cola company china was established to gain competitive advantage and boost their business performance. The author carefully analysed the strategy used in coca-cola for the new production introduction was successful and it was market intensive. According to Miles and Snow the business strategy used by coca-cola was the Defenders.

Coca-cola did not only invest in R&D and the market research respectively, their strategy path was focused. In the sense that the direction or flow of the decision making were in line with the clearly defined product, target market, processes and resources needed.

RECOMMENDATION

Before developing an NPI strategy, take into consideration the company's capabilities and most importantly the overall corporate strategy of the company. The use of a product innovation character, said by Crawford (1997: 65) as " a document that gives the conditions under which an organisation will operate, will be of great benefit to company, because it specifies the objective to be achieved.