

Slp - 5 entry international market selection and market

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International Market selection and Market Entry of Coca-Cola in China One of the best selling brands in the world in the soft drink products market is Coca Cola. In fact, in the past two decades, the company has made a huge expansion rate in all continents and has made a tremendous profit indexes out of its marketing regimes. Other than Apple and Google, Cullen & Parboteeah (2009) states that with more than 500 brands of product consumed in the world, coca cola brand remains the world's largest beverage company that operates in more than 200 countries globally. With its normal global expansion strategy, the company has penetrated many market segments, by building and leveraging a strong brand image in the market. This study looks into the entry strategies that the company employs in new markets, especially the strategies that the company used in selecting the Chinese market. According to Wang (2008), coca cola entered the Chinese market in 1979 and ever since has been one of the most trusted brands in China

China is one of the largest economies in the world, with its market dominating in the world market system. Every company would like to have a link with Chinese economy due to various economic factors. Coca cola in this case has used its internationalization approach to thrust its brands into the Chinese market with a characteristic transitional organization that integrated a responsive framework with the global entry strategy. It is important to note that the major strategy that the company used, as described by Wang (2008), is that achieving high expansion using the economies of scale principle and adopting to the needs of the Chinese. In the end of every marketing program, the company is known to establish an independently

owned foreign subsidiary.

One of the major experiences of the company in China is that, as stated by Piercy (2009), at some point, the transaction costs of executing, enforcing and writing contracts in a foreign country through the market may be higher than the cost of internationalizing the market. In this case, therefore, the company has opted to use its internationalization approach to expand its product niches to the extreme regions of Chinese market. Based on the company's long history in China, the company has experienced myriad competition from like-companies in the highly versatile Chinese local market environment (Wang, 2008). The company has gained many experiences and marketing ability that does exceeds external circumstances hence its survival in the Chinese market thereby capturing the largest beverage market share among the multinational corporations (MNCs') market. As argued by Moore & Pareek (2009) China has a large and diverse market that present a long-term proposition. This situation requires lots of experience in operating in china in order to gain much of the marketing success. It therefore requires also diligence, patient efforts in order to build a reputable business over time. Coca Cola Company should therefore focus on the next decade with an expansion process that uses the wisdom of marketing approach (Piercy, 2009). This study therefore recommends internationalizing organization, transitional organization, as well as global organization strategies in addition to the strategies adopted currently by the company in China.

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