

Coca cola essays examples

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



The Coca Cola Company has been in existent for over 100 years. The company products extend from different flavored soft drinks to bottle water. Coke is their most selling and the most popular of all their products. The Coca Cola Company has a worldwide market and indisputably one of the most valuable companies in the world. Coke faces competition with other brands such as Pepsi, Dr Pepper and few others. Coke has managed to control the market as the most popular and most sold soda in the world. In the United States, Coke faces a lot of competition even though it is well recognized than its rivals. The five forces model measure the micro and macro environment of Coke. The model measures the entry of new competitors, competitive rivalry, threat of substitutes, bargaining power of customers, and the bargaining power of suppliers.

The threat of new competitors is not a problem for Coke. The product has customer loyalty and quality brand image. The company also has great advertising and marketing channels which helps the brand image. The company also provides a better retail distribution of Coke which gets the product to consumers faster. This will make it difficult for competitors to threaten Coke because they will have to spend billions of dollars.

Competitive advantage is significant for Coke. Its main rival Pepsi is also present in almost every country where Coke is sold. Coke and Pepsi represent a large percentage of the soda market. Coke establishes differentiation from Pepsi based on its commercials and product flavors such as the cherry coke, diet coke, coke zero and others. These gives coke the competitive advantage over its rivals. Coke also faces significant threats from substitute products. Substitute for coke include Pepsi, Dr Pepper, juice

or even water. Coke faces a significant threat because it's a drink and there are many substitutes available in the market especially now that people are eating healthy. Also the price for coke is not expensive which makes switching costs for consumers easy. The bargaining powers of customers are also important to the product. Many buyers of coke are found in fast food restaurants, vending machines, convenient stores and others. The price of coke in these places cannot be bargained by customers because there is a set price for the product. The prices maybe vary in different places but they cannot be bargained by the customers. The bargaining power of suppliers is not significant to Coca Cola Company. This is because the raw materials used for making coke such as sugar, color, caffeine etc are relatively cheap and the prices are fixed.

The Coca Cola Company faces many opportunities and threat in the United States. The U. S. market for soft drinks has strong competitors which makes it difficult for Coke to have a clear margin in market control. Some of the opportunities for Coke in the U. S. market are acquisitions, demand for healthy beverages and growing beverage consumptions in emerging markets. Growth through acquisitions is one of the best opportunities for Coca Cola. Purchasing other companies will make Coca Cola a parent company and diversify their products which will increase revenue and profits. Many big companies grow through acquiring smaller companies to expand their markets. It is significant if Coca Cola can start acquiring smaller beverage making companies which will help expand their product line. Also, many consumers in the U. S are eating healthy which means they are leaning towards the consumption of healthy beverages. Coca Cola has the

opportunity to start investing in healthy beverages to serve the demands of that market. Coca Cola possesses a quality brand image that will attract consumers if they start making healthy beverages. Finally, the beverage consumption in emerging markets such as Brazil, India and other parts of Asia, and Africa are growing. Coke has the opportunity to thrive in these markets by creating a reliable distributing channel and offering the product at an affordable price.

The threats that the Coca Cola Company faces are competition, healthy choices and law suits. Competition is one of the significant threats of coke. Competitors are Pepsi, Dr Pepper and many others. The Coca Cola Company controls about 20 percent of the market share and is followed closely by Pepsi. Also, there have been changes in consumer preferences in choices of drinks over the past few years. Consumers are switching to healthy options which categorize Coca Cola beverages in the unhealthy section. This also brings attention to the ingredients that is used in making Coca Cola soft drinks. Finally, there have been many legal actions taken against Coca Cola Company about revealing all ingredients that is used in making Coca Cola beverages. Also there have been law suits about the amount of sugar used in Coke could be harmful to consumers and could cause cancer. This concludes the threats that Coca Cola Company faces in the U. S market.

As the CEO of Coca Cola Company, the potential threat and opportunities provide the need to develop a strategic management process in how the company will operate in the U. S market. The strategic management method will capitalize on the opportunity to extend the product line of Coca Cola to include healthy beverages whether it will be creation of a new product or an

acquisition of healthy beverage company. Also, the strategic management will help in rebuilding the brand image of the company which will help target all types of consumer markets. Finally, it is significant to have differentiation in every country. The U. S. market is an example of a market that demands all kinds of beverages and it is important that the company will recognize that and serve the needs of the market.

The Coca Cola Company is one of the most valuable companies in the world and it has resources and capabilities that improve the company. According to the 2014 earnings, the company saw sales growth in different countries. The financial statements of the company show a decrease in revenues and profits. These are not huge decreases but they are significant in determining the future of the company. The company made billions in sales and it still a power house in the industry. The financial statements also show that the company still has the resources it needs for the company to maintain its current position. Coca Cola also spends billions of dollars on commercials and sponsorships. The company can develop and maintain its sustainable competitive advantage. The sustainable competitive advantage for Coca Cola is its brand name. The company has built a brand which is known all over the world and it will be difficult for any company to achieve that success.

Coca Cola has competitive advantage that could last for many years to come. The company has achieved a strong brand name and good marketing for its product. Competitive parity is important for the Coca Cola Company. Competitive parity is not rare in the soft drink market because many competitors to use it to some extent. Coca Cola has a competitive parity

which will be difficult to imitate by its rivals. Coca Cola invests billions of dollars into its product that makes it difficult for its competitors to do the same. Sustainable competitive advantage is valuable to Coca Cola because it is long term and cannot be imitated by rivals. Not all companies have competitive advantage especially in the soft drink market it is rare.

Sustainable competitive advantage is a capability. Many companies have the resources but cannot achieve a sustainable competitive advantage. Coca Cola has been around for over 100 years and it has established a strong brand name with its consumers.

The proposed Blue Ocean Strategy for Coca Cola Company is to create and capture new demand. Coca Cola makes about 80% of its revenue from the soft drink industries. This shows that Coca Cola is still exploiting demands instead of creating one. In the U. S. market, there is the demand for healthy drinks such as juices and other healthy drinks. This presents the opportunity for Coca Cola to capture a new market demand by creating new products that meet consumer demands. To develop this strategy, it will be best to use the five elements of strategy which are arenas, vehicles, differentiation, staging, and economic logic.

The staging of the new product will should be done gradually and let the product attract the consumer instead of putting the product on the market. The new product should be sold in markets where the product will grow and become a strong brand. It will be better to introduce a one or two varieties of the new product and add more if the market starts to grow. The product should be at a low cost but premium quality. This will attract more consumers to the product especially now the consumers demand quality

products at cheaper prices. These five strategies will help develop a potential Blue Ocean Strategy for Coca Cola which will help them create and capture new demand instead of exploiting the existing markets.

The Coca Cola Company has many opportunities to expand the market of the company by introducing new products which concern different markets. This will lead to create and capturing a new market and demand instead of exploiting old markets. Every company face threats but Coca Cola has a competitive advantage which narrows their competitors to just one, Pepsi. Coca Cola invests billions of dollars into advertisement, sponsorship and diversification of their products. This has made Coca Cola a strong brand worldwide and it is almost impossible for its competitors to imitate.

Work Cited

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