

Good example of
research paper on
brief introduction
about the company
and its pr...

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



International Marketing Strategies

International Marketing Strategies

Coca Cola Company has launched its products in different countries. Today, coca cola has well known products and brands all over the world. Coca-Cola Company's success journey is not smooth enough, the roads to success is not easy or piece of cake for this company. With every passing year, this company through its international marketing strategies continued to gain growth and momentum. This company is the most rapidly expanding beverage industry and it is also considered as world's best beverage company. From its commencement, this company sustains itself to operate in more than 200 countries. Before discussing more about this international beverage company, the history and commencement period must need to be discussed which itself depicts how well Coca-Cola Company has been formulating and implementing international marketing strategies (Varey, 2002).

The company has been founded way back in the 1880s, this is originally an American brand which was developed by John Pemberton. The design and name of the product were originated on the storekeepers demand of prepackage products along with their proper brand name. The aim of its founder was to supply coca cola brand with the same uniform taste all over the world. That aim became the baseline for expanding coca cola products globally (Tyagi & Kumar, 2004).

Coca cola mission statement is “ refresh world, inspire moments of happiness while creating value and make a difference.” Coca cola is

operating worldwide so the employees working at there are around 146000. The estimated quantity of serving coca cola drinks every day is around 1.7 billion. Coca cola became an eye catching and gained popularity due to its differentiated taste and quality than its competitors (Kotler, & Keller, 2006). This brand has very interesting evolutionary history, in 1886 this was originated as the soda fountain drink. After that, the company first bottling agreement was assigned and contour bottle was founded in the years 1899 and 1916 respectively. The first step was taken towards globalization in 1920s era where the product branded itself as international product. This was done by expanding products outside the range of United States. In 1970, the company exited from India due to FEMA regulations and yet again relaunched the brand in India. In that phase, the local brands have been acquired like thumbs up and sprite. Coca Cola has different products like Kinley, Fanta, Coke, Rani, Sprite, Maza etc. the beverage company is not just dealing in the soft drinks but also in juices and plain water.

2) Company's Rationale behind Internationalization.

As discussed above, the mission statement of Coca Cola Company actually actuated it to expand its market globally. This phase had been started in the early 1900s, which was the time when coca cola product started to globalize its products. The question arises, how the products started to globalize, the answer to this question is that, Coca-Cola initially started to build up bottling plants in Panama and Cuba. The reason for choosing these regions as a startup was the US military. They were scattered in those regions and Coca cola is an American brand so they started using this product in vast quantity. This was the first step towards success as the delivery costs was low in those

regions as well as shipping hectic was also reduced. Coca cola additional bottling plants were opened in different regions like Hawaii, Philippines, and Puerto Rico etc which supported this company to test their products prior to their expansion (Koekemoer & Bird, 2004).

In the year 1926, the foreign relationships along with the plants had been established by Coca Cola all over the world. It is observed that the rapid growth, mass production and expansion continued till the next decades. The smart move was taken by this company, local branches and partnerships were made in order to distribute and produce Coca cola's signature products. However, there were different factors that actually motivated coca cola to move towards internationalization. These factors are as follows:

The learning curve and internal economies of scale: In the phase, where company decided to move towards internationalization, it was already managing around 800 bottling centers. So, before heading towards expansion, company was already mass producing its products and operating efficient production system, so had command over industry and operations. It was already a competitive threat for its competitors as it was one of the largest soft drink producer of the country (Bsonera, 2009).

Economic and Political context:

That factor actuated company toward expansion in all over the world. The company initially started to cater the regions within America, after that, when the products successfully attained profits, then it expanded its operations to overseas like Africa and Europe. The Second World War was the period when company actually boosted up its international operations.

Due to sugar shortages, company worked on the smart strategy by setting up 64 bottling plants all around the world. The company further stated that American soldiers would have taken their products no matter wherever they go (Cateora & Graham, 1999).

Brand Recognition and Entering Into New Markets:

The coke was accessible in more than 120 countries that had increased the chances and possibilities to see different regions and launch coke in those regions so that their product could get global recognition (Bodden, 2008).

Take competitive edge over others:

Coke already has a strong preference in the world because of its global acceptance and universal appeal so it became easy for them to reach maximum markets along with generating more sales and revenues earned because the product already had created an urge for its beverage consumption (Kotler, & Keller, 2006).

Modes of Entry and alliances

Coca cola when decided to expand their operations and businesses, there they started changing their operation model into a model which is based on the franchises as well as diversified alliances. By using these modes of entry and alliances into various countries, coca cola was able to reach two eminent objectives:

The first one is cost reduction and the second one is product differentiation.

Cost reduction: company entered into various countries by establishing their bottling plants which in return reduces its shipment and delivery costs. By establishing alliances, company lessens its risk of entering into the new markets. Coca cola establishes an alliance with the local companies. The company does not have to start from scratch which gives it an added advantage, because it also helps in making an effective distribution channels with the help of local companies alliance (Yang, Roskos & Roskos, 2004).

Product differentiation: The operation strategy of Coca Cola Company supports its product differentiation strategy. Its operation strategy depicts the statement as ' Think globally and act locally.' This statement is self explanatory that company has very well understood the fact that strategies used while operating in a country does not always work for another country. Company is catering the local environment needs and requirements and according to that act and operate respectively. One of the parts of this strategy also includes augmenting the products portfolios and acquiring local branches (Spurgeon, 2008).

4) Evaluate the marketing mix strategies adopted by the company.

Following are the marketing mix strategy adopted by Coca Cola Company:

Product:

The Coca Cola soft drinks is not just a flavored liquid but also a soft drink that has unique and eye catching packaging. The product does not give need satisfaction to its consumers but also provide convenience factor as well by

offering them different sizes of soft drink. The product itself is perceived as a drink which satisfy the thirst of its consumers. As the company is operating globally so the taste and consumer preference have been kept in mind. This is done by offering different flavored and customized tastes products which not only best satisfy their diversified consumers' needs and wants but also increase company's revenues. The main benefit from the product that consumer receive is the satisfaction from the thirst, on the other hand, the product gives more satisfaction by their product size and differentiate tastes. Products with different tastes include Fanta, diet, sprite, Coke etc. these products augments Coca cola product line length and also helpful in maximizing the revenue rates. Convenience is the product feature that made it possible for the consumers to buy and consume immediately. This product reduces the buying efforts, and the appearance is eye catching and it is in its maturity stage (Koekemoer & Bird, 2004).

Price:

Pricing strategy places an important part in increasing revenues and sustaining consumers. Coca cola emphasizes on its pricing strategies. Company is altering its pricing strategies by keeping an eagle's eye on its competitors. The biggest competitor of coca cola is Pepsi, and the pricing of both brands are almost same. Coca cola soft drinks and other products have reasonable and affordable pricing strategies.

Place:

As discussed above, Coca Cola Company enters into the foreign markets in different ways. The mode of entry is franchising, direct exporting and

licensing. Apart from the mentioned mode of entry, coca cola's special syrups are directly exporting to the overseas distributors as well as organizations.

Promotion

The important strategy is to focus on the promotional strategies. Every company and product need to create awareness regarding its products and services, without it, companies cannot earn profits. Coca cola involves in the promotional activities by involving mass media. Company actively promotes its products by using TV ads, banners and sponsoring the mega events.

Apart from that, the line promotion is another promotional strategy that gives maximum results to the company (Kotler, & Keller, 2006). Coca cola associates itself with different huge brands like McDonald's and other huge restaurant chains, endorsing top brands and celebrities, attractive packaging. Coca cola promotional mix includes advertising, direct marketing, online marketing, sales promotion, PR and personal selling.

5) Discuss brand positioning and advertising strategy.

Coca cola positions itself as a strong and market competitive product. The position of Coke and Pepsi is challenger as these brands have similar product prices along with its packaging and appearance. The other brands like Mountain Dew and other local use follower's strategy. Coca cola positions its product with happiness, family, entertainment and celebrations.

Coca cola is a self-sustained brand already in its maturity stage however, it is used advertising mediums in order to remind its products to the viewers either potential consumers or existing ones. The advertising strategies

include a huge and visible billboards with vibrant colors that attract the passer by easily. Coca cola use all the promotional mix strategies as discussed above in order to recall its brand among consumers. For that, the advertising budget always revise as per their competitor's budget amount so that their products become more competitive than competitors (Bsonera, 2009).

6) Competitor analysis with respect to the host country.

Coca cola biggest rival is Pepsi, both products have similar product features and pricing strategies. Coke and Pepsi competitor analysis can be done by using Porter Five Forces.

The annual growth rate of coca cola products is in European Region. The market share of Pepsi is higher than Coke, however, advertising spending of coke is higher than Pepsi.

7) How social and cultural factors have significant impact on the target market in an international environment.

Society plays an eminent role in formulating products and its marketing strategies. Coke has been launched in more than 200 countries worldwide. In order to keep all the consumer satisfied coke considers the social and cultural factors in mind. For instance, for youth and young generation, coke includes CAN, non-disposable bottles have been introduced so that people can travel and can reduces their craving for soft drink by having disposable bottles. For family gatherings or friend's hangouts, 500 ml bottle has been launched. Similarly the advertising and promotions are done as per the cultural of that country. For instance, in Saudi, Pakistan and India Coke come up with the advertising that best match their cultures. Such efforts directly

influence their target market and get the opportunity to cater and grab their international market (Bodden, 2008).

8) Which factors influence the decision in developing distribution channels internationally?

The below chart depicted the key factors that have a direct influence on Coke distribution channels internationally.

1. Key partners
2. Key active
3. Key Resources
4. Cost structure
5. Customer Relationship
6. Channels
7. Customer Segments
8. Revenue streams
- 9) Conclusion

Thus, it can be concluded that Coca cola is successfully implementing the international marketing strategies in order to successfully capture global market. Coca Company is operating all over the world and to sustain in the international markets, the social and cultural factors are kept in mind.

Company has all its marketing strategies designed in order to best meet its mission statement that is “ refresh world, inspire moments of happiness while creating value and make a difference.” Coca cola has different

products with different tastes, these include Fanta, diet, sprite, Coke etc.

these products augments Coca cola product line length and also helpful in maximizing the revenue rates. Convenience is the product feature that made

it possible for the consumers to buy and consume immediately. This product reduces the buying efforts, and the appearance is eye catching and it is in its maturity stage. The soft drinks and other products have reasonable and affordable pricing strategies. Coca cola associates itself with different huge brands like McDonald's and other huge restaurant chains, endorsing top brands and celebrities, attractive packaging. Coca cola is a self-sustained brand already in its maturity stage however, it is used advertising mediums in order to remind its products to the viewers either potential consumers or existing ones.

References List

Bodden, V, (2008), The Story of Coca-Cola, Creative Education

Bsonera, B, (2009), Consumer Decision Making.

Cateora, P., & Graham, J. (1999). International marketing (10th ed.). Boston: Irwin/McGraw-Hill.

Koekemoer, L & Bird, S, (2004), Marketing Communications, Juta Publications

Kotler, P & Keller, K, (2006), " Marketing Management", twelfth edition, Prentice-Hall

Sandhusen, R. (1997). International marketing. Hauppauge, N. Y.: Barron's Educational Series.

Spurgeon, C, (2008), Advertising and New Media, Taylor and Francis

Tyagi, CL & Kumar, A, (2004), Advertising Management, Atlantic Publishers and Distributors

Varey, RJ, (2002), Marketing Communication: principles and practice,

Routledge

Yang, M., Roskos-Ewoldsen, B., & Roskos-Ewoldsen, DR, (2004), “ Mental models for brand placement”. In L. J. Shrum (Ed.), *The psychology of entertainment media: Blurring the lines between entertainment and persuasion* (pp. 79-98). Mahwah, NJ: Lawrence Erlbaum. [Book chapter]