

Example of coca-cola company in the soft drinks industry research paper

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



Introduction

The coca-cola company is a multinational company dealing with manufacture and retail marketing of nonalcoholic beverage and syrups. Incorporated in 1892, the coca-cola company has its headquarters in Atlanta, Georgia. Over 31, 000 around the world work in the coca-cola company and its subsidiaries. The company offers a myriad of coca-cola brands across the world.

According to the company's report, more than 500 coca-cola brands are distributed over 200 countries. The company's first attempt to manufacture soft drinks was in 1963. Tab was the first soft drink to be manufactured by the company with the use of saccharin in place of sugar (Pendergrast, 2013).

Market Size of Coca-Cola in the Soft Drink Industry

The coca-cola company is involved in the production and distribution of non-alcoholic products around the world. The company has demonstrated great strength in conducting business locally and across international boundaries. The production of soft drinks has gained reputation for the company as the best selling company in 2001. According to the company's reports, the company has offered a large number of employment opportunities to the locals and to the entire world in general. Most of the company's supplies are acquired within the region thus creating the development of supplier industries. In 2010, the coca-cola company bought interests in coca-cola enterprises giving the company over 90% control of the North American volume. The coca-cola enterprise is the major contracting bottler. The distribution and supply of soft drinks by the company is done at a discount to large grocers and restaurants. The later sell the products to consumers at a

bargain price. Large grocers buy soft drinks in large volumes enabling them to buy at lower prices. By contrast, restaurants usually have a relatively less bargaining power to large grocers since they do not buy in large volumes (Hill & Jones, 2010).

Scope of Coca-Cola in the Soft Drink Industry

The company has also turned its focus on production of healthier varieties of carbonated soft drinks (CSD) as a result of the high health issue concerns. The decline in consumption of carbonated soft drinks in the western markets has been as a result of health issue concerns over the ingredients used in their manufacture. The company has embarked on the production of products with low calorie for its strategy to gain market for its products. In 2011, the company succeeded in producing and selling of diet coke. The product was second best selling CSD in the United States (Hill & Jones, 2010).

Growth/Decline of the Company in the Industry

The company has, over the years, increased its productivity and efficiency in marketing its products across the world. As a result of increased demand for coca-cola products, the company has strategies for diversification of products in order to increase area coverage of its products. The coca-cola company has been responding to customers' demands positively through manufacturing of products in line with consumer interests. In 1990, coca-cola company introduced several non-carbonated beverage products in the market. For instance, the company introduced minute maid, Nestea, Fruitopia, Dasani, and Powerade among others (Pendergrast, 2013).

Major Segments in which Coca-Cola

The introduction of these soft drinks in the market led to higher sales and profits in the company. In 2001, a division of coca-cola company, minute maid, introduced Simply Orange juice products in the market. In response to customers' criticism, the company introduced low-carbohydrate drinks such as the Atkins diet and diet coke. In 2010, coca-cola company was recognized as the best soft drink selling company across the world (Hill & Jones, 2010).

Estimated Market Share of the Largest Company in the Soft Drink Industry

The coca-cola company has been the leading producer of soft drink around the world followed closely by PepsiCo. The market share of coca-cola company is estimated at around 32.70 percent while PepsiCo has an estimated 17.50 percent market share. Over the years, there has been a stiff competition between the two industries in production of soft drinks. The coca-cola company has maintained its position through change of brands depending on customers' change of taste and preferences (Pendergrast, 2013).

Industry Trends

Trends in the company's carbonated soft drinks are brought about by the increase in the health concerns and expansion in the international markets. The coca-cola company soft drink sales are approximately 60% of the entire company's revenue. According to the company's reports, the coca-cola company had over 60% of the \$39 price estimates. The consumption of carbonated soft drinks has raised a lot of health issues among the

consumers. Health institutions have emphasized on the risk of soft drinks to human health. As a result, consumers have dropped their consumption of carbohydrate soft drinks. This has significantly affected the company's profitability and performance (Hill & Jones, 2010).

Strategic Implication of Coca-Cola Market Share

The shrinking of soft drink sales has been experienced in some of the developed markets of Western Europe and North America. As a result, the company has embarked on strategies aimed at producing safe and healthy soft drinks. The coca-cola company has focused on increasing market spending on coca-cola products. The PepsiCo, which is a close rival of the coca-cola company has also engaged in a fierce competition. In 2011, the coca-cola company increased its spending by 10% in an aim to increase its sales (Hill & Jones, 2010).

References

Charles Hill, a. G. (2010). *Theory: An Integrated Approach*. New York: Cengage Learning.

Pendergrast, M. (2013). *For God, Country, and Coca-Cola: The Definitive History of the Great American Soft Drink and the Company That Makes It*. New York: Basic Books.