Coca-cola company internal and swot analysis case study sample

Business, Company

Executive Summary

Coca-Cola, one of the most widely known brands in the world, is a prominent manufacturer, distributor and retailer in the beverage industry. There are certain properties that make it different from the competitors. The SWOT analysis is an important tool for the company that allows for keeping awareness of its core strengths that it has to develop, weaknesses that it should work on, its impending opportunities and threats that it should prevent in order to achieve high productivity and increase in profit. Coca-Cola is undoubtedly a leader in the industry, but it is necessary to remember that the key to success is constant improvement at all the levels of its functioning (The Value Chain, 2007).

Background

Coca-Cola is the world's leading producer, dispenser and marketer of beverages and drinks. It is best recognized and identified based on its signature brand. From a small company that it was 150 years ago, today it has almost 500 products under its hefty umbrella alone. It possesses licenses for juices, light beverages, water and other soft drinks, chiefly non-alcoholic ones. The official version of the company history is that it was devised by pharmacist Dr. John Pemberton and since there was just no looking back for the company.

Powerful magazines like Business Weak call Coca-Cola number one brand among top 100 in the world. The respective value of the company as an inter-brand was as high as $65, 324 million in 2007. The company works in

more than 200 countries and 74% of its sales growth and revenues is engendered from countries outside US, because it enjoys the world's largest and competent distribution system.

The company functions under a franchise distribution structure, where only a few bottlers hold the respective exclusivity to sale out and retail the products. Trademarks and patents of almost 1. 5 billion in the world is a direct testimony of the growing market and revenue of the company. As far as the acquisitions made by the company are apprehended, it has took over brands like Minute Maid, Thumbs Up, Barqs' and Odwalla over the recent years.

SWOT Analysis of the Company

SWOT is a tool that allows for analysis of the internal strengths and weaknesses of the firm and the external opportunities and threats it is confronted with. The SWOT for a company as big as Coca-Cola is interesting for analysis, but at the same time very vast by nature, which creates certain complications. Analysis of the man aspects of the company's functioning are presented below.

Strengths

Coca-Cola is the world's leading multi-national brand and due to its sturdy brand value among customers, distributors, marketers, wholesalers around the globe it has firmly established its position in different markets. Because of its strong brand name recognition people enthusiastically and promptly accept the product in different forms.

The company has consummate and skillful staff rendering services of extraordinary quality for not only monetary rewards but the sheer purpose of ultimate satisfaction and fulfillment of value for the customers residing in 200 countries. Thus, another positive feature of the Coca-Cola Company is its committed, diligent and meticulous staff. Among all the HR departments of the multinationals around the world, Coca-Cola has a prominent one due to its unordinary recruiting processes.

Coca-Cola's bottling and franchising arrangement is one of its main strengths, as it allows the bottlers to conduct the business in inter-collaboration with a bounded and enclosed approach.

Promotion and marketing strategies adopted by the company are exceptional. For its advertising purposes, it generally hires celebrities including pop-singers, movie actors, and sports people. Owing to this technique, customers choose the brand, as they want to be like the celebrities and make the same choices.
The taste of the drink is the backbone of success for the company; it is well accepted by the customers.

Weaknesses
All companies have certain weaknesses, and Coca-Cola is no exception (Zahorsky, 2009).
The diversification of substitute products of the company like Pepsi, Dr. Pepper and similar others has led to assorted options being available for the customers and they are free to choose among products offered.
The health aspect affiliated with the brand is a matter of huge concern to

people who are obesity concerned. Coca-Cola drinks have high-caloric ingredients, thus preventing health-conscious people from using the product.

Because of its focus at the target audience of the youth, the market of elder people is left without much attention. If this problem is solved, there could be a considerable increase in profit.

According to statistics in Fortune magazine, Coca-Cola has 35% of sluggish and lethargic markets in countries like North America, Latin America and Japan.

Opportunities

One of the pivotal opportunities that the company should cater for is developing a structure of healthy drinks that could solve the dilemma of portly and obesity concerns of the customers.

Coca-Cola should take benefit of the growing bottle market around the world; it can provide the company with ample assortment and wider geographic expansion. Thus, it pertains to more acquisitions by the company that could yield greater profits in turn.

The main plus for the Pepsi is the increased and widened product portfolio it offers to its customers. Thus Coca-Cola should also indulge in the food and snack manufacturing side of the business and give its customers a diverse range of products to choose and relish on.

Threats

In today's world, there is a fashion of constant experiment and play with the use of technology to improvise on the quality of the product (Henry, 2007). Coca-Cola has been producing the same beverage for a long time, which is a standard drink, whereas its counterparts keep on innovating different tastes in their respective drinks. Thus, only when Coca-Cola tries some different ways to invent or improve the taste it produces, the sales can become greater.

Innovation is a key to move ahead of its competitors, since the barriers to new entries are low in the market and it is already saturated. Thus, Coca-Cola should continuously try innovating ideas to maintain its competitive advantage over others.

A major threat to the brand is the prevailing depressing economy around the globe. Because of low purchasing power, the consumer preferences alter and there is a general desire to buy goods that are of immediate importance and are included in the category of basic necessities of life, promising efficient utilization.

Every organization, no matter how large or small, should carry out a SWOT analysis to evaluate and assess its market position in the market among its customers, competitors, shareholders and everyone affiliated with the company (SWOT analysis, 2009). Therefore, Coca-Cola's intense scrutiny can help the company to prosper in the long term and make a lot of revenues from its adjustments and operations.

Questions

1. What are the potential strengths that Coca-Cola Company has inherited ever since its inception?

2. What are the possible weaknesses on which Coca-Cola should work to strengthen its brand image of a powerful beverage brand?

3. What opportunities should the company keep in mind while making its way for improvements in the long run?

4. What are the probable external threats to the company?

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