

# Food marketing report – the coca cola company

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



## Vision

In order to achieve sustainable and quality growth, Coca-Cola's company has established vision with clear goals.

- People: Be a great place to work where people are inspired to be the best they can be.
- Portfolio: Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs.
- Partners: Nurture a winning network of customers and suppliers, together we create mutual, enduring value.
- Planet: Be a responsible citizen that makes a difference by helping build and support sustainable communities.
- Profit: Maximize long-term return to shareowners while being mindful of our overall responsibilities.
- Productivity: Be a highly effective, lean and fast-moving organization.

## THE COCA-COLA COMPANY ' S PRODUCTS

The Coca-Cola's company has a wide range of products, but we will be focusing on different flavours of Coke only which are Coke Zero, Diet Coke and Coke.

## PEST

### Political

Non-alcoholic beverage is one of the products that fall under the FDA food category. The government is one of the important roles of manufacturing the products in terms of regulations. There are potential fines set by the government if companies do not meet the standard requirements/law. The factors that cause the Coca-Cola Company's actual results to differ from the expected result in their underlying company's forward statement are:

- Changes in laws and regulations, including changes in accounting standards, taxation requirements, (including tax rate changes,

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new tax laws and revised tax law interpretations) and environmental laws in domestic or foreign jurisdictions. •Changes in the non-alcoholic businessenvironment. These include, without limitation, competitive product and pricing pressures and their ability to gain or maintain share of sales in the global market as a result of action by competitors. •Political conditions, especially in international markets, including civil unrest, government changes and restrictions on the ability to transfer capital across borders. •Their ability to penetrate developing and emerging markets, which also depends on economic and political conditions, and how well they are able to acquire or form strategic business alliances with local bottlers and make necessary infrastructure enhancements to production facilities, distribution networks, sales equipment andtechnology. Economic

There was a global economic crisis in 2008 which was caused by some significant indicators of economic downturn worldwide. Global inflation was one of the causes. As inflation rate raises higher and higher, consumer buying power signifies a key threat in the industry. The rivalry between Pepsi and Coca-Cola has create a very slow moving industry in which management has to constantly respond to the changing attitudes and demands of their consumers or face losing market share to the competition. Besides that, consumers can simply change to other beverages with little cost or consequence. Non-alcoholic beverage industry has elevated sales in countries outside U. S. According to the Standard and Poor's Industry surveys, " For major soft drink companies, there has been economic improvement in many major international markets, such as Japan, Brazil, and Germany." Thus, these markets will constantly play a main role in the

success and stable growth for a majority of the non-alcoholic beverage industry. There is also a low growth in the market for carbonated drinks, especially in Coca-Cola soft drinks' main market, North America. The market growth recorded at only 1% in 2004 for North America. Social

Social factor involves changing attitudes and personal lifestyles. The increasing number of women going out to work, for example, led to the need for time-saving products for the home. For example, U. S. citizens are practicing healthier lifestyles has affected the non-alcoholic beverage industry. They had bottled water or diet coke instead of alcoholic drink and beer. The need for bottled water and other more convenient and healthy products are in important. Possible substitutes that constantly pressurise Coca-Cola include tea, coffee, juices, milk and hot chocolate. Increasing health consciousness among consumers, public health professionals and government agencies of the potential health problems related with obesity represents an important challenge to the Coca-Cola industry. Coca-Cola contains a lot of sugar and it can be harmful if consumed too much. Thus, this will affect the non-alcoholic beverage industry by increasing the demand overall and in the healthier beverage. Coca Cola's company has recognized that obesity is a public health problem. Their promise to consumers starts with the company's broad product line, which includes a broad selection of diet and light beverages, juices and juice drinks, sports drinks and water products. Coca-Cola can be used at any functions at anywhere and anytime. For example, during wedding dinner, coke is one of the drinks that are used to serve the guest. During birthday parties, people would also order the whole tub of coke supply for the guest.

For leisure time, people would purchase coke to quench their thirst. Caucasian tends to order before ordering their main dish for dine-in.

### Technological

Some factors that cause company's actual results to differ materially from the expected results are as follows:

- The usefulness of company's advertising, marketing strategies and promotional programs. The new technology of internet and television which use special effects for advertising through media could increase the awareness of the product. They make some products look attractive. This helps in selling of the products. This advertising makes the product attractive and allow consumer to know better of the product. This technology is being used in media to sell their products.
- Usages of cans and plastic bottles have increased sales for Coca-Cola as these are easier to carry and you can bin/recycle them once they are used.
- New machines have been created over time to decrease productivity time and increase the amount of the product. For example, CCE has six factories in Britain which use the most state-of-the-art drinks technology to ensure top product quality and speedy delivery. Europe's largest soft drinks factory was opened by CCE in Wakefield, Yorkshire in 1990. The Wakefield factory has the technology to produce cans of Coca-Cola faster than bullets from a machine gun.
- The most recent technical achievements made by Coca-Cola's company and Ardagh Glass was the new environmentally friendly version of the iconic 'Coca-Cola' Contour bottle which has won number of awards for its light weight.

### COMPETITIVE ENVIRONMENT

## Direct competitors

The direct competitors of Coca-Cola include all soft drink such as 7up, F; N. However, the major direct competitor of Coca-Cola is Pepsi. Pepsi often engage in price cut wars, prize scheme wars and sponsorship wars to win over each other customers.

## Indirect competitor

Indirect competitors of Coke include beverages other than carbonated drinks, such as coffee, tea, juices. One of the examples of the indirect competitors of Coke is processed fruit juice. One example of such fruit juice is the F; N Fruit Trees Fresh brand. As fruit juice is always the healthier choice, consumers may be more incline to purchase fruit juice instead of Coke.

## Company's current segmentation

Coca cola serves its product using mass marketing and distributing technique. This falls under undifferentiated marketing, whereby Coca cola focuses on designing a product, in this case, Coke, that will appeal to the largest number of buyers and consumers. Since Coca cola falls under the undifferentiated marketing, there is no market segmentation involved. However, there are minor factors on which we can say that Coca cola still segments its products and targets a small group of consumers.

The four bases of segmentation is as follows,

### 1. Geographic Segmentation

•Country, region or state.

Coca cola segments its products country and region wise. The taste and

quality of Coke produced varies according to the income level of the country or region. •Climate

In Coca cola marketing, its product, Coke, is designed to be served and consumed cold. Thus Coca cola targets on hot and humid countries where consumers are more likely to purchase Coke compared to cold countries.

## 2. Demographic Segmentation

Coca cola mostly targets group based of variables such as age and income.

### •Age

Coca cola targets the younger generation rather than the older generation.

### •Income

Coca cola offers different promotions and packaging to different income groups. Lower income group may go for promotional discounts while higher income group may buy in bulk.

## 3. Psychographic Segmentation

Coca cola segments to all the groups, be it social class, lifestyle, personality, within psychographic segmentation.

## 4. Behavioral Segmentation

Coca cola mostly targets group based of variables such as occasions and usage rate.

### •Occasions

During different festive or non-festive occasions, consumers tend to buy Coke in bulk to cater as drinks for guest visiting and celebrating. •Usage rate

Major segments are mainly consumers that consume Coke regularly or on a daily basis.

Company's marketing mix

Product

Soft drinks satisfy the need of thirst of people even though some wants less, some wants more. Therefore Coke Company has come out different kinds of packaging for coke in various sizes. Not only core benefit thirst is satisfied, other benefits like taste and packaging were also achieved. This product is convenient and is bought frequently and immediately by consumers with the minimum comparison and buying effort. It is eye catching for consumers as Coke comes in bright red packaging. Coke also comes in unique shape that fits onto the hands of consumers, creating a nicer and attracting look. Quality of those packaging are safe enough for consumers to hold. Caps are sealed tightly to prevent any other gas from going in. Bottles are in flexible packaging thus do no leak or crack. Both cans and bottles are light and safe to bring around with. The product ranges from diet Coke, Coke Zero and Coke. Other countries has a wider range of coke, e. g. Coke Cherry, diet Coke Cherry.

Product

life

cycle

1.

Market

introduction

Coca cola places Coke into the market for consumers. It also spends a fair bit of money to do advertisements and promotions to create awareness of the product, Coke, to new consumers. 2. Market growth



Consumers become aware of promotions from Coca cola and start to make routine purchases. As consumers become aware of the product, promotions of Coke declines. 3. Market maturity

More competitors enter the market taking some of Coca cola's profit. 4. Sales decline

Consumers may have moved on to competitors products, however, loyal customers of Coca cola with continue purchasing.

Price

Promotion

The Coke Company emphasize a lot on advertising. Famous international movie stars and local celebrities are roped in to help promote Coke. Posters promoting coke can be found in places such as busstops and Mrt, where it is easily spotted by Singaporeans. To connect to the IT savvy consumers and younger generation, social mediasuch as Facebook is used. A facebook page of Coke Company group was set up. To date, 38 millions of members have joined this group. When Coke Zero was first launched, the Coke Company took to the streets and gave out free coke zero in Orchard. This is one of the marketing strategies of how Coke Zero can be known to the public. Occasionally, the Coke Company comes up with different kind of offers that help to attract customers to purchase Coke.

Place

Coke Company has entered the market in various ways to overseas. Most common way are direct exporting, franchising and licensing. Beverages and syrup were distributed to overseas companies. Coke Company used manufacturer-sponsored wholesaler franchise system where the finished

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product is sold to the retailers in local market. Three primary delivery systems were operated, mainly: Bulk delivery, advanced sales deliver and Full service delivery. The key channel listings are supermarkets, convenient stores, Fast food, petroleum retailers, chain drug stores, hotels/motels and mass merchandisers. Vending machines can also be found at places like stadium, schools or more to provide more convenient service to consumers.

## SWOT ANALYSIS

### Strength

Strong Brand Reputation (World's Leading Brands)

Coca-Cola has earned itself strong brand recognition worldwide and it has grown to become the world's most ubiquitous brand, with more than 1.7 billion beverage servings sold each day. Across the globe, most of the people will have heard of the brand Coca-Cola. Forbes ranked Coca-Cola number 3 as the world's most valuable brands in 2010. Coca-Cola is also named the best global brands in 2010 by Interbrand. In addition, Coca-Cola has a huge portfolio of more than 3,500 beverages. This includes Coca-Cola, Coca-Cola Zero, Diet Coke and Sprite, which are the main soft drink brands across the globe.

Good

Promotion

Strategy

The Coca-Cola Company comes up with outstanding promotion strategies. It hires celebrities from different countries to help promote its brand. In this way, the company influences wide ranges of people from different places to buy its products. In addition, the Coca-Cola Company produces souvenirs for its customers. Most of these souvenirs may appreciate in the future, hence they are worth to be collected. The Coca-Cola Company also uses innovative

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slogans to appeal to the consumers. In 2010, the slogan is “ Twist the Cap to Refreshment”.

### Unique

### Recipe

Coca-Cola is produced using a unique formula that is accepted by its customers. Even though many other competitors tried to create a Coke that have a similar taste to that of the Coca-Cola Company, all of them have failed. Thus, consumers have a perception that only Coca-Cola is the real coke in the market.

### Weakness

#### Health

#### Issues

It is known that Coca-Cola and most of the drinks produced by The Coca-Cola Company are not beneficial to body and health. Especially the carbonated soft drinks can increase the calories of the people gravely. Therefore, in personal lifestyles, there is still a part of the people who think that Coco-Cola is an unhealthy carbonated drink and are not willing to consume the drink. Influential pressure is then added to decrease the amount of people consuming Coke. For example, parents would not allow their children to drink Cola-Cola as they think drinking carbonated soft drinks may cause obesity or other diseases to their children. Thus, parents might forbid their children to consume Coca-Cola. As a result, sales will be affected. Negative publicity

The Coca-Cola's company obtained negative publicity in India during September 2006. The company was accused by the Center for Science and Environment (CSE) for selling products consisting pesticide residues. Coca-

Cola products sold in and around Indian national capital region consist of a harmful pesticide residue which included chemicals which could cause cancers, harm the nervous and reproductive systems and decrease bone mineral density. Such negative publicity can adversely affect the company's brand image and the demand for Cola-Cola products. This can also lead to an adverse consequence on the company's growth prospects in international markets.

### Word of Mouth

Word of mouth can be a strength and weakness for every company. For The Coca-Cola Company, many people have good points to say, yet there are also many people who are against the company and their products. It is very hard to control word of mouth. As many people have their own point of view, The Coca-Cola Company can try their best to sway these negative comments. If bad comments are exposed to people who have yet to try Coca-Cola products, this could lead to a lost in customers. Most unknown and rarely seen ; Result of low profile or non-existent advertising The Coca-Cola Company produces many beverages, with some of these drinks they produce being very popular such as Coke and Sprite. However, there is a lack of popularity for many of Coca-Cola's drinks as this company has about 400 different drink types. Most of them are unknown and rarely seen in the market. They might not taste bad, but most probably due to the consequence of low profile or non-existent advertising. Opportunities

### Growing Bottled Water Market

One of the fastest growing sectors in the world's food and beverage market is bottled water. This is due to the growing concerns for health. In Europe, US

and Japan, the bottled water market is estimated to grow by a compound annual growth rate (CAGR) of 5.3% to reach \$76.4 billion by 2012. In the bottled water market, flavoured water is considered the most innovative. According to research, the revenue of flavoured water segment is growing by approximately \$10 billion yearly.

#### Developing Healthy Drink Markets

Beverages that are healthier can be developed since many people are more concerned about their health and the food they consume. The healthy drinks market will have great potential in the future.

#### Developing New Brands or Market

The Coca-Cola Company can consider branching out to produce food instead of just beverages. It would be best if these food products are made healthy, such as low fat and sugar. The company can link its food to fast food restaurants, which is similar to providing Coke in McDonald's.

#### Threats

##### Intense competition

There is intense competition in the nonalcoholic beverage segment. One major competitor of the Coca-Cola Company is PepsiCo. In 1976, Pepsi beat Coca-Cola to be the single largest -selling soft drink in the American supermarkets. By the 1980s, Pepsi was the number one brand in take-home sales. Like the Coca-Cola Company, PepsiCo also has a huge portfolio of beverages. The main soft drink brands are Pepsi, Mountain Dew, 7up and Gatorade. In addition, the taste of Pepsi is slightly similar to Coca-Cola.

Hence, if the price of Coca-Cola goes up, consumers may choose to buy the substitute of Coca-Cola, which is Pepsi.

Slow growth of carbonated beverages

Soft drinks have been in the spotlight over the last five years as there is a growing strength of evidence that links the ingredients, such as sugar, to chronic disease, such as obesity and diabetes. Nowadays, consumers are much more aware of the above negative health effects. As such, there is a trend of consuming healthier drinks. This results in a decrease in the consumption

of carbonated and other sweetened beverages in the US. If the Coca-Cola Company continues to provide such soft drinks and little healthy drinks, it may affect the company's sales.

## APPENDICES

The Coca-Cola Company's website: <http://www.thecoca-colacompany.com/>

History of Coca-Cola

On May 8, 1886, an Atlanta pharmacist, Dr. John Pemberton invented Coca-Cola and he took a jug of Coca-Cola syrup to Jacobs' Pharmacy in downtown Atlanta, where it was combined with carbonated water and sold for five cents a glass. However, the bottling business started in 1899 when two Chattanooga (Fourth largest city in U. S. A) Businessmen, Benjamin F. Thomas and Joseph B. Whitehead, secured the exclusive rights to bottle and sell Coca-Cola for most of the United States from The Coca-Cola Company.

Industry Information

The Coca-Cola Company is headquartered in Atlanta, Georgia, employ about

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139, 600 associates across six operating groups - Eurasia and Africa, Europe, Latin America, North America, Pacific and Bottling Investments in addition to Corporate. The Coca-Cola Company being the world's number 1 non-alcoholic beverage company. The Coca-Cola Company licenses more than 3500 beverage products including sparkling drinks and still beverages such as water, juices and juice drinks, teas, coffee, soft drinks and energy drinks in more than 200 countries. The Coca-Cola Company possesses four of the top five soft-drink brands (Coca-Cola, Diet Coke, Fanta, and Sprite).

Slogan of Coca-Cola since 1886

? 1886 - Drink Coca-Cola.

? 1904 - Delicious and refreshing.

? 1905 - Coca-Cola revives and sustains.

? 1906 - The great national temperance beverage.

? 1908 - Good til the last drop

? 1917 - Three million a day.

? 1922 - Thirst knows no season.

? 1923 - Enjoy life.

? 1924 - Refresh yourself.

? 1925 - Six million a day.

? 1926 - It had to be good to get where it is.

? 1927 - Pure as Sunlight

? 1927 - Around the corner from anywhere.

? 1928 - Coca-Cola ... pure drink of natural flavors.

? 1929 - The pause that refreshes.

? 1932 - Ice-cold sunshine.

? 1937 - America's favorite moment.

? 1938 - The best friend thirst ever had.

? 1938 - Thirst asks nothing more.

? 1939 - Coca-Cola goes along.

? 1939 - Coca-Cola has the taste thirst goes for.

? 1939 - Whoever you are, whatever you do, wherever you may be, when you think of refreshment, think of ice cold Coca-Cola. ? 1941 - Coca-Cola is Coke!

? 1942 - The only thing like Coca-Cola is Coca-Cola itself. ? 1944 - How about a Coke?

? 1945 - Coke means Coca-Cola.

? 1945 - Passport to refreshment.

? 1947 - Coke knows no season.

? 1948 - Where there's Coke there's hospitality.

? 1949 - Coca-Cola ... along the highway to anywhere.

? 1952 - What you want is a Coke.

? 1954 - For people on the go.

? 1956 - Coca-Cola ... makes good things taste better.

? 1957 - The sign of good taste.

? 1958 - The Cold, Crisp Taste of Coke

? 1959 - Be really refreshed.

? 1963 - Things go better with Coke.

? 1966 - Coke ... after Coke ... after Coke.

? 1969 - It's the real thing.

? 1971 - I'd like to buy the world a Coke. (basis for the song I'd Like to Teach



the World to Sing) ? 1974 - Look for the real things.

? 1976 - Coke adds life.

? 1979 - Have a Coke and a smile (see also Mean Joe Greene) ? 1982 - Coke is it!

? 1985 - America's Real Choice

? 1986 - Red White ; You (for Coca-Cola Classic)

? 1986 - Catch the Wave (for New Coke)

? 1989 - Can't Beat the Feeling. (also used in the UK)

? 1991 - Can't Beat the Real Thing. (for Coca-Cola Classic) ? 1993 - Always Coca-Cola.

? 2000 - Enjoy.

? 2001 - Life tastes good. (also used in the UK)

? 2003 - Real.

? 2005 - Make It Real.

? 2006 - The Coke Side of Life (used also in the UK)

? 2007 - Live on the Coke Side of Life (also used in the UK) ? 2009 - OpenHappiness

? 2010 - Twist The Cap To Refreshment

? 2011 - Life Begins Here

Market Research Questionnaires / Data Analysis

1. How old are you?

a)16 or below 16

b)17-20

c)20-30

d)40 or above 40

From the chart above, out of 50 respondents, majority of the respondents (21 respondents) were in the age group of 20 - 30, 9 respondents were aged from 16 or below 16. 15 respondents were aged from 17 to 20 while 5 respondents were from age 40 or above 40.

2. What is your gender?

a)Male

b)Female

Out of 50 respondents, there were 28 men and 22 women.

3. Do you like soft drink?

a)Yes

b)No

Out of 50 respondents, 38 respondents indicated that they like soft drinks while 12 respondents said that they do not like soft drinks.

4. Have you ever tried Coke's products?

a)Yes

b)No

Out of 50 people we had surveyed, all of them indicated that they tried Coke's products at least once. This explains the brand awareness of Coca-Cola.

5. How often do you purchase Coke's products?

a)Never

b)Once/few times in a year

c)Once/few times in a month

- d) Once/few times in a week
- e) Everyday

From the figure above, it can be seen that most of the respondents bought Coke's products quite frequently. This shows the brand loyalty of the customers towards Coca-Cola.

6. What method of advertisement do you think would be the most effective for individuals to know the latest promotion of Coke's products? a) Television ads

- b) Magazine/Newspaper ads
- c) Flyers
- d) Radio
- e) Through Coke's packaging (printed on bottles/cans)
- f) Through online

From the pie chart above, it can be shown that respondents think the most effective way to advertise Coke's products is through television ads, followed by online.

7. Are you sensitive to price when you buy a drink?

- a) No
- b) A little bit
- c) Yes, a lot

Out of 50 people we had surveyed, 29 of them which is the majority indicated that they are very sensitive to prices when purchasing a drink, 15 respondents is moderately sensitive to price while 6 of them are totally not sensitive to price.

8. How do you feel Coke's products are priced?

a)Low-priced

b)Just nice

c)Slightly over-priced

d)Extremely over-priced

From the chart above, majority of 31 out of 50 respondents thought that price of Coke's products are just nice while 14 of them indicated that Coke's products are slightly over-priced. However, only 2 and 3 respondents indicated that Coke's products are low-priced and extremely over-priced respectively.

9. What brand would you say is more famous among the public? a)Coke's products

b)Pepsi

c)Others

From the pie chart, almost half of the respondents which are 23 out of 50 respondents said that Coke's products are among the most popular drinks while 18 respondents indicated that Pepsi is the most popular drink.

10. In your opinion, which is the main feature that attract people for buying Coke's products? a)Unique taste

b)Packaging

c)Branding

d)Pricing

e)Others, please specify.

From the pie chart above, most of the respondents think that branding is the main feature that for people to buy Coke's products.