

# Youre name case study examples

Business, Company



## **Marketing Plan for Coca Cola plus protein**

### **INTRODUCTION**

Coca Cola is one of the biggest players of carbonated and non carbonated soft drink market in the world. It is one of the most valuable and iconic brands in the world; Forbes has listed Coca Cola as the world's third most valuable brand (World's Most Valuable Brands, 2014). It is one of those companies that invest heavily in its marketing initiatives. In 2013, the marketing spend of the company stood at \$4 billion (Team Trevis, 2014).

Coca Cola is a market leader of the soft drinks market and has a brand portfolio that included drinks like Coke, Diet Coke, Coke Zero, Vitamin Water, Nestea, Simply Orange, Dasani and Powder Ade.

### **COCA COLA- PROTEIN**

While offering a product line, companies try and develop a platform in order to meet different requirements of its customers (Kotler, 2011). The company's objectives influence and determine the product line length. In practise, the product lines tend to extend over the period of time, based on the new market trends and change in tastes and preferences of the customers. Also, the sales force and distribution channels compel the company's management to for a more elaborate product line to satisfy and delight its customers. This case deals with Coca Cola's marketing plans for its new product in the market, 'Coca Cola -Protein'.

One of the biggest reasons for the introduction of 'Coke- Protein' is the recent sales figures in the U. S, which is Coca Cola's biggest and the oldest consumer market. With an increase in health related diseases such as

obesity, people across U. S. and other countries have strengthened their resolve to fight this and cut their sugar intake. With Coca Cola- Protein, the company wants to introduce a beverage that does not have sugar and calories like Diet Coke and Coke Zero, and also have some protein content as an added advantage.

## **SWOT ANALYSIS**

The overall evaluation of a company's strengths, weaknesses, opportunities and threats is called a SWOT analysis. It is a method of evaluating the company's external and internal environment (Kotler, 2011). Let us conduct a SWOT analysis of Coca Cola with respect to its new Coca Cola -Protein brand.

**External Environment:** Coca Cola needs to utilize its market intelligence system to track the latest trends and major developments that are related to market opportunities and potential threats.

**Opportunities:** If we analyze the opportunities that the market has to offer, we find that Coca Cola has a great chance to target people in the age group of 16-45 who have become fitness conscious and who have started avoiding sweetened carbonated drinks. We can call this segment as ' Gym Lovers'.

These gym lovers give a lot of importance to their overall fitness and like to have protein rich drinks before and after their gym workouts. With the introduction of Coca Coal - Protein, the company plans to tap this segment and introduce an entirely new product in the market.

Currently, there is no such product, that combines the taste of a cola beverage and benefits of a protein shake. This is a tremendous opportunity for Coca Cola.

Threats: In today's competitive world, companies are in a race to introduce innovative products and services, and in doing so, many companies ignore the basic health risks that can act as a potential threat to its consumers. One of the best examples of this is the case in India where Coca Cola and Pepsi Co were accused of having pesticides in their soft drinks (Toxic Pesticides Found, 2013). Such cases often result in major public backlash and severe legal and political ramifications. Coca Cola needs to ensure that its new offering 'Coca Cola – Protein' is thoroughly tested and approved by concerned health agencies, before it is introduced in the market. Otherwise, it can cause some serious damage to the company's brand image.

**Internal Environment: Each and every organization needs to evaluate its internal strengths and weaknesses.**

Strengths: The biggest Strength of Coca Cola is its superior brand value and a loyal customer base. In 2013, Coca Cola was the only non – technology company to feature in top five most valuable brands in the world (Forbes, 2013). The brand value of Coca Cola is pegged at around \$54. 9 billion, and it became the first brand to record 50 million 'likes' on Facebook in 2012. This shows that Coca Cola has a tremendous brand appeal and a massive fan following in most of the media outlets, especially social media. Apart from this, Coca Cola is the market leader in beverage market, ahead of its main competitor, PepsiCo. Over the years, through a strong marketing and advertising campaigns, Coca Cola has succeeded in carving a niche and special place in the hearts of its customers.

Weaknesses: The biggest weakness for the Company would be its inability to deal with negative publicity that it has received, mainly because of the

growth of lifestyle diseases such as obesity in U. S and other countries. Moreover, it has faced protests in countries such as India, where it was accused of distributing cold drinks laced with pesticides.

Another weakness is its product portfolio, which has largely ignored the market that deals with ‘ protein-rich’ drinks. This market, thanks to the recent health revolution, is growing day by day.

## **INDUSTRY AND COMPANY ANALYSIS**

The beverage industry is largely dominated by two players, Coca Cola and Pepsi Co. Both the companies are very close in terms of revenues and operating profits. Coca Cola is ahead of Pepsi Co in terms of total assets, while Pepsi Co is ahead of Coca Cola in terms of total revenues. However, if we talk about the U. S carbonated industry, Coca Cola leads the market with almost one and a half times the market share of its closest competitor (Forbes, 2014). If we talk in terms of direct competition for Coca Cola, Pepsi Co has sub brands like Pepsi, Diet Pepsi, Pepsi Max, Tropicana, Gatorade, 7up, Mountain Dew, Lipton Brisk, Aquafina, Amp, SoBe and Starbucks bottle beverages. In reply, Coca Cola has sub brands such as Coke, Diet Coke, Coke Zero, Vitamin Water, Nestea, Simply Orange, Dasani and Powder Ade. The Coca Cola Company has been trying different innovative methods in its product offerings, packaging and consumer engagement activities in order to sustain its ailing diet soda segment (Forbes, 2014). One of the examples of innovation was the introduction of a ‘ Freestyle Coke Dispensing Machine’ in 2012.

If we look at Coca Cola – Protein, we find that there is no such drink in the market, that has a taste of a cola but contents of a protein shake. Pepsi Co

does have a similar product called Gatorade, which is being branded as a sports drink, but even it is not a ‘protein drink’. Therefore, we can say that the beverage industry is yet to witness such a product.

## **CUSTOMER ANALYSIS**

Coca Cola brand has existed over the past several decades with an aim to delight its customers through its various offerings. Coca Cola’s customers are located in more than 100 countries and in different age groups. The brand has successfully provided beverage drinks to different target markets that include people from different race, language, ethnicities and cultural backgrounds.

If we talk about today’s market trends and analyse it closely, we find that people are looking to lead healthier and better lives. Thanks to rising obesity and other diseases, customers have started to avoid sweetened carbonated beverages. Looking at this trend, Coca Cola had introduced ‘Diet Coke’ and ‘Coke Zero’ in the market. However, Coca Cola’s sales volumes for Diet Coke and Coke Zero have also declined in the past couple of years. Many consumers are now inclined towards healthier drinks such as natural fruit juices and protein shakes.

If we closely analyse a typical consumer of Coca Cola, we find that the consumer belongs to all types of socio economic classes, but mainly the high class and middle class, the reason being that they can spend more on luxury items. If we talk about age groups, we find that majority of the consumers fall between 16-45 years of age. In today’s markets, people have started making their purchase decisions based on the company’s overall image. If they perceive the company’s image to be the one that promotes unhealthy

lifestyle, they will ignore that brand. It is therefore important for Coca Cola to develop its new offering ‘Coca Cola – Protein’ and target it towards people in age group of 16- 45 years. Coca Cola needs to develop a comprehensive marketing campaign for introducing its new product in the market.

## **COMPETITIVE ANALYSIS**

The best way to conduct a competitive analysis for ‘Coca Cola - Protein’ is by utilizing Porter’s five forces model (Kotler, 2009).

- Threat of new entrants: In a market where there are only two major players, a possibility of a new player coming and posing a challenge by introducing a similar product seems to be remote. The threat of new entrants is almost negligible in this case.

- Bargaining power of suppliers: Most of the raw materials that are required for soft drinks are sugar, caffeine, colour, flavour and packaging. The suppliers who provide these commodities are too small in size and have no bargaining power over the company. Therefore, the bargaining power of the suppliers is very low.

- Bargaining power of the consumer: The bargaining power of consumers is very high, as they have an option of switching over to other brands and other drinks based on their tastes and preferences. Moreover, there has been a clear shift in consumer preferences away from sugar heavy drinks in favour of healthier and functional beverages (Gluyas, R. 2014).

- Threat of Substitutes: If we talk about substitutes for ‘Coca Cola- Protein’, there are no direct replacements. However, consumers can opt for functional beverages such as protein shakes, glutamine shakes and others, if they do not like the taste of the new offering. The threat of substitutes is in the

medium range.

- Competitive Rivalry: The overall competitive rivalry between Coca Cola and Pepsi CO is very high and intense. There might be a possibility where PepsiCo introduces a similar product like 'Coca Cola -Protein' in the market. This can lead to a price war.

## **CORE COMPETENCY AND SUSTAINABLE COMPETITIVE ADVANTAGE FOR COCA COLA-PROTEIN**

Once we analyze the results of the competitive analysis, we find that Coca Cola has a new and innovative product which no other company can offer at this moment. Coca Cola needs to take advantage of this fact and aggressively market the new health product. 'Coca Cola plus protein' must be aggressively marketed in newspapers, social media vehicles like Facebook and Twitter, television advertisements, billboards, shopping malls and gymnasiums.

The 'health factor' needs to be emphasized while promoting this product. Since the target audience is in age group of 16-45, these promotional activities must be tailored based on different age brackets. For example, people between 16-30 years should be targeted in their gymnasiums by providing free drink samples and by taking their feedback and suggestions. Customers from 31-45 years can be targeted at their workplaces, by organizing and sponsoring special events and distributing free drink samples.

## **CONCLUSION**

Today, consumers place their health concerns much above their taste buds. This is the reason why beverages that were popular yesterday are no longer



in demand today. In order to mould itself with the current market trend, Coca Cola needs to introduce ‘Coca Cola-Protein’ through a planned and a systematic marketing campaign.

## **SOURCES CITED**

Gluyas, Richard. Forecast not too sweet for Coca Cola as consumer taste change. The Australian. n. d. Web. 14. April. 2014

Kotler, Phillip. Keller Kevin L. Marketing Management 4th ed. Washington. Pearson, 2011. Print.

Team Trefis. Sluggish CSD Sales. Forbes, n. d. Web. 14 April. 2014.

Toxic Pesticides Found In India’s Soft Drinks. Newswire. com, n. d. Web. 14. April. 2014.

World’s Most Valuable Brands. Forbes, n. d. Web. 14 April. 2014.