

# Coca-cola marketing plan assignment

[Art & Culture](#)



Coca-Cola zero, as its own name shows, has 0% sugar, and, as consequence, 0% calories. Apart from that, it is said that en of the main reasons why this product was created is that men did not want to buy Coca-Cola Light, Just because it is supposed to be a drink for girls that don't want to get the amount of calories that the regular Coke has. Coca-Cola zero appeared in Spain in June 2006 as a new face of Coca-Cola Light: it is focused on men and young people (around 18 and 25) who look for the same flavor as always, but with the advantage of being sugar free, so that, being calories free too.

Owing to focus on a different public, the design is different as well: is more modern and eye-catching. Its munch was a great success, and little by little the number of customers is increasing. One of the secrets for its success was keeping the original flavor of the regular Coke. As everybody knows, Coca-Cola Light is a good drink without any calories, but the taste changes too much for palate's Coke lovers. The formula of Coca-cola zero, is a molecule called Selfsame-K. It is a simple and stable chemical compound 200 times sweeter than sugar, which hasn't calories.

Its advertising is one of the most powerful in the world. 4) Coca-Cola organizes solidarity campaigns for helping underdeveloped countries, which help to their good image. 5) Coca-Cola sells a big range of different drinks, which are very difficult to copy for other companies. 6) The only strong competitor that it has is Pepsi brand, but in most countries Coca-Cola's products are better sold than Pepsin's. 7) Coca-Cola is related to youth, as young people are the most that buy it. 8) One of the biggest reasons of their sales is the sport.

Coca-Cola company supports sports as they have created products like Powered or Aquarius that are mostly created for that. ) As it is a cheap product mostly everyone is able to afford it. 10) It helps our body energy with caffeine, and also has created products with extra- caffeine as Burn. 2. 2. Financial Results For knowing the financial results of a business we need to know the revenue of this company, the income, the expenses, the taxes that need to be paid. Coca-Cola's expenses, as we are talking about a big company, must be said that its balance sheet is more complicated than simply this.

Here, as is a company worldwide expanded, we need to know the taxes of the different countries, the number of employees in every single factory, the cost of production depending on the country, etc. As we need to think on so many things, here is a resume of the economic results in Spain (as is the country in what the research has been done) with the financial results from 2009 and from 2010: 2. 3. Product portfolio Zero Coke, as a product from the Coca-Cola family is just one another drink from the big range of drinks they have.

Coca-Cola's company is the owner of: Orange Faint (Also exists zero Faint), Lemon Faint (Zero Faint), Diet Coke (with or without caffeine), extra-caffeine coke, current Coke, Zero Coke (with or without caffeine), Sprite, Nestlé with and without or sugar; or with different flavors such as lemon, peach, orange... ), non-caffeine Coke, Lemon, Minute Maid, Aquarius, Mare Ross, Nordic Mist, Burn, Powered, Schuss, Squab water, Tab and Variation. Most Coca-Cola products are unique and hard to copy, which has become a barrier

for competitors. The only products that in sales can be nearly compared are Pepsin's.

Pepsi has created specific products similar to the ones that Coca-Cola has created to compete with them in the market: For current Coke there is current Pepsi; for Light Coke there is Light Pepsi; for Sprite, 7 up; for Faint, Miranda; for Zero Coke, Pepsi Max; and for Disdain, propel. It is also important to say that none and low calorie drinks currently make up 55% of the brand portfolio. And that is why their brand portfolio strategy has as a priority these targets: Try to create different size and smaller drinks, and try to reduce the calories as much as they can. . - EXTERNAL ANALYSIS 3. 1 .

Micromanagement -Competitors The principle competitor of Coca-Cola Zero is, from the same company, Coca-Cola Light. From PepsiCo we can consider as competitor Pepsi Light and Pepsi Max. Then here are different store brands from different supermarkets that tried to create a similar product, such as: Cola Zero from Careful , Cola Light Haciendas from Mercado, Cola 0% Did from Did, and Freeway Cola O from Lid. As we have seen in a survey made in Spain in June 2007 by www. Marketing's. S , from every 100 soda drinks without sugar, Pepsi Max is only sold in a 1 . 1%. Nevertheless, its rival Coca-Cola Light has a surprising 64% of the market and a 12% is to Coca-Cola Light with no caffeine. Then, appears Pepsi Light with a 11% and Pepsi Light with no caffeine (1. 9%). The rest are store brand soda drinks (9%). Substitutive products Pepsi Max is supposed to be the main substitutive product of Coca-Cola Zero. Both of them offer a type of soda which provides you the same taste as the normal Coke or Pepsi, but besides, they have no sugar in their composition.

In fact, they are not exactly the same product: Coca-Cola Zero offers the same taste without sugar and it's thought for diabetic people meanwhile Pepsi Max is focused as a product with a higher level of caffeine than the normal one, but one of its main characteristics it's that it doesn't have sugar too. But currently, Pepsi Max is out of Spanish market due o, maybe, a bad advertisement, or maybe due to not showing all the qualities that this product has, which are more than Coca-Cola Zero has. 3. 1 .

Micromanagement (PESTLE framework) Political Analysis: There are some Alcoholic Beverages like any kind of whisky our vodka, and on the other hand there are Non- Alcoholic Beverages like; Coca-Cola, and they are part of the food category, and fulfill the characteristics of food under the FDA (Food and Drug Administration). The government has a strict control over the manufacturing procedure, the technology and ways of production that all of these reduces use to be made, and in terms of regulations there is some characteristics that the company as to fulfill to be “ legal”.

Companies that fail to meet the standards of law, such has the way of preserving food or beverages and the temperature they will have to be put in; will be fined by the government. Following are provided some of the factors that are influencing Coca-Cola's Operations to sell their products in the international market. There are several examples of these regulations: Changes in Laws and Regulations like; changes in tax rate , modified tax law interpretations, entrance of new tax laws and environmental laws either in domestic or foreign authorities. Changes in Non-Alcoholic business era.

These are; competitive product and pricing policy pressures, ability to maintain or earn share of sales in worldwide market compared to rivals. Political Conditions, specifically in international markets, like; civil conflict, governmental changes and restrictions concerning the ability to relocate capital across borders. Ability to penetrate emerging and developing markets, that also relies on economic and political conditions, and also their ability to form effectively strategic business alliances with local bottlers, and to enhance their production amenities, distribution networks, sales equipment, and technology.

Economic: Currently, because of global recession, Coca-Cola can borrow capital and invest in other products, because the interest rates are lowered. Also, it can borrow capital to advance its research of new products and technology to improve the procedures of production and production it's self. By researching for a new product it is all so cost effective, because the company could sell its products at a lower price, so its customers would purchase more Coca-Cola products at a lower price. Social: The majority of citizens are exercising healthier lifestyles.

That has strongly influenced the sales of non-alcoholic beverage sector and the sector of sport beverages, because many customers are preferring water and diet colas like; Coca-Cola Light or Zero, instead of drinking beer or other alcoholic beverages. Customers aged from 37 to 55, are concerned with their nutrition. Also, large portion of the population is within the range of baby boomers age. While many customers are eating at older ages in life, they are more concerned in long term in increasing their permanence in life and to increase as well their standards of health.

<https://assignbuster.com/coca-cola-marketing-plan-assignment/>

That will continue to affect the non-alcoholic beverage sector, by increasing the demand, in healthier and other beverages such as these. Technological: Some factors that affect the company's actual results are the following: The efficiency of company's advertising, marketing and promotional programs, the new technology advances of television and internet that use incomparable effects for advertising through the use of media. Those advances make the products seem more attractive and at the same time this supports the selling promotion of the products.

Entrance of cans and plastic bottles in the past, for example, has increased sales volume for the company because they are easier to carry and customers can put them in the bin once they have used them. Since the technology is advancing and the procedures of production improve continuously there has been entrance of new machineries' equipment all the time. Because of that, Coca-Cola's production volume has increased sharply compared to few years ago. EXAMPLE: CE-Coca-Cola Enterprises have six factories in Britain by using modern genealogy equipment so to ensure top product quality and quick delivery.

In Wakefield, Yorkshire in 1990, CE opened one of the Rupee's largest soft drinks factories. That factory has the ability to produce faster the cans of Coca-Cola even faster than bullets off machine gun. Legal factors: The legal factors include discrimination law, customer law, employment law and health and safety law . In Coca-Cola the business is subjected to various laws and regulation in the numerous countries in which the do the business , the laws include competition, product safety , advertising and labeling.

Various Jurisdictions may adopt significant regulations in the additional product labeling and warning of certain chemical content or perceived health consequences. Environmental factors: These factors include the environment such as the weather conditions and the seasons in which people prefer to buy cool beverages . Also the company must follow the environmental issues related to the product manufacturing , packaging and distributing in various countries. It must adhere to the norms and market the product accordingly . Usage of renewable plastic in the PET bottles is followed by the company strictly. . – STOW ANALYSIS Strengths The best global brand in the world in terms of value: The Coca-Cola Company is the most valued brand in the world. World’s largest market share in beverage: Coca-Cola holds the largest beverage market share in the world. Strong marketing and advertising: Coca-Cola’s advertising expenses accounted for more than \$3 billion in 2012 and increased firm’s sales and brand recognition. Most extensive beverage distribution channel: Coca-Cola serves more than 200 countries and more than 1. Billion servings a day. Bargaining power over suppliers: The Coca-Cola Company is he largest beverage producer in the world and exerts significant power over its suppliers. Corporate Social Responsibility (CARS): Coca-Cola is increasingly focusing on CARS programs, such as recycling/packaging, which boosts company’s social image and result in competitive advantage over competitors. Weaknesses Significant focus on carbonated drinks: the business is still focusing on selling Coke, Faint, Sprite and other carbonated drinks.

Understudied product portfolio: unlike most company’s competitors, Coca-Cola is still focusing only on selling beverage, which puts the firm at



disadvantage. High debt level due to acquisitions: nearly \$8 billion of debt acquired from Ace's acquisition significantly increased Coca-Cola's debt level, interest rates and borrowing costs. Negative publicity: The firm is often criticized for high water consumption in water scarce regions and using harmful ingredients to produce its drinks.

Brand failures or many brands with insignificant amount of revenues: Coca-Cola currently sells more than 500 brands but only few of the brands result in more than \$1 billion sales. Opportunities Bottled water consumption growth: consumption of bottled water is expected to grow OTOH in US and the rest of the world. Increasing demand for healthy food and beverages. : The Coca Cola Company has an opportunity to further expand its product range with drinks that have low amount of sugar and calories.

Growing beverages consumption in emerging markets: consumption of soft drinks is still significantly growing in emerging markets Growth through acquisitions: Coca-Cola will find it hard to keep current growth levels and will find it hard to penetrate new markets with its existing product portfolio. All this can be done more easily through acquiring other companies. Threats Changes in consumer tastes: consumers around the world become more health conscious and reduce their consumption of carbonated drinks.

This is the most serious threat as Coca-Cola is mainly serving carbonated drinks. Water scarcity: water is becoming scarcer around the world and increases both in cost and criticism for Coca Cola over the large amounts of water used in production. Strong dollar. More than 60% of The Coca-Cola Company income is from outside US: due to strong dollar performance

against other currencies firm's overall income may fall. Legal requirements to disclose negative information on product labels: Some Coca-Cola's arbitrated drinks have adverse health consequences.