

# Coca-cola – the concept of marketing

[Business](#), [Marketing](#)



The concept of marketing has changed dramatically over the years. A hundred years ago, the only consideration in the marketer's mindset was to develop a product and then force the market to accept that. Since then however a combination of the effect of competition and the bargaining power of buyers have forced the marketers to put the market's needs first and their own second. In the process, marketers have had to deal with not only market but also social and environmental needs. This case study is an example of that trend.

Five micro-environmental factors in marketing Vitango The company developing the fortified food called Vitango is Coca-Cola. Coca-Cola has been in the food and drinks industry for more than a hundred years. In fact this company can be said to have the first mover advantage in this industry. It has been manufacturing drinks of different categories for such a long time that the expertise that the management has developed in this area is unparalleled. That puts Coca-Cola in an unenviable position as far as developing and marketing a product like Vitango is concerned.

Because it enjoys profitable operations internationally, it has the money and knowledge which can be put to great use in developing an effective fortified food. The company has to invest billions in a project like this because research and development will have to be exhaustive in order to make sure that the end product does indeed alleviate the problem of malnutrition without having harmful social and environmental consequences. Because Coca-Cola is such a huge multinational, it has the resources with which to finance a project of this size.

Being a multinational also means that Coca-Cola is a massive store-house of knowledge as far as international marketing is concerned. Because it has such a long history of customizing its products to the local culture, the company is in the best position of developing a product that takes into account cultural and social considerations in Botswana. What Coca-Cola is doing is being a socially responsible marketer by developing a product the mission of which is to alleviate the problems of malnutrition.

However socially responsible that may be, it cannot happen at the cost of the company's bottom line. Coca-Cola is not a not-for-profit company like GAIN. Whatever projects it undertakes for the benefits of the society and the environment in the third world, it cannot lose sight of the fact that the only thing that matters to the company is generating profits. That is exactly what is at stake here in developing and marketing Vitango. The product is intended for the third world where customers simply do not have the money to pay for the product.

Add to that the fact that the company will have to charge a high price for the product to cover the high development costs and the product does not seem to be right as far as the purchasing power of the target market is concerned. Therefore the customer factor is a vital consideration in this case. In fact customer considerations are the prime consideration in any case. But this is different as the product that is being developed is intended for customers who do not have wallets deep enough to purchase the product on a regular basis.

As a result, the impoverished state of the customers is a critical consideration here. Government agencies in Botswana will have to play a critical role in making Vitango a success. The educational level and the availability of information in third world countries are minimal. Customers therefore are in no position to educate themselves on the uses of a product like Vitango. In fact they would not even know about the existence of a product like Vitango. Nor can they be expected to know that they are actually suffering from malnutrition and about the causes thereof.

The public agencies will have to educate the market in Botswana in the beneficial effects of using a product like Vitango. However the public agencies will not be easy for the Coca-Cola management to bring over to their side. The government in Botswana will naturally suspect that driven by the motive to maximize profits, the company will put the social and environmental considerations aside and try to market products that are money makers first and socially responsible products second. Of course the company does have a long history of being a socially responsible marketer.

In fact, whatever changes marketing management has gone through over the last hundred years, the company has been at the fore-front of those changes among others. Coca-Cola's gleaming record worldwide should work in its favor when the management of the company goes to deal with the Botswana government. However the government will be naturally suspicious and resistant to the idea of a profit-making company introducing a product that could put millions in its country at risk of further malnutrition. Therefore

public agencies form one of the difficult micro-environmental factors for Vitango.