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Literature, Russian Literature

Macro & Micro Economics September 14, Current Marketing Conditions Competitive Analysis_365 Cola Krazy Introduction Coca-Cola sells more than 3, 500 beverages, that include diet to regular beverages, fruit drinks, waters, energy drinks worldwide. Cola-Krazy will be a new line ofproduct that will compete not only from the established products of Coca-cola but also from the competitive companies in the market, both domestically and worldwide, and in the process, Cola-Krazy will be exposed to various marketing problems. A marketing analysis is needed to analyze the profitability of this new product.

Factors that affect demand supply

In introducing the Cola-Krazy, it is important to consider factors that affect demand and supply for beverages that eventually affect the new product. According to the study of econPort there are at least six factors that dictate demand and supply. First is the price that has an inverse relation, that means consumers want to buy more when the price is low, and will buy less when it is high. Next is the income wherein the effect of buying depends on the income. But this type of reasoning depends on the kind of commodity. For normal goods, as income increases demand also increase, and demand for product decrease as income lessens. Next is Tastes and preferences of consumers; Demand is also affected by consumers taste and preferences, particularly now, that consumers have become health conscious. Another aspect is the consumers' expectations. When consumer anticipates a price increase, tendency is to stock up, because this is an expectation of what to happen. A demand for instance, is affected by weather, Consumption increases during hot weather, and decreases in winter.

Equilibrium Price

The dictionary has defined equilibrium price as the quantity of goods buyers are willing to buy and the quantity of goods sellers are willing to sell. The equilibrium price is found in a diagram where supply and demand interacts . P1 and Q1 are the points of equilibrium where supply = demand. At any price above P1, supply exceeds demand price below P1demand exceeds supply. (tutotr 2u)

Definition of the market

Target market of the new Cola drink is the American consumers, who, according to Huffpost Healthy Living, (05, July, 2012), half of the number of American surveyed, drink soda on a daily basis, with an average of 2. 6 glasses. Study of Diechert, Mehga, et. al (Feb 22, 2006)shows soft drink industry has a market share of 46. 8 % that competes with that of non-alcoholic drink Business wire(February 04, 2011) estimates soft drinks' global market to have a volume of 465. 4 billion liters, which is an increase in the consumption of 16. 7% since 2006. Clearly, this is an indication that the soft drink industry is still strong and a profitable industry. Outside U. S., there is an indication that Coca-Cola does not retain sales leadership, so this a big opportunity for the introduction of Cola-Crazy to hit the market. Soda has been the trademark drink of the younger generations and the next to come. It is generally consumed by all kinds of generation, young and old. People are shown to be drinking soda, even without slight thinking, Lifestyle Lounge says.(Lifestyle Lounge (Side effects of drinking Soda).

Competition

The soft drink industry is shaped by three rival competitors for market share:

Coca-cola holds 50% global market share, PepsiCo at about 21%, and the Cadbury Schweppes, 7%. Other small players are the Colt Corporation and the National Beverage Corporation.(Deichert, Megan et. al. Feb. 22, 2006).

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Imagine you are part of a strategic planning group at a large corporation that is considering developing a new proposed product. The marketing director has asked your team to do a competitive market analysis to determine the product’s potential success. The analysis will focus on your primary competitor in the product’s market. The product I have in mind is a new energy drink that will be called Cola-Krazy from Coca-Cola. PLEASE ANSWER THE FOLLOWING QUESTIONS:

1-Factors that affect demand, supply?

2-Equilibrium prices in the market in which the competitor organization operates:

3-Define the market for your chosen product, including an analysis of its competitors, potential customers(I was thinking young people), or potential buyers.