

Increasing market share in japan – coca-cola



**ASSIGN
BUSTER**

We have been active in the Japanese market since 1957 and seen a constant growth rate. With economic conditions being the way they are today, a downturn in the US economy, we must look to the over seas market. We know we can be successful in Japan, because currently we hold about 80 percent of the market share. Through various marketing strategies and environments, we believe there is room for more growth in Japan. We have found convincing evidence that Coca-Cola can gain market share in Japan, especially by focusing efforts in the competitive and technological environments.

This information confirms our plan to continue to support the Japanese market and invest more resources in Japan. Most recently our largest marketing campaign in Japan was our exclusive sponsorship of the 2002 FIFA World Cup. This event is the world's largest and most popular event, and our marketing groups focused heavily on the social environment. Millions of people from Japan attended this event and were exposed to the Coca-cola advertising. As part of our exclusive sponsorship of the FIFA World Cup, we are working in high gear to build enthusiasm and momentum in their local markets.

Also, we are heavily involved in the Japanese community. For example, since 1966 our scholarship foundation has provided scholarships every year to over 50 economically challenged students with outstanding academic records. And finally, in the social environment we led the introduction of "Keep Japan Beautiful," a program which promotes environmental protection. Since Coca-Cola is already established in Japan we have a strong understanding of national food and beverage laws. We are compliant in

every aspect of the law, but must keep a close eye on any changes or modifications that could be made in the future.

Also, since Coca-Cola beverages are produced in Japan we can avoid all import trade regulations. The Japanese economy is one of the strongest in the world. Japan is only second to the US in GNP, Gross National Product. Japan has a large surplus in its export and import balance. The most essential import goods are raw materials such as oil, foodstuffs, and wood. Foodstuffs is very much what we are a part of, and distribution is a huge industry in Japan. Living costs in Japan are very high. This enables us to be more profitable in Japan, because the consumer is willing to pay high prices for goods and services.

The outlook for the Japanese economy in 2003 is a steady but slow improvement, which should strengthen our involvement economically in Japan. Currently Coca-cola employs approximately 22, 000 people in Japan. We do not see many opportunities for improvement in the economic environment at this time, but perhaps in 2004 it will yield room for an economic marketing campaign. When looking at all of the marketing environments in Japan, we believe that Coca-cola can grow the most by targeting the competitive and technological environments.

We have found documentation informing us of what our competition plans to do to gain share in the market. Also, in the technological environment we know the key to success. The Vending Machine is the number one way to make money in Japan. Currently we have over 1, 000, 000 machines in Japan and our competition has only 300, 000. We can see that our technological

advantage will help us in the competitive environment, and we will focus heavily on marketing in these two environments. The trends in the competitive market are the most important to our business.

One significant threat is the development of the Virgin Group, an up-and-coming beverage company. However, the Virgin Group is focusing on a beverage Coca-Cola currently doesn't heavily market, canned coffee. This industry is a way for the Virgin Group to establish itself in Japan without much competition. Once established there would be little to stop them from expanding into other beverage markets, in which we have a strong hold over. To counter this strategy Coca-Cola must become competitive in the canned coffee market.

Since we hold about 80 percent of the beverage market, Coca-Cola's "Georgia" brand canned coffee can flood the environment and therefore thwart any other company's efforts at competition. Another area of concern comes from our direct competitor, Pepsi. Product recognition is a huge factor in Japanese marketing. People buy the products that they see all the time. Pepsi recognized this and put immense efforts into internet and e-business advertising. To oppose this Coca-Cola must target a technological market that consumers will see every hour of every day.

In today's society Japan is a technology mega power, as far as the latest trends are concerned. The technological environment is huge in Japan. Due to this technological age, there is only one answer to this problem, cellular phones, digital pagers and PDAs. This industry is known as m-business. Qoo, one of our Japanese Coca Cola products, has developed a video game that

will come standard on all new cellular phones. This game incorporates Qoo's logo as the game's main character. With this new feature in cell phones, whenever consumers make a phone call they will be targeted to purchase a Coca-Cola product.

In addition, we have a strong hold over the vending machine market in Japan. Currently we have approximately 1, 000, 000 active vending machines, a market in which Pepsi is trying to jump into. We have saturated the vending machine distribution chain in Japan, and we see no room for Pepsi to gain share in the market in this manner. With over 1 million vending machines in Japan, we feel that there are no more prime locations that we have not already accounted for with our machines. The research shows that we could have some threats from our competition in Japan.

However, we would like to continue a positive outlook and see these threats as opportunities to increase our business in Japan. We will continue to sell our product because our marketing is focused on product recognition. We want people to see the Coca-cola logo at least once every day, and then when they become thirsty they will want to drink our products. Perhaps our biggest opportunity in the marketing mix is place; we have approximately 1 million vending machines to distribute our products.

With manufacturing plants located in Japan, we are able to keep our machines in full operation. Pepsi will try to threaten our presence of place in the market, but we do not see this as a threat. We believe that where ever Pepsi puts a vending machine a Coke machine cannot be far away. And, if Pepsi does find a new location we will put one of our machines in the same

location. This will bring us more business, because our product is more recognized in Japan. The promotion of our products is mainly in our mass selling campaign.

We truly market our product to everyone in Japan often through the media. This technique worked very well when we marketed in the FIFA World Cup. Also, as far as price is concerned, people in Japan are accustomed to a high standard of living and are willing to pay the price we set. Pepsi will have to meet our price, because we have established levels in the market. When it comes to our target market in Japan the benefits sought by our consumers are superior taste, thirst quenching, and satisfaction.

Anyone and everyone could be purchasing our products, therefore our wide array of over 100 products should be fulfilling to our customers. For the athletes we have thirst quenching drinks, and for the 40 hour a week business man or woman we have teas and bottled water. We feel that our market presence in Japan is best represented by our marketing in the competitive and technological environments. We are going to be challenged in both of these areas, but we see these challenges as opportunities to further our market share and presence in Japan.