

# Coca-cola in india

Business



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Section/# Coca Cola and the Struggle to Gain a Foothold in the Indian Beverage Market What aspects of U. S. culture and of Indian culture have been causes of Coke's difficulties in India?

Recent memory of the injustices of colonization was a fresh sore point with Indian consumers at a time the multinational giant Coca Cola was attempting to break into the market. This coupled with their blatant disregard for environmental laws and/or sustainability worked to create the perfect storm. Furthermore, Coca Cola did not win any friends by the hostile and combative manner that they denied the allegations that were brought against them. Lastly, sending the Coca Cola samples off to a lab in the former colonizer's home country (England) was a distasteful maneuver that likely did not win any support among undecided potential customers in India.

2. How might Coca Cola have responded differently when this situation first occurred, especially in terms of responding to negative perceptions among Indians of Coke and other MNCs?

Coke's initial response to the allegations that were brought against it by the Indian state could easily be defined as combative. As such, a combative response to such allegations hardly ever proves to be effective as it oftentimes appears that the firm is attempting to hide something rather than engaging actively to ameliorate the problem. Some of these dismissive/combative responses from Coca Cola I have included below:

" is there anything thing safe for you to drink"

" multinationals are an easy target"

" targeted by communist government officials who have an aversion to capitalism"

3. If Coca Cola wants to obtain more of India's soft drink market what

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changes must it make?

This is perhaps the most salient of the questions due to the fact that Coca Cola has an uphill battle on its hands with relations to public relations in India. Firstly, the company should continue to invest in the environmental infrastructure that shows the company has made a firm and continuing commitment to utilizing the resources of the host country in a responsible manner.

Respecting India by being a good and fair steward of the resources exhibited therein would necessarily be a primary item that Coke must change in order to have an opportunity to regain lost market share. Similarly, refraining from participating in culturally insensitive displays such as the one that Coke engaged upon by sending the Coca Cola samples off to laboratories in England to be tested rather than in India is another important step.

Similarly, Coca Cola will need to be mindful of the actions of its supply chain members as any one of these can negatively tarnish the image of the company. Furthermore, Coca Cola must cease and desist building bottling operations in areas that are prone to any level of desertification.

Additionally, Coca Cola must be much faster in response to such a type of criticism in the future. By actively confronting an issue and working to fix whatever failings the firm might have, the level of customer trust is more or less retained. Similarly, focusing too heavily on the changes rather than actively pursuing to win back consumer trust is another pitfall that has led Coca Cola down such a difficult path with respect to India.