

Overview of the coca cola company marketing essay



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The Coca-Cola Company (TCCC) is founded 1886 and known as world's largest beverage company which beverages sold in over 200 countries with a consumption rate of 1.6 billion servings a day (The Coca-Cola Company, 2006-2010).

Coca-Cola is oldest product under TCCC which retain as the 1st position in Best Global Brands 2010 by Interbrand. The product was introduced in 1886 originated in Atlanta, Georgia, by Dr. John S. Pemberton, which first offered as a fountain beverage by mixing Coca-Cola syrup with carbonated water. In 1895, Coca-Cola is registered as a trademark in 1893 and now being sold in every state and territory outside of United States. Pepsi is the main rival of Coca-Cola which hold 30.8% US market share and Coca-Cola holds 41.8% share (Beverage Digest's 2008). Last year, company suffer a decline in operating net revenue due to the fluctuation of currency and the emerging of healthy eating lifestyles.

Coca-Cola brand has been in Malaysia since 1936, the company only established its corporate presence here 1979 by franchised its bottling and distribution to local partner F&N Coca-Cola (M) Sdn Bhd. F&N's is a well known manufacturer and distributors of local soft drinks which holds 64% share of the Malaysia soft drinks market (Fraser & Neave Holdings Bhd, 2010). F&N had strong retailers' relationship through selling and supplying fountain services as well as sell directly to customers via vending machines. In September 2011, TCCC will cease to partnering with F&N and began to source, produce and distributes its own products from the factory located in Nilai's Bandar Enstek Techpark (Razak Chik, 2010).

4. 0 Consumer Decision Making Process

Consumer decision making process is stages that a consumer goes through when buying something, namely, problem awareness, information search, evaluation of alternatives, purchase and post-purchase evaluation as shown in Figure 2. 1[1].

Figure . 1 Consumer Decision Making Process

4. 1 Problem Recognition

Consumer decision making process begins with the problem recognition of consumers towards the stimuli such as social, cultural, lifestyle, groups and marketing activities in the environment. Assuming a consumer noticed the different beverages vending machine while passing by the street and that action triggered him or her needs of getting a drink. However, the problem recognition stage depending the level of attention of a consumer toward the stimuli because some consumers may not paying enough attention on Coca-Cola vending machine in their surroundings due to factors like experiences, attitudes and perceptions towards the products.

4. 2 Search for alternatives

The process of decision making does not solely rely on problem recognition stage but depending on consumers' product involvement consumers' personal interest in buying or using an item from a given product field. Generally, foods product like Coca-Cola is classified as ' inherently' low involving product. Consumers' decision on choosing a right soft drink is unimportant as it carries low financial risks to them. But some are seeking

for special attributes of the product like satisfaction on having a drink may walk closely to check the soft drinks available in those vending machines.

4.3 Evaluation of alternatives

Assuming the available beverages brands in the vending machines were Pepsi Cola, Coca-Cola, Sarsi and Root Bear (A&W). Being overwhelmed by different beverages brands, consumers rely on him or her memory of which of these brands she drank and experienced the most in the past which the process known as internal search. As for inexperienced consumer, he or she might rely on external information to make decision such as by calling neighbours or colleagues, friends, through advertisements and pricing of the product.

4.4 Post Purchase Evaluation

After brands evaluation, the consumer decided to buy Coca-Cola with the assumption that the stock of the brand is available in the vending machine. But it does not mean the consumer decision process is ended when a purchase has made. Moving forward post-purchase evaluation will take place as the consumer start drinking Coca-Cola and assessing the tastiness of the product. Consumer would probably repurchase Coca-Cola in short period if he or she satisfied with it. Adversely, the consumer would stop Coca-Cola if he or she found out the taste does not cope with him or her own preference.

Research found human beings get around 65% of their information through vision, about 25% by hearing, and 10% through the other senses (Young-II CHO, Hiroya Igarash & Toshimasa Yamanaka). Thus, Coca-Cola relies heavily on visual elements in advertising such as “ Happiness Machine” 3D

animation video to expose the teen's consumers about the fun and happiness nature of drinking Coca-Cola. In Malaysia, Coca-Cola use voluntary exposure to consumers by launching weekly infotainment Fuhhh! airing on TV3 channels which features Malaysian host Ashaari performing Coke's now signature 'Brrr' reaction. However, consumers tend to be selective when large amount of marketing information in the environments. F&N has overcome the problem by mass distributing vending machines in shopping complex, colleges, bus stations and so on to create accidental exposure to the crowds. <http://www.searchlightcms.com/files/content/content-1265348116.gif>

Attention

Once consumers are exposed to marketing information, interpretation processes of attention will begin. However, attention implies selectivity whereby consumers tend to attend to a small portion of the stimuli depending on the consumers' product involvement and products features (colour, packaging).

Coca-Cola borrows its exposure from the international sponsorship in FIFA World Cup and gains the local consumers attention by partnering with McDonalds to give away Coke Contour glass during the period with every purchase of McDonald meals. The strategy outcome turns to be positive as the brand extended its commitment to refresh fans with the spirit and excitement of the Games at home.

A physiological need is the survival needs of human. Coca-Cola is a soft drink product which can be seen as satisfying consumers' need or want of

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quenching the thirst. This is because water can be the priority drinks to reduce thirst for some countries depending on the cultural difference. For example, in western countries nations are used to drink coca-cola to ease their thirst, whereas in developing countries nations will satisfy this need with water.

Belongings Needs

Coca-Cola does satisfy belongings needs of consumers by happiness as shown in the latest "Open Happiness" campaign shaping the brand of consumers' emotional engagement through small, surprise moments of happiness while having coke. Joe Tripodi Executive Vice President and Chief Marketing and Commercial Officer commented that the campaign drove unit case volume growth in many developing markets, including 29 percent in Colombia, 6 percent in Malaysia, 6 percent in Mexico, 6 percent in Nigeria, 4 percent in Brazil and 4 percent in Morocco."(Coca-Cola Annual Report, 2009)

Coca-Cola in Latent and Manifest Motive Theory

Motivation theory stated consumers' purchase situation involving manifest motives and latent motives. Manifest motives are motives that are explicitly admitted by consumers. For instance, consumers are motivated to drink Coca-Cola because they believe it is high quality syrups and able to ease thirst better as compared to other soft drinks like Pepsi, Sarsi and others. Besides, groups' interest on purchasing the product is most likely to influence the member to follow the same action which is known as group influence. For example, an individual will perform the same action just like his or her group habits of having the Coca-Cola in their meals

Sometimes consumers buy product not for what they do, but for what they mean. Latent motives, on the other hand, is the implicit motive that consumer reluctant to admit open admit while purchasing the product. Some consumers purchases Coca-Cola just to make them feels younger as the brand always symbolizes youthfulness and spiritual. Some consumers buy product just because the product have nostalgic attachment to them. For instance, baby boomers are the largest consumers group of Coca-Cola because it becomes part of their memory since they have Coca-Cola during childhood.

Generally, consumers' learning occurs in relatively low involvement contexts and brands can turn obsolete if no reinforcement is undertaken. TCCC uses vicarious learning to reinforce the Coca-Cola through its latest offering 'Coca-Cola Brrr' TV commercials which the people demonstrated the 'Brrr' feeling after drinking a Coke. The commercial encourage the consumers to imagine and experience that Coca-Cola is extremely refreshing until they irresistible to express the uplifting feeling called Coca-Cola's 'Brrr Effect'.

Figure Coca-Cola Brrr TV Commercials

Source: http://www.youtube.com/watch?v=m_80NJ_4FYw&NR=1

5. 40 Memory

Consumers' memory involves a process of acquiring information and storing it over time so that it will be available when needed. Over the years, Coca-Cola creates long term memory through memorable commercials, tunes, slogans and sponsorship in the world of advertising, variously emphasizing international harmony, youthfulness and a carefree lifestyle (Docstoc, 2010). <https://assignbuster.com/overview-of-the-coca-cola-company-marketing-essay/>

One of the examples is Coca-Cola ' Brrr effect' TV commercial is memorable due to its uniqueness of the " Brrr" sound effect that Pepsi cannot afford to imitate. Cola-Cola also developed and changing catchy slogans over the years in their advertisements campaign. The latest Coca-Cola slogan in Malaysia is " Buka Buka Keceriaan" (means Open Happiness) to emphasize the brand is bringing happiness and surprises to the nations.

Recognition

Consumers' recognition of the brands is relatively important over the competitors brand depending on the degree of exposure customer toward the product. Coca-Cola is the world most recognized trademark due to its competitive advantage of having an excellent distribution system over its rival Pepsi. Coca-Cola found in any petrol station, convenience stores, cinemas or even vending machine where consumers exposed the most. Coca-Cola trademark is always flashed and seen in various advertisements. This improved consumers' recognition towards Coca-Cola as it evokes a range of positive and powerful attributes, including trust, quality, good times and refreshment.

5. 50 Attitude

An attitude is an enduring organization of motivational, emotional, perceptual, and cognitive processes with the respect to some aspect of our environment. An attitude towards the Coca-Cola serves as a knowledge function of individual when choosing brands. For instance, a consumer's attitude toward cola drinks may be ' they all taste the same'. He or she will more inclined to purchase the least expensive brand like Tesco Cola even if the actual taste different exist as compared to the real Coca-Cola.

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Consumers' attitude components consistency consists of cognitive, affective and behavioural.

Consumers' brand belief is a form of cognitive components of attitude which is the important basis for Coca-Cola Company to develop brand loyalty.

Consumers acquire positive beliefs toward Coca-Cola brand attributes like giving a feeling of refreshing, unforgettable taste and enjoyment over its rival Pepsi. Besides, the functionality of Coca-Cola works beyond a soft drinks but applicable in kitchen recipes such as Coca-Cola Chicken.

Consumers' attitudes towards the Coca-Cola are affective as the brand loyal users associated the brand with fond memories of days gone by just like a childhood friends. For instance, consumers react aggressively inundated the Coca-Cola headquarters with protests when the Chairman Roberto Goizueta announced that New Coke was permanently replacing the original Coca Cola brand in 1985 (David L. Kurtz, H. F. MacKenzie, Kim Snow).

Behavioural components of attitude stressed on the response tendency of consumers toward the product. For instance, consumers might not interest to buy Coca-Cola due to its sugar contents. But under the persuasion of environments stimuli such as advertising and other psychology core factors, consumers are more willing to give it a try of the product.

6.0 Consumer Environment

Consumers' environment consists of cultural background, subculture, social and lifestyles which are prominent factors affecting consumers' buying decision. Malaysia's market for non-carbonated soft drinks stood at 228. 4

million litres at the end of 2009, having grown by 5. 4% from 2004. The <https://assignbuster.com/overview-of-the-coca-cola-company-marketing-essay/>

growth for carbonated drinks was a little lower at 3. 2% to 47. 1% million litres (Razak Chik, 2010).

6. 10 Culture

Culture a bundle of beliefs, attitudes, goals, and values held by majority people in a society, as well as the meanings of characteristics behaviours, rules, customs, and norms that shared by people in a social group. Malaysia is a multicultural society which is more liberal in its rules so it can maintain social and cultural harmony between the various ethnic groups: Malays, Chinese and Indian (Waller, S. D., Fam, K. S.& Erdogan, B. Z., 2005). Malays ' culture is predominant in Malaysia, thus Bahasa Melayu (Malays language) is the official language in the country. English is the second frequent practice language Malaysia while other language like Chinese (various dialects), Tamil and indigenous are freely used in the country. Therefore, Coca-Cola Malaysia advertisement is always features in either Malay or English language to ensure the product information can penetrate different races of customers in Malaysia.

Figure Coca-Cola Brrr Commercial in Malaysia

Modified source: http://www.youtube.com/watch?v=m_80NJ_4FYw&NR=1

6. 20 Subculture

Ethic as a subculture

Malays is the dominant race in Malaysia which is 53. 3% of the total population and considered as the strongest purchasing power ethnic group in sweeter drinks. The consumption of sweet drink of Malays is high particularly

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during Raya celebration. Coca-Cola took the opportunity to facilitate Malay's coke consumption through Raya celebration special promotion to shift the ethnics' habit of drinking normal syrups. Likewise, Coca-Cola also appeals to Chinese market (the second largest ethnic group in Malaysia) by launching promotion during Chinese New Year when Chinese's soft drink consumption is high.

Religion as the subculture

The Malaysian Advertising Code (Ministry of Information, 1990) promotes cultural sensitivity and social harmony in advertising and prohibits advertisements that " contain statements or suggestions which may offend the religious, racial, political or sentimental susceptibilities of any section of the community". Islam is the national religion responsible in shaping the culture of Malaysia thus advertising must respect Islamic values and principle especially relate to items like nudity (Waller, S. D., Fam, K. S.& Erdogan, B. Z., 2005). Therefore, the sexy scenery in the original ' Coca Cola Brrr' commercials is filtered and removed by the Government before it is permitted to air in Malaysia TV.

Figure Coca-Cola Malaysia Chinese New Year Promotion

Source: [http://4. bp. blogspot.](http://4.bp.blogspot.com/_JMxAX4V5lq8/S9dWtE82FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+cola+camni+lah.jpg)

[com/_JMxAX4V5lq8/S9dWtE82FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+cola+camni+lah. jpg](http://4.bp.blogspot.com/_JMxAX4V5lq8/S9dWtE82FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+cola+camni+lah.jpg)

Figure Coca-Cola Malaysia Raya Celebrations Promotion

Source: [http://4. bp. blogspot.](http://4.bp.blogspot.com/_JMxAX4V5lq8/S9dWtE82-FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+c)

[com/_JMxAX4V5lq8/S9dWtE82-FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+c](http://4.bp.blogspot.com/_JMxAX4V5lq8/S9dWtE82-FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+c)
[ola+camni+lah. jpg](http://4.bp.blogspot.com/_JMxAX4V5lq8/S9dWtE82-FI/AAAAAAAAAa8/5ndBvxP_DfA/s1600/coca+c)

6. 30 Group

A group consists of two or more people who interact with each other to accomplish some goal like buying decision. Group affect consumers' knowledge, attitude and values towards a brand because individuals in the same group tend to share the same preference. For instance, the leader in the peer group like to drink Coca-Cola because its symbolize youthfulness. The rest of the group members are most likely to drink Coca-Cola just because it represents their identity of youthfulness.

Malaysia is populated with substantial huge amount of young population being below 30 years of age. Youth is the main targeted group of Coca-Cola Malaysia because they are the most heavy soft drink consumption group as compared to elderly. And research found out brand loyalty form early among teenage shopper and their sensitivity towards taste is stronger and most likely to repurchase the item. Thus, Coca-Coca make use of potential reference group concept in advertising to influence on consumer behaviour through its commercial by portraying Coca-Cola being consumed in socially pleasant situations, the use of attractive people endorsing products as shown in Figure 14.

Figure Images of Coca-Cola ' Buka Buka Keceriaan' (means open happiness)

TV Commercial

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Source: <http://www.coke.com.my/>

6. 40 Social

Figure Coca-Cola Facebook Fan Page

Source: <http://www.facebook.com/cocacola>

Social Networking

Social networking is one of the emerging social trends in Malaysia as statistics shown the population of internet user increase by 2.9% in 2009 as compared to previous year. Coca-Cola has adapted to social media as a virtual area to reconnect by updating its page with events photos, video and promotions. Fans can share their mind by giving comments in the page which is valuable for Coca-Cola to understand its customers better. Currently Coca-Cola has 11 million fans on Facebook and 96,385 followers on Twitter as of August 2010 (Interbrand, 2010).

Year

Users

Population

Percentage (%)

Usage Source

2000

3,700,000

24,645,600

15.0 %

Information and communication technology issues (ITU)

2005

10,040,000

26,500,699

37.9 %

Computer Industry Almanac Inc.

2006

11,016,000

28,294,120

38.9 %

ITU

2007

13,528,200

28,294,120

47.8 %

Malaysian Communication and Multimedia Commission (MCMC)

2008

15, 868, 000

25, 274, 133

62. 8 %

2009

16, 902, 600

25, 715, 819

65. 7 %

ITU

Modified source: <http://www.internetworldstats.com/asia/my.htm>

6. 50 Lifestyle

98% of Malaysian adult used to eating out rather than preparing their own food attribute to their busy lifestyles. Fast food restaurants like McDonalds have been the place where Malaysians dine in and consumed lots of soft drinks. Coca-Cola is benefited as TCCC has an exclusive tie up with McDonalds globally, where Malaysian are trained to associates fast food with coke as a habit now. GSA Narnia Glasses

Figure : GSC collaborate with Coca-Cola offer movie fans throughout the country an opportunity to take home a limited edition “ The Chronicles of Narnia: Prince Caspian” collectible glass poster.

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Source: <http://www.narniafans.com/wp-content/uploads/2008/05/gsc-narnia-glasses.jpg> Watching movie is one of the favourite leisure activities of Malaysian and the exposure of Coca-Cola brands in cinema is highly important as 50% of total volume of Coca-Cola sold in Golden Screen Cinemas Sdn Bhd (GSC), the local cinema company. Therefore, F&N made strategic partnership with GSC that enables the cinema to sell their range of drinks including Coca-Cola. (CBS Interactive, 2010). GSC has been work closely with Coca-Cola through screening the brands commercial as well as in movie freebies giving away promotion as shown in Figure 16 above.

Conclusion

As discussed earlier, Coca-Cola is a low involvement product which relies on heavy marketing activity to motivate and capture the attentions of consumers. Coca-Cola Malaysia Sdn Bhd should have closely scrutinized the cultural difference and changing lifestyle in Malaysia which is influential in consumers' decision making. The company should take account of these elements before designing or implementing effectives of marketing activities to appeal the potential consumers.

2952 words