

Advertising coca cola and mcdonalds in russia



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Coke has been in operation for a long time and throughout this period, from as early as 1886, it has been very prosperous in its operations and market share acquisition. It was discovered by a curious pharmacist who on one evening mixed some few chemicals and took the mixture down to a friend's chemist where it was mixed with carbonated water and some few customers sampled it, and upon tasting the mixture, they were delighted with the new creation and there and then, they pontificated it as a superior and novel drink that had not been seen before (Associated Press 2). A closely similar story is what McDonald's has been. This paper describes these two companies with the view of analyzing the different aspects of their operation and discusses unique cultures that they have that make them eccentric in their respective niche markets.

Five cents a glass is the price that was charged for the drink which was sold in a chemist. Pemberton, who was the founder's friend's book keeper named the drink coca - cola which is how the drink is known ever since then. It was received relatively slower in the market when it was introduced as only glasses were sold by Pemberton.

Through the period of 1888-1891, businessman Assa Griggs Candler acquired the rights to the drink for a total of \$2, 300 (Pendergrast 47) and this made him the first president for the company who is on record to have creatively and ingeniously developed and popularized the company's vision. Candler who is characterized as a naturally born salesman identified the large market of the thirsty market and oversaw his drink quenching their thirst. He transformed Coca-Cola from a mere drink to a fully grown company. By 1985 Candler had already established a syrup firm in Chicago,

Dallas and Los Angeles. The drink was first packed into bottles by Mississippi business man Joseph Beidenharn. He sent 12 Samples to Candler who embraced the idea with enthusiasm. This dream was not realized until 1899 when two lawyers, Thomas Benjamin and Whitehead Joseph acquired the full rights to bottle and sell the beverage for only one dollar per bottle (BBC News 2).

The Coca-Cola Company exists to provided refreshment, joy and quenching of thirst to its customers. It functions under a company called Coca-Cola Hellenic in the Russian region. The company first ventured into Russia in 2001. Coca-Cola Hellenic is based in Moscow and has 14 bottling branches scattered all over the country. It has an employee capacity of 10, 000 and indirectly supports 5-10 times its supply chain making it one of the largest non-alcoholic beverages companies in the region (Lundy 23). The company's notable increased operations are traced back to 2005 when the Coca-Cola Company and the Coca-Cola Hellenic acquired Multon on a 50/50 ratio. The company has gradually built a strong business in Russia owing it to its diverse international premium brand and its extensive sale and distribution chain and Russia is considered as a high potential market (Mikkelson & David 15).

Given the increasingly complexity of the market Coca-Cola Hellenic Russia operates in, it has to adjust its business approach to meet the demand in the market. The company implemented a new strategic plan in 2006 as a way of ensuring business services offered met the consumers' expectations.

Basically the company is building a powerful route-to-market system and a strong partnership with its consumers to ensure that their sales in the

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market place are what is needed by the consumers. Coca-Cola Hellenic deals with merchandising equipment to offer consumers their right products that they want (Munizi 36).

Consumers have different tastes and preferences considering their society and location. The Coca-Cola Hellenic company is adjusting to this preference so that it can provide the appropriate marketing activities and beverages to suit and connect the consumers. The Coca-Cola's "think locally, act locally" marketing strategy allows it to fit into the market and determine the local market demands and determine how to understand and satisfy the demands of their target consumers (Murden 53).

Coca-Cola advertisements have revolutionized the world of advertisings. Most of their advertisements are rooted in the image of a red Santa clause. The company began using the figure of Santa Clause in the year 1930 making it the first soft drink company to use that figure in the history of advertisement (Michaelssssss, 1). Before the thought of using Santa Clause, Coca-Cola depended on the use of smartly dressed young ladies to sell their beverages. In the year 1941 the company developed its official trademark nick name " coke", this was followed by a series of advertisement aimed at informing the consumer that " coke" was " coca-cola".

Coca-Cola's advertisements are pervasive and their main goal is to ensure that everybody on planet earth drinks coke as their preferred beverage. Most of Coca-Cola's memorable advertisements were written by former Atlanta radio presenter Don Naylor during his span as a producer at McCann

Erickson Advertising Agency. Most of the ancient coke advertisements featured musicians, movie personalities and sports icons (Pendergrast 34).

Cola wars happened in the 1980s when Coca-Cola and Pepsi were fighting for a larger market share. Coca-Cola ran a number of advertisements to try and combat Pepsi and ended up tarnishing the image of Pepsi. In one of Coca-Cola's advertisement, Coca-Cola compared the challenge that was posed by Pepsi to "two chimpanzees that were deciding on which tennis ball that they had was furrer" (Mohamed, 2). The wars later ended and Coca-Cola took back its popularity.

In 1992 the Coca-Cola Company bought Columbia pictures and started using movies to advertise their brands. This was archived through inserting images of its products in most of the movies they produced.

Coca-Cola has had two slogans since its introduction in Russia which are:

Ð'Ñ † ÐµÐ³Ð´°CocaCola (1993-2009, which means Always Coca-Cola) and Coca-Cola Ð,Ð´ÐµÑ, Ð² Ð´Ð³¼Ð¼! (2010, which means Coca-Cola is going to the house!).

Coca-Cola mainly uses the above lines for its advertisement and preferred using the media rather than personal encounters. One such advertisement is The Holidays are Coming which is characterized by a train of red delivery trucks covered in the name coke and decorated with lights all round. As the train moves on a snowy terrain it lights up for people to see as they pass. The advertisement was produced in the U. S by Doner Advertising Agency and it was also used as the company's worldwide campaign for many years (Smith 32).

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Coca-Cola has also designed a new way to advertise through sports. It began the spirit of sponsoring the Olympics back in 1928 Olympics which were held in Amsterdam and has continued sponsoring sports ever since. The Olympics games command a very large crowd of people which is what coke needed. The concept behind sponsoring the Olympics was that Coca-Cola products would be on display to a very large crowd of people simultaneously which was a very good advertisement strategy for coke. Coca-Cola has also been associated with the Fifa world cup and has been one of Fifa's biggest sponsors since 1978. It is also the main soft drink for many collegiate teams in Russia and elsewhere (Watson 56).

Coca-Cola Hellenic can be termed as one of the most successful businesses to advertise in the video world or above the line advertisement. All of its advertisements have taken the market with a storm and have generated a very high response. At one point consumers asked for the advertisement labeled, The Holidays are Coming, to be re-ran during the approach of Christmas holidays. This proves that the company has been successful in relaying its concept to the mass public. Due to the success of Coca-Cola video advertisements many books have picked its case up to be used a case study in many educational institutions (Watson 100).

McDonalds Restaurants

Another company that has made a very significant success in the field of video advertising is McDonalds. It is a company that deals in hamburger and fast foods where it serves well over 58 million customers on a daily basis. Its restaurants and stores are operated be either a franchisee, a given affiliate

or by the corporation itself (Naruto 76). McDonalds basically sells Cheeseburgers, hamburger, chicken products, French fries, breakfast items, soft drinks, shakes and dessert (Quidoo 65). Due to the rising cases of obesity in the western Nations and general criticism of lack of healthy meals, the company has been forced to edit its menu and squeeze in some healthier items such as salads, wraps, and fruits. McDonald's fast food came into existence in 1940 when two Brothers, Richard and Maurice McDonald decided to open a restaurant in San Bernardino, California. These brothers are also responsible in bringing into existence the idea of fast food joints used in day-to-day life through a system they introduced called Spedee fast service . McDonald's first applied for U. S trade mark on the name McDonalds on May 4th 1961 with the slogan Driver-in Restaurant Services. McDonalds filled for a logo trademark using the symbol of " M" which is overlapping. The logo was later changed on September 6th 1962 to a single arch shaped ' M'. The first McDonald restaurants were opened in United States, Canada, Costa Rica, Panama, Japan, The Netherlands, Germany, Australia, France, El-Salvador, and Sweden in the order of opening (Tuner 206). The company entered into the public stock exchange in 1955 where Ray Kroc purchased the McDonalds Equity and led the company to venture worldwide. The McDonalds argued about the control of the company with Kroc as is documented in the autobiography of Kroc and that of the McDonalds where it was thought to have been a good thing for the company and due to its level of prominence it has become a topic of many public debates. McDonald's restaurants are found in 119 countries and operate 31, 000 restaurants in these countries. McDonalds also runs other joints such as pile café

Most McDonald's offer both on counter services or drive through services with indoor and at times outdoor serving. In order to inhabit the new trends of quality coffee the McDonalds was compelled to start McCafe as an accompaniment to McDrive. The company earns money through investments in properties, franchise of restaurants and managing restaurants. Around 15% of McDonalds managed by the McDonalds Corporation are owned directly by the McDonalds Corporation (Berger 121).

As a renowned fast food corporation McDonalds is frequently under criticism for its menu, its expansion and its business practices. In a form of counter attack McDonalds has sought to add healthier foods to its menu and has even designed a new slogan to its recruitment posters which is Not for a Bad McJob. In 2007 the company launched an advertisement campaign with the slogan Would You Like a Career With That on Irish television outlining that their business had many prospects (Caro 1).

McDonalds advertises in many ways apart from only video advertisements. They first begin with handling the company's publicity. This is accomplished through several ways one of which is captured in this quote:

In April 2008 the Corporation announced that 11 of their Sheffield were operating under biomass under trial and this had cut its waste and carbon emission footprints by half in the area. In this trial waste from the restaurants was collected by Veolia environmental services and was recycled in a plant to produce energy for the restaurants (Grimes 122 - 123).

In Europe McDonalds has been recycling vegetable waste into diesel that is used to fuel trucks. The United States has also commended McDonalds for its <https://assignbuster.com/advertising-coca-cola-and-mcdonalds-in-russia/>

continuous efforts towards reducing solid waste by coming up with more efficient packaging products and promotion of recycled products. All these efforts are driven towards promoting a solid and creditable publicity. The theory here is that if the company does give back to the community then the community will recognize its efforts and the community will be more acquainted with the company hence increasing its market prominence percentagewise (Watson 210).

McDonalds has for its lifespan had a very antic and extensive way of advertisement campaign. Majorly the company advertises through media that is T. V, Radio and e- advertising but aside from that the corporation also makes use of billboards and signage. Sponsoring sports events ranging from little leagues to the Olympics is also a way that the corporation is designing for its advertisement benefits just like its fellow company Coca-Cola. The company also advertises through making of products that bear the company's logo to operate in various events. Nevertheless television still remains their major mode of advertisement for McDonalds (Orozco & Quintanilla 87).

Children represent a great part of television viewers and are also a great deal of audience. Advertisers do not only know that children are easily swayed by advertisements but they also know that children have the ability to pursued grown-ups to purchase stuff of their (children's) preference. If a child spots something and wants it he becomes disturbingly persistent and annoying to the parent and in most cases, obliges his/her parent into buying what he/she (the child) wants. This is one fact that McDonalds knows and has delved fully into its exploitation for its business growth. At one specific point <https://assignbuster.com/advertising-coca-cola-and-mcdonalds-in-russia/>

McDonalds advised employees to specifically focus on kids in an advertisement labeled; Kids Are Stars. The employees were advised to pay extra attention to children eating at the restaurant in order to make sure that they had a positive view of the restaurant as they ate. This campaign was one of the most successful advertisement strategy McDonalds had ever come up with but was stopped due to criticism that it was immoral to use children as advertisement props (Orozco & Quintanilla 90).

Summary of the Analysis of the two Companies

The overview that has just been made shows how these two great companies have utilized a great deal of advertisement in order to increase their respective audience market. These companies have some few similar methods of advertising. For instance the Coca-Cola advertisement comprising of a train was mainly targeted at affecting the child audience as is similar with McDonalds' advertisement dubbed Kids Are Stars signifying that the two companies have identified that children are a viable target audience (Whyte & Lauridsen 45). These companies also focus on giving back to the community in order to increase their publicity through elaborate and effective Corporate Social Responsibility initiatives. Still both of these companies extend their advertisement strategy to the play ground by acting as key sponsors of major and notable sports events like the Olympics (Murden 56).

This notwithstanding, Coca-Cola and McDonalds do differ in their advertisement strategies in some ways. One way is that McDonalds only ventures into sponsorship of small sports events whereas Coca-Cola Majorly

deals with promotion of sports of a higher caliber. McDonalds also produces adverts that are used by all the company's branches as compared to Coca-Cola that prefers that each region produces its own advertisement style according to the nature of the area it is located in. These two companies can be used to signify the power that advertisement holds.