

## Marketing Mix and Brand Development Strategy in Coca-Cola

Name

Professor

Course

Date

## Table of Contents

Introduction .....	3
Coca-Cola Brand Marketing Mix (4p's) .....	3
Product .....	3
Price .....	4
Place .....	4
Promotion .....	5
Coca-Cola Brand Development Strategies .....	6
Differentiation Strategies .....	6
Low Cost Leadership Strategy .....	6
Focus Strategy .....	7
Increasing Financial Efficiency .....	7
Stability Strategy .....	8
Brand Establishment and Customer Relationship .....	8
Conclusion & Recommendations .....	9
References .....	10

## Introduction

Coca-Cola is the world's largest manufacturer of beverage products. Its success can be attributed to its developed strategies which have made it competitive to the level of attaining attributes to be a leader in the sector. The company has developed structures that have dealt with existing challenges due to the competitive nature of the sector. The company manufactures a lot of products in different varieties. With the increased demand for soft drinks throughout the world, companies need to develop marketing strategies that will give customers a great experience. Coca-Cola uses a unique marketing strategy to approximate the value as well as examine the best methods to advertise and distribute its products (Williams, 2017). Its marketing mix is referred to as the 4p's and includes the product, price, place and promotion (Hagget, 2014). Although Coca-Cola has experienced various challenges to be the leading beverage producer, its success is based in its marketing mix, and brand strategies and this essay will provide an in-depth analysis of its marketing mix and brand strategies.

## Coca-Cola Brand Marketing Mix (4p's)

The marketing mix is a planned mix of controllable elements of a product marketing plan commonly termed as the 4p's: product, price, place and promotion (Hagget, 2014). All the elements are modified to achieve the right combination that will serve the needs of customer products at the same time generating optimum income ("marketing mix", n.d.).

## Product

Product is an essential feature of the marketing mix. According to Jackson (2016), if a customer is not satisfied with a product, it is not easy to work on the other elements of the marketing mix to improve performance in the marketing place. Coca-Cola headquarters are in Atlanta, Georgia and is considered the world's largest beverage company with over 3500 different products worldwide. The company focuses on providing quality products through sparkling beverages, ready-to-drink coffees, and ready to drink beverages (Jackson, 2016). Its

beverages are categorized in different diets such as energy drinks, tea and coffee, water, fruit drinks and 100% fruit juices. In that sense, Coca-Cola has situated its products in more than 200 countries. The company makes huge investments to ensure that all people have access to its products regardless of their location (Williams, 2017). This strategy of providing its quality products to all people is vital because it helps the company to reach a wide range of consumers and increase its customer base. More so, the company's establishes itself in wider markets, thus maintaining a competitive advantage over its rivals such as Pepsi.

#### Price

This is the second element of the marketing mix, and it includes what a consumer pays for a product. Samson (2016) posits that Coca-Cola pricing approach is extremely consistent more than that of their competitors. Provided that the company offers varieties of products, pricing is established by basing it with the market, geographic segment, and the pricing of the competitors. One of the aggressive competitors of Coca-Cola Company is Pepsi, and hence the beverage market may be considered as an oligopoly market. Therefore, the two firms have to develop a mutual contract to set a mutual price balance for both sellers. Coca-Cola, in that sense, ensures product prices are maintained at the same levels in existing markets, and prices are lowered in markets to penetrate the market and promote brand awareness. This strategy is crucial in creating a competitive advantage which is key in maintain and attracting new customers.

#### Place

Place is the third element in the marketing mix, and it consists of the delivery of the products and the right to use it. It uses FMCG distribution system to disburse its products. Jackson (2016) says this strategy is an effective system because it incorporates different local distribution channels system and allows the company to manufacture and sell its products to bottling operations. Additionally, the bottling firms pack and distribute the finished product to

marketing partners who at last sell them to customers. This approach is essential to Coca-Cola as it ensures other small and middle-level players in the market are eroded. According to Arab (2018), Coca-Cola has the largest beverage distribution system, which ensures customers over 200 countries have a drink at a rate of 1.9 billion servings every day. Therefore, its place element allows it to reach all consumers globally through effective distribution strategies and partners.

#### Promotion

This is the last element, and it refers to the persuasive message pushed to the consumers about a product. As such, Coca-Cola is termed as a successful, loved, persistent, and longest surviving brand name among many. According to Samson (2016), this success can be attributed to strong advertising and marketing skills in Coca-Cola. It uses varying advertising and promotional approaches to develop demand for their products by considering the behavior and lifestyles of their target groups through value-based advertising. This is possible because it values the power of advertisement as a channel to create and promote awareness of their brands. Furthermore, the company utilizes its Corporate Social Responsibility (CSR) as its marketing tool to gain an emotional advantage in the consumer's mind. Jackson (2016), in his work, indicates that Coca-Cola advertising has not only influenced American pop culture but has united the world entirely.

Consequently, the firm uses out-of-home media, including restaurants through branded glasses and plastic cups, to promote consumer awareness of their products. Such promotion creates demand which, as a result, encourages retailers to store Coca-Cola products in plentiful supply. Coca-Cola future marketing plans should focus on environmental concerns concerning climate change. They should develop a comprehensive marketing plan to address this. However, the company has made significant steps towards achieving a sustainable environment by using recycled materials to make plastic bottles. While this is a good initiative, the firm now produces

billions of plastic bottles each year, ensuring the company's efforts towards environmental concerns.

#### Coca-Cola Brand Development Strategies

The marketing mix of Coca-Cola is the basis to which its brand strategy is developed. Therefore, the marketing strategy analyzed above paves the way for the company's goals to be achieved and direct its energies appropriately. A definite approach should help accomplish company and customer goals and expectations. So far, the company implements brand strategies to assist the company in its operations across the world.

#### Differentiation Strategies

This strategy consists of the approaches the firm employs to embrace uniqueness. A company must maintain uniqueness with their products to make sure the company remains competitive and establish itself as a leader in the beverage sector. Coca-Cola, therefore, focuses on manufacturing products that stand out from those of other competitors such as Pepsi. Their strict standards ensure that their products are unique, and consumer's needs are met, and the approach is applied globally in all Coca-Cola subsidiaries. This strategy is also essential in ensuring the company maintains industry leadership. Additionally, its unique marketing campaigns such as labelling and unique bottle shapes make the firm have an advantage over their rivals. With its varieties of flavours, the company ensures they maintain and widen their customer base by improving the taste of favorite brands.

#### Low Cost Leadership Strategy

Coca-Cola focuses on increasing its marketing and operational spending through cost control. This strategy is vital for the company as it helps it gain a competitive advantage. The low cost aspect allows it to remain profitable despite the high operations costs, and it is one of the best business-level strategies in the company. It has been a successful strategy because it has allowed efficiency and has ensured a socially acceptable procedure that helps in averting

possible tragedies (Karnani, 2014). With such a strategy, the company ensures that its manufacturing process is done at a low cost. Therefore, the company can invest in other measures that increase the company's profits. These profits help Coca-Cola to develop new capabilities and structures to improve customer satisfaction.

#### Focus Strategy

The process of a focus strategy is based on the differentiation and low cost dimensions. This strategy leads to the development of efficient manufacturing processes which lead to the manufacturing of new products that target specific markets. For example, the driving product *Coke* is manufactured in bulk which favors the focused strategy and sells to all countries where the company is situated. Focusing on its core competencies allows the company to sell some of their products and still generate profits regardless of the market conditions. Another area where the company uses the focus strategy is in the management of independent bottling partners and others of their own. It helps the company to optimize manufacturing and distribution systems, increase productivity and performance. The focus strategy has continually helped the company to create an opening for future development strategies. The resulting products satisfy the pool of customers, and the innovation of the company ensures a continuous improvement of the products. This focus strategy ensures the differentiation strategy lifts the organization by developing a strong brand image among the consumers. As a result, customers of Coca Cola products remain loyal through buying decisions.

#### Increasing Financial Efficiency

Most of the businesses worldwide goal is to have optimum returns for investment with maximum productivity. Mayureshnikam & Patil (2018) argues that Coca-Cola has developed efforts of achieving financial flexibility through the application known as *zero-based work* where the budget has to be revised from zero and evaluated annually rather than carrying over budgets

from previous years. Conversely, Coca-Cola has maintained efficiency by advertising carefully through non-media marketing like in-store promotion which has cut down advertisement costs. The savings from the cut down of advertisement have been used to make brands, improve the business and provide decent dividends to shareowners. Therefore, this strategy is vital for the company because it will ensure the company remains competitive and all the manufacturing processes are improved, thus improving productivity.

#### Stability Strategy

Coca-Cola needs to suspend some of its growth strategies and focus on ways of making the business sustainable. This is a crucial strategy for the company as it aids in matching the current economic conditions in the market. It focuses on the quality control methods, marketing efforts and improvement of research and development. Therefore, sensitive care is required to handle challenges that threaten the stability of a company.

#### Brand Establishment and Customer Relationship

Consumers trust a branded product and are willing to spend a fortune instead of choosing an unheard product. As for Coca-Cola, they have used this strategy by developing brand value through investing in modernized advertisements. The Coca-Cola ads have focused on developing influence on consumers and change their perception of the company to be part of people's life (Mayureshnikam & Patil, 2018). Coca-Cola has managed to develop a global marketing campaign with its main objective being establishing one brand strategy through its brand name Coca-Cola. According to Mayureshnikam & Patil (2018), Coca-Cola has applied the slogan *Taste the Feeling* which emphasizes the refreshment, taste, uplift and personal connections as part of enjoying a cold Coca-Cola drink. Such a strategy assured customers of the importance of the product and how to choose an appropriate drink.



### Conclusion & Recommendations

Over the years, Coca-Cola has established itself as one of the longest surviving brands in a group of other successful companies. The underlying reason for this success is how they implement their marketing mix strategies and brand management approaches. The firm understands the key to success is incorporating the elements of the marketing mix, which help in developing brand development strategies. The rapid technological advancement globally, social networks can effectively send adverts to targeted consumers who are actively engaged with modern technology. As such, the firm should utilize modern technologies such as Facebook and YouTube to reach customers. Even though social network advertising is an emerging market, it has completely changed how organizations advertise their products and services to their consumers. In this case, I think Coca Cola should keep on exploring different strategies to use social network advertising to expand its product promotion as well as increasing its market share.

## References

- Arab, N. (2018). Relationship Between Dimensions of Brand Equity and 4ps of Marketing Mix - Place, Product, Promotion, & Price: Coca Cola -Consumer Based Qualitative Survey. *International Journal Of Academic Research In Business And Social Sciences*, 8(2). doi: 10.6007/ijarbss/v8-i2/3864
- Hagget, D. (2014). Copy of The Marketing Mix. Retrieved from [https://prezi.com/6jfl\\_kfdc2dq/copy-of-the-marketing-mix/?cv=1](https://prezi.com/6jfl_kfdc2dq/copy-of-the-marketing-mix/?cv=1)
- Jackson, G., & Ahuja, V. (2016). Dawn of the digital age and the evolution of the marketing mix. *Journal of Direct, Data and Digital Marketing Practice*, 17(3), 170-186.
- Karnani, A. (2014). Corporate social responsibility does not avert the tragedy of the commons. Case study: Coca-Cola India. *Economics, Management and Financial Markets*, 9(3), 11.
- Marketing mix. (n.d.). Retrieved from <http://www.businessdictionary.com/definition/marketing-mix.html>
- Mayureshnikam & Patil, V. (2018). Marketing Strategy Of Coca Cola. *IOSR Journal Of Business And Management*, 77-85.
- Pratap, A. (2020). *Marketing Mix of Coca Cola: Product, Place, Price, and Promotion*. notesmatic. Retrieved from <https://notesmatic.com/2017/03/coca-cola-marketing-mix/>.
- Samson, M. S., & Sheela, M. V. P. (2016). GLOBAL MARKETS AND THE EVOLVING MARKETING 4P'S. *RESPONSIBLE MARKETING FOR SUSTAINABLE BUSINESS*, 100
- Williams, R. L., & Williams, H. A. (2017). The Marketing Differentiation Process. In *Vintage Marketing Differentiation* (pp. 5-18). Palgrave Macmillan, New York.

