

# Coca Cola Marketing Case Study

The first glass of Coca Cola was served on May 8, 1886 by Dr John Pemberton as a pharmacist's elixir. It has now turned into the world's favorite refreshment drink – a mode of “sharing happiness” as they say.

The Coca Cola Company currently averages *1.9 billion servings per day in 200 countries*. With a community of over 700,000 employees and over 225 bottling partners, it has turned into a global brand with a market cap of *over 273 billion US dollars*.

The Coca Cola Company had first entered the Indian market in the 1950s when it rapidly gained popularity. Their flagship product ‘Coca-Cola’ became synonymous with the classic red logo in no time. However, due to the Foreign Exchange Regulation Act in 1977, it had to exit the Indian market as it would lose 60% of its stake and the secret formula. Parle seized the opportunity and introduced carbonated beverages like Limca and Thumbs Up filling the vacuum. In 1993, the Coca Cola Company re-entered the Indian market and paved its path to market domination with their exceptional marketing strategy.

Let's take a deep dive into the marketing strategy and understand how Coca Cola became the definition of “*Thanda*” for Indians and the world's mode of “*sharing happiness*”.

## Branding Strategy

Coca Cola is one of the rare brands that haven't changed their classic logo since the beginning. The red color, the font and the classic bottle have been familiar to their consumers' eyes since over a century now.

It also adapted to various geographical and cultural landscapes by changing their branding on bottles to local languages in different countries and cities. This ensured a more personalized experience for its monolingual consumers.

## STP – Segmentation. Targeting. Positioning.

An STP strategy is very helpful in identifying potential consumers and formulating a unique proposition for them. This ensures that we know who we want to sell to, how we want to sell to them and what will make them buy.

### Segmentation

Coca Cola's audience is divided into segments in order to cater to their specific needs:

- **Geographic:** The company operates in various countries in both urban and rural areas, making their products, pricing and distribution channels fit to the local preferences.
- **Demographic:** Their audience is demographically vast with ages ranging from 10-40 years, various genders and all possible income levels.
- **Psychographic:** The brand majorly creates an emotional connection with aspirational messages that resonate with different values, lifestyles and personalities. This helps them foster a personal connection with the consumers and maintain a positive brand image.

- **Behavioral:** Closely observing changing preferences and consumer behavior trends, Coca Cola frequently offers a wide range of beverages to cater to different usage rates, readiness to buy and occasions.

## Targeting

The Coca Cola Company uses a differentiated targeting strategy wherein it deploys different products and marketing strategies for each segment.

For instance, it focuses on convenience and diversification for urban consumers. On the contrary, for rural consumers, it focuses on affordability and availability.

Another example is where it targets consumers with different behaviors and preferences with products like Minute Maid, Coke Zero and Diet Coke for health-conscious consumers. On the other hand, they target the youth with refreshing beverages like Sprite, Fanta and Coke.

## Positioning

The brand positions itself as a go-to drink for refreshment; a mode of “*sharing happiness*”. Be it a celebration, a get together, a break from work – “*Thanda matlab Coca-Cola*”.

## 4P's – Product. Price. Place. Promotion.

### Product

The company constantly innovates and offers a variety of products including carbonated drinks, juices, teas, coffee and water. This helps them cater to consumers with all tastes, budgets and preferences. They stay relevant by regularly rolling out new products to meet the evolving market.

For instance, they have partnered with McDonald's to offer the McFloat – a unique blend of the refreshing soda and the mouth-watering soft serve.

### Price

The brand follows a price discrimination strategy wherein it alters the prices of the products based on markets, segments or occasions.

For example, it charges higher prices in urban areas as compared to rural areas, lower prices for offerings in larger packs than in smaller packs and spiked pricing on occasions.

Moreover, they roll out seasonal promotions and limited-time deals that are intricately formed to drive consumer interest and brand loyalty.

### Place

Coca Cola's distribution strategy is undoubtedly a master stroke – covering every corner, leaving no stone unturned. It uses a combination of direct and indirect channels to make their products available to end users everywhere in the world.

The company directly sells to large retailers, wholesalers and distributors around the globe; who further infiltrate the market by reaching out to smaller restaurants, hotels, retailers and vending machines.

Additionally, they have an extensive network of independent bottlers who acquire their bottles, package them and sell the final products to consumers.

Leveraging the digital era, the company readily uses e-commerce and quick commerce platforms to expand their reach and be readily available to consumers.

## **Promotion**

The Coca Cola Company uses a diverse, yet focused promotional strategy to communicate its brand and products to the masses. It uses personal as well as non-personal communication channels.

### **Personal Marketing Channels**

- Social Media
- In-Store Promotions
- Event Sponsorships

### **Non-Personal Marketing Channels**

- Television Advertisements
- Outdoor Advertising & Print Media
- Digital Marketing

## **Remarkable Campaigns**

### **Santa Illustration in Coca Cola brand colors (1931-1964)**

Did you know that the image of Santa Claus initially ranged from big to small? He also wore various colors ranging from green to red, sometimes even brown. This was because he represented different stories from different cultures around the globe. However, nowadays the name Santa Claus resonates with a plump, joyous old man with a long, white beard wearing a red outfit. Well, this illustration was first created by Haddon Sundblom in 1931. The Coca Cola Company began its Christmas advertising in the early 1920s in an effort to boost sales during the slower winter and fall months. The Sundblom illustration was used for over three decades until 1964. By then, the Coca Cola Santa was deeply woven into the Christmas culture crafting the modern-day interpretation of St Nicholas.

### **“Thanda matlab Coca-Cola” (India)**

According to the Indian culture, the first question you ask your guests is “*What will you take? Thanda ya garam?*” (*Cold or Hot Drinks*) In most cases, if a cold drink is chosen, Coca Cola is served. This is a direct result of Coca Cola’s brand collaboration with the Indian actor, Amir Khan in the early 2000s. They released three different ad films with the same tagline, “*Thanda matlab Coca Cola*”. Thus, strategically

embedding Coca Cola into Indian hospitality rituals. This campaign yielded a *25% rise in rural sales* in India. Using local language and slangs, they ensured to create an emotional connection and successfully conveyed that Coca Cola isn't just any beverage; but a piece of cultural conversation.

### **“Share a Coke” (2011 Australia)**

Initiated in Australia in 2011, the Coca Cola Company took a leap of faith by changing the branding on bottles to common and generic names. They started with *150 monikers in Australia* and *sold over 250 million personalized bottles and cans* in a population of just about 23 million people. This encouraged a personalized and shareable experience amongst the users. *According to Marketing Week, around 51% consumers felt an increased positive connection with the brand.* This campaign eventually spread out over 80 international markets totaling a sale of *over 1.5 billion personalized bottles*. The campaign also garnered unprecedented social media engagement with *over 100 million social media interactions*. This wasn't just free advertisement for Coca Cola; it fostered an online community of happiness and joy.