

TITLE:- ANALYZING COMPETITIVE ADVANTAGE IN REAL COMPANIES.

1. **INTRODUCTION:-** Here, we take 2 companies , 1 is from consumer goods sector and another is technology sector.

CONSUMER GOODS SECTOR :- THE COCO-COLA COMPANY.

TECHNOLOGY SECTOR:- APPLE COMPANY.

2. **OVERVIEW OF COMPANIES:-**

- Apple company is an American computer and consumer electronics company famous for creating the iPhone, iPad and Macintosh computers.
- The Coco-Cola company Is a total beverage company. It is a carbonated soft drink produced by The Coca-Cola Company of Atlanta, Georgia Originally intended as a patent medicine when it was invented in the late 19th century by John Pembertonm .

3. **RESEARCH COMPETITIVE ADVANTAGES:-**

STRENGTHS OF THE COCO-COLA co.

- Diverse product portfolio.
- Distribution system.
- Valuable Brand.
- Global brand recognition.

STRENGTHS OF APPLE co.

- High profit margin.
- Marketing.
- Innovative Technology.
- Premium pricing.

- Distribution.

REVIEWS BY CONSUMERS :-

- Piyali Das ★★★★★ Verified Purchase (AMAZON)
APPLE COMPANY

Reviewed in India on 2 January 2024

I am an apple user since 2017. Ever since I have not looked back. It is getting even better day by day. And iPhone 15 has a lot of features which I always wished the previous would have. For example it comes with a C-type charging wire. So I won't get disappointed when I ask a non – apple user for their charger. Also the night mode camera is love. The battery lasts whole day. Overall I loved it.

- www.atlantis-press.com
COCO-COLA CO.

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By clarifying the competitive environment of the industry, Coca-Cola Company complies with the development of the times. It widens the litigation points of consumers. Also, it meets the multidimensional needs of consumers through the combination of various differentiation strategies to make Coca-Cola take a leading position in the competitive soft drink industry.

4. FINANCIAL PERFORMANCE EVALUATION:-

The Coco- Cola company:-

Gross margin TTM	59.52%
Operating margin TTM	29.1%
Net Profit margin TTM	23.42%
Return on Investment TTM	15.39%

The APPLE company:-

Gross margin TTM	45.03%
Operating margin TTM	30.76%
Net Profit margin TTM	26.16%
Return on Investment TTM	57.64%

5. COMPARATIVE ANALYSIS:-

The COCO-COLA co.

- Market share :- 42.8%
- Growth prospects :- 6-7%
- Competitive Threats:- Water usage controversy.
 - > Packaging controversy.
 - > Direct and indirect competition.
 - > Aggressive competition with Pepsi.
- Barriers to entry:- brand loyalty.
 - > vertical integration.
 - > economy of scale.

THE APPLE co.

- Market share :- 20.1%

- Growth prospects:- revenue growth of just 3.5% & earnings-per-share growth of 7.4%
- Competitive Threats :- Battle Against Counterfeit Products.
 - >Increasing competition in their various industries.
 - >Threat of reduction in demand Due to economic downturns.
 - >Backdoor Mechanism.
- Barriers to entry:- High capital requirement.

6.ASSESS SUSTAINABILITY:-

LONG-TERM VIABILITY OF APPLE COMPANY :

<https://www.apple.com/in/environment/>

The energy that goes into manufacturing our products makes up the majority of our carbon footprint. That's why our suppliers are transitioning to electricity generated from solar, wind and other renewable sources. So that **by 2030, we can make every Apple product with 100% clean energy.**

- All Apple offices, stores, and data centers operate on 100% clean electricity and are carbon-neutral is the most long term goal of apple company.
- Apple Inc.'s sustained competitive advantage can be attributed to its focus on user experience, continuous innovation, hardware, software, and services integration, branding excellence, ecosystem lock-in, effective supply chain management, strategic partnerships, and long-term vision.

- Yes, the long term viability of apple company will surely succeed and wont be vulnerable to industry changes, technology disruptions or competitive pressures as it is Strong Brand and Loyal Customer Base. Apple's brand is one of its most significant assets. The company's reputation for quality, innovation, and design has helped it build a loyal customer base

LONG TERM VIABILITY OF COCO-COLA COMPANY :

<https://www.coca-colacompany.com/>

Our long-term targets consist of solid revenue growth of 4% to 6%, strong operating leverage driving 6% to 8% operating income growth, delivering meaningful EPS growth and improving on our free cash flow conversion.

- Focusing on a world without waste is the most long term goal of Coco-cola company.
- Coca-Cola's competitive advantage lies in its ability to satisfy customers more than its competitors and continuously serve their customers' wishes. Coca Cola's competitive advantage is attributed to its new product development, customer orientation, and ability to outperform competitors.
- The Coca-Cola Company's strengths, such as its global brand recognition, extensive distribution network, and diverse product portfolio, are likely to endure over the long term. However, it may face challenges from industry changes, technological disruptions (like shifts towards healthier beverages), and competitive pressures (from both traditional

rivals and emerging players). Adapting to these changes and innovating will be crucial for its continued success.

CONCLUSION :-

I hereby conclude that by considering both APPLE company and THE COCO-COLA company considering risk tolerance.

I believe Apple and Coca-Cola are both still reliable long-term investments. But if I had to pick one over the other right now, I'd stick with Coca-Cola because it's better diversified, it holds up better during deep economic downturns, its stock is cheaper, and it pays a much higher dividend.

Coca-Cola's adjusted EPS increased 7% in 2022, even as inflation boosted its commodity costs, and it expects another 7% to 8% growth in 2023. Those rock-solid growth rates enabled Coca-Cola to end its latest quarter with over \$14 billion in cash, cash equivalents, and short-term investments.

The company continues to buy back its shares, but its share count still grew about 1% over the past five years as its stock-based compensation slightly offset buybacks.

Meanwhile, Coca-Cola has raised its dividend annually for 61 consecutive years and currently pays an attractive forward yield of 3.3%. Its sustainable payout ratio of 74% suggests it can continue to boost its dividend annually for the foreseeable future.

