

REVIEW PAPER-

STUDY ON MARKETING STRATEGY OF COCA COLA

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ABSTRACT-

This project highlights on the topic a study on Our Winning Culture defines the attributes and behaviors that will be required of us to make our 2020 vision a reality. Our 2020 vision is a catalyst for us to embark on the journey from Good to Great in the process of delivering extraordinary business results year after year –

Achieving a sustainable growth and being the employer choice in an every market we operate where people create

extraordinary result every day. And what support us in the journey in our motto “culture comes frusta” and the descriptive research method. I have selected the Probability Sampling Method, where Simple Random Sampling was used. I chose a judgment sampling. The sample consists of those who are a regular user of Colgate products and those customers who do not use Colgate products. The method was simple random sampling. From this study we can come to conclusion that brand awareness plays a vital role where it creates a connection between the company and the customers. Majority of the customers believe that the branded products will have good quality. Colgate has developed a good image in the mind-set of the customers.

I. INTRODUCTION-

This project is focused on studying the various marketing strategies of Coca-Cola and the scenario of Indian soft drink industry in the 1990's.

Coca-Cola Co., the global soft drink industry leader controlled Indian soft drink industry till 1977. Then Janta Party beats the Congress Party and the Central Government was changed. This change brought problems for Coca-Cola principle bottler, who was a big supporter of Gandhi Family. Now Janta Party government demanded that Coca-Cola should transfer its syrup formula to an India subsidiary (Chakravarty, 43). Because of this Coca-Cola backed and withdrew from the country. In the mean time, India's two target soft drink producers have gotten rich. Who were controlling 80% of the Indian soft drink industry.

In 1993, the Coca-Cola company came back to India. But the scenario of Indian soft drink industry had been changed from 1977 to 1993. The competition in the soft drink industry had become very tough. The major competitor at that time was Pepsi and Parle. Parle's best known brands include Thumsup, Limca, Citra and others were Gold Spot and Maaza. At that time Parle had a market share of 53% and Pepsi had a market share of 20%.

Now Coca-Cola had to make some strategies to survive in this tough competition. For this Coca-Cola decided to take over Parle, so that the company can take the advantage of Parle's network. This decision was proved very beneficial for Coke as it had ready access to over 2, 00,000 retailer outlets and 60 bottlers of Parle's network.

The marketing strategies which were made by Coca-Cola Company to win the Cola war in 1990s had been very successful as Coca-Cola Company had a total market share of 48.3% in 1998. So, the Indian soft drink industry saw a dramatic change in the decade of

1990s. All the companies were trying to win the battle by making good marketing strategies

These days Coke and Pepsi are using the 4Ps of marketing mix (Price, Product, Place and Promotion) in such a way so that a good quality can be provided to the consumers at a reasonable price to attract the consumers towards their brands.

Both the companies know that there is so much potential in the Indian soft drink industry and they can increase their sales by making good marketing strategies. So, they are spending a huge amount of money on advertising and other sales promotional activities of their brands

OBJECTIVE-

The core of business in India, as in the rest of the world, is our production and distribution network. Which we call the "coca cola system". Global the cocacola system includes our company and more than 300 bottling partners. The coca cola company manufactures and sells concentrate bases. Our authorized bottlers combine our concentrate or beverage bases as the case may be with sweetener (depending on the product), water or carbonated water to produce finished beverages. These finished beverages are packed in authorized containers bearing our trademark such as cans, refillable glass bottles, non-refillable PET bottles and tetra packs and are then sold to wholesalers and retailers. In India additionally the company also sells certain powdered beverage mixes such as vetting. Our beverage reach ultimate consumers through our customers the grocer's retailers, hypermarkets, restaurants, convenience

stores and, millions of other businesses are the final point of distribution in the coca cola system. What truly defines the coca cola system and indeed what makes it unique among businesses, is our ability to create value for our customers and consumers.

In India, the coca cola system comprises of a wholly owned subsidiary of The coca cola company namely coca cola India PVT LTD Which manufactures and sells concentrate and beverage bases and powder beverage mixes, a company owned bottling entity, namely, Hindustan coca cola Beverages PVT LTD; thirteen licensed bottling partners of the coca cola company, who are authorized to prepare package, sell and distribution beverages under certain specified trademarks of the coca cola company; and an extensive distribution system comprising of our customers, distributors and retailers. Coca cola India PVT LTD sells concentrate and beverage bases to authorized Boteler's who use behavior patterns helps you identify new ways to make customers buy again.

these to produce our portfolio of beverages. These authorized bottlers independently developed local markets and distributes beverages to grocers, small retailers,

supermarkets, restaurants and numerous other businesses. In turn these customers make our beverages available to consumers.

The coca cola beverages PVT LTD. Growth has been one of a sure study with the luckiest and with its present caption it is emerging as a beverages having high market share in the organized current operation and future outlook cocacola beverages PVT LTD. And other beverages product to international internal factors viz, Australia, Middle East, South Africa, Newzeland and Srilanka. Every effort is being made to establish clock as a household name in international market.

- HCCB PVT LTD. in India producing delay drafted fruits bar based in an innovate highest quality standard and hygiene factors at canning and packing.
- Production setup HCCB PVT LTD. Products its beverages with a main faction at Atlanta and with subsidiary unit arrangements located at in India
- Office at Gurgaon. Some plants in Pune, Nashik, Wada (Kudus) in Thanedistrict itself.
- Coke is one of the largest industry in country. HCCB has also developed a unique process for production.
- The employees should not leave the premises of the company without written permission.
- Safety and rules of safety all the employees should follow the safety rules while at work wear & use the safety equipment's.
- They use the paper cap.
- They use the dress provided from company.
- They use safety shoes when they going in plant. Without safety shoes andpaper cap they not allow to enter in the plant.

Discipline all the employees to follow the Housekeeping and cleanliness. It is the responsibility of each employees of the company to follow:

- Good housekeeping & cleanliness rule of the company in and help maintaining good atmosphere.
- HCCB PVT LTD has built up a reputation of excellence.
- There is 2 recognized workers union.

- 1 Permanent labor sthanik kamgar sena.
 - The industrial relations are maintained peace fully.
- Competitors In thefield the major competitors of our country.

II. RESEARCH METHODOLOGY

From a marketing strategy viewpoint, brand loyalty is a very important concept. Particularly in today's low-growth and highly competitive market-place, retaining brand-loyal customers is critical for survival; and it is often a more efficient strategy than attracting new customers. Indeed, it is estimated that it costs the average company six times more to attract a new customer than to hold a current one. Brand loyalty is often thought of as an internal commitment to purchase and repurchase a particular brand. As a behaviour phenomenon brand loyalty is simply repeat purchase behaviour.

Both cognitive and behaviour approaches to studying brand loyalty have value. We define brand loyalty as repeat purchase intentions and behaviours. While the major focus of our discussion is on brand loyalty as behaviour, we want to emphasize that cognitive processes strongly influence the development and maintenance of this behaviour.

Brand loyalty may be the result of extensive cognitive activity and decision making. Brand-loyal behaviour may occur without the consumer ever comparing alternative brands. Decisions have to be made about where and when to purchase the product; some knowledge of the product and its availability must be activated from memory; intentions to purchase fit and satisfaction influence the purchase behaviours.

The market for a particular brand could be analyzed in terms of the number of consumers in each category, and strategies could be developed to enhance brand loyalty of particular groups.

- i) *Undivided brand loyalty* is, of course, an ideal. In some cases, consumers may purchase only a single brand and forego purchase if it is not available.
- ii) *Brand loyalty with an occasional Swatch* is likely to be more common, though. Consumers may switch occasionally for a variety of reasons: their usual brand may be out of stock, a new brand may come on the market and tried once, a competitive brand is offered at a special low price, or a different brand is purchased for a special occasion.
- iii) *Brand-loyalty switches* are a competitive goal in low-growth or declining markets. However, switching loyalty from one to another of the brands of the same firm can be advantageous.
- iv) *Divided brand loyalty* refers to consistent purchase of two or more brands.
- v) *Brand indifference* refers to purchases with no apparent repurchase pattern. This is the opposite extreme from undivided brand loyalty. While we suspect total brand indifference is not common, some consumers of some products may exhibit this pattern.

Developing a high degree of brand loyalty among consumers is an important goal of marketing strategy. Yet the rate of usage by various consumers cannot be ignored. For simplicity, we have divided the dimensions into four categories of consumers rather than consider each dimension as a continuum.

Research Design

1. To study the marketing strategies adopted by Coca-Cola
2. To study the advertising effectiveness Coca-Cola on customer
3. To analyze the awareness of consumer regarding Coca Cola.

4. To help the company for further changes in the quality, pricing, and policies.
5. The Research available is descriptive so as to describe the complete qualities of juices available in market.

Sources of Data collection

To do a research always we use two sources of data collection. Primary and secondary

Primary Source:

It is the source which collects the primary data through Questionnaire and record the raw data for further analysis, Primary source is used by the face-to-face survey with the customers of the company.

Secondary Source:

Secondary source is the internet, magazines, and old data files of the research.

DATA ANALYSIS AND INTERPRETATION -

Coca-Cola controlled the Indian market until 1977, when the Janta Party beat the Congress party of then Prime Minister Indira Gandhi. To punish Coca-Cola's Principal bottler, a Congress party stalwart and long live Gandhi supporter, the Janta government demanded that Coca-Cola transfer in syrup formulae to an Indian subsidiary (Chakravarty, 43). Coca-Cola backed and withdrew from the country. India, now left without both Coca-Cola and Pepsi, became a protected market. In the meantime, India's two target soft drink producers have gotten rich and lazy while controlling 80% of the Indian market. These domestic producers have little incentive to expand their plants or develop the country's potentially enormous market. Some analyst reason that the Indian market may be more lucrative than the Chinese market, India has 850 million potential customers, 150 millions of whom comprise the middle class, with disposable income to spend on Cars, VCRs and Computers. The Indian middle class is growing at 10% per year, to obtain the

license for India, Pepsi had to export \$5 of locally made products for every \$1 of materials it imported, and it had to agree to help the Indian government to initiate a second agricultural revolution. Pepsi has also had to take Indian partners. In the end, all Parties involved seem to come out ahead. Pepsi gain access to potentially enormous market, Indian bottlers will get to serve a market that is expanding rapidly because of competition from abroad and will pay lower prices. Even before the first bottle of Pepsi hit the shelves, local soft drink manufacturer increased the size of their bottles by 25% without raising costs.

COCA-COLA INDIA TO HARD SELL ALL BRANDS

The CEO's business card is printed in English in one side and in the national language, Hindi on the other; he talks of two of India's established soft drink brands as "national treasures". He launches a brand of canned coffee for the Japanese market - not for sale is India - and call it the "third national treasure", because the coffee beans are sourced from India and that it would generate substantial foreign exchange for the country.

Blowing the pipe on this discovery of Indian treasures is President & Chief Executive officer, Mr. Donald Wilson Short of Coca-Cola India (CCI), who is trying to project the new patriotic face of the Coca Cola Company in India. A query on how much of this sudden change of face has to do with the attitude of the present Government towards MNCs is met with a diplomatic. Mr. Short says I have always been proud of India and have been open about it to the media". But the bottom line is that the company has little choice, to save the option of leaning on 'India treasures', Thumps up and Limca.

Mr. Short says that though in the first quarter of this year advertising rupee spent on drink Thumps up. He claims that in second quarters, it will be reverse, as more money would be spent on promotion of Thumpsup. The latest white water rafting ad for Thumps up has costed them three times more than the cost of the Coke ad".

The marketing boost for Thumps up has its basis in the fact that Thumpsup accounts for nearly 40 per

cent of CCIs, soft drink sales while Coke accounts for 25 per cent and the rest is accounted for by the other brands of Limca, Fanta, Citra and Maaza.

All Figures in % Market Share			
Coca Cola	60	65	56
Pepsi	30	33	41
Others	10	2	3
Years	1993	1994	1995

The world is changing all around us. To continue to thrive as a business over the next ten years and beyond, we must look ahead, understand the trends and forces that will shape our business in the future and move swiftly to prepare for what's to come. We must get ready for tomorrow today. That's what our 2020 Vision is all about. It creates a long-term destination for our business and provides us with a "Road map" for winning together with our bottling partners.

Our Mission

Our Road map starts with our mission, which is enduring. It declares our purpose as a Company and serves as the standard against which we weigh our actions and decisions.

- To refresh the world...
- To inspire moments of optimism and happiness...
- To create value and make a difference

Our Vision

Our vision serves as the framework for our Road map and guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable, quality growth.

- People: Be a great place to work where people are inspired to be the best they can be
- Portfolio: Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people's desires and needs
- Partners: Nurture a winning network of customers and suppliers, together we create mutual, enduring value

Planet: Be a responsible citizen that makes a difference by helping build and support sustainable communities

- Profit: Maximize long-term return to share owners while being mindful of our overall responsibilities
- Productivity: Be a highly effective, lean and fast-moving organization

Our Winning Culture

Our Winning Culture defines the attitudes and behaviors that will be required of us to make our 2020 Vision a reality.

Live Our Values

Our values serve as a compass for our actions and describe how we behave in the world.

- Leadership: The courage to shape a better future
- Collaboration: Leverage collective genius

- Integrity: Be real
- Accountability: If it is to be, it's up to me
- Passion: Committed in heart and mind
- Diversity: As inclusive as our brands
- Quality: What we do, we do well

Study Analysis by PEST

As the leading beverages company in the world, Coca Cola almost monopolizes the entire carbonated beverages segment. Beside it, Coca Cola also maintain their reputation as the leading company in the world using PEST Analysis so that Coca Cola can examine the macro-environment of Coca Cola's operations.

Political

When Coca Cola had decided to enter a country to distribute the products, Coca Cola was monitoring the policies and regulations of each country. For the example, when entering Moslems country such as Indonesia or Malaysia, Coca Cola followed the regulation by adding "Halal" stamp in each Coca Cola's products. In this case, Coca Cola has no political issues in this matter.

Economic

Coca Cola also has low growth in the market for carbonated beverages (North America). The market growth was 1% in 2004. For stimulating the growth, Coca Cola had spent high budget of advertisement to endorse the customers.

Social

Nowadays, customers tend to change their lifestyle. Customers more aware about health consciousness by reducing in drinking carbonated beverages to

prevent diabetes or other diseases. As a result, Coca Cola's demand for carbonated beverages has decreased and the revenues also decreased. Thus, Coca Cola diversify the products by adding production lines in tea (Nestea), juices (Minute Maid), mineral water (Dasani and Ades), and sport drinks (PowerAde), and others.

Technological

Because of the developing technology, Coca Cola has advanced technology in producing the products. Then, Coca Cola made innovations by giving flavors to the Coke, such as Cherry Coke, Diet Coke, Coca Cola Zero, Coke with Lime, and others. But, the customers still prefer the original taste of traditional Coke; it can be seen by the high demands in traditional Coke.

SUGGESTIONS

- After completing our project I have concluded some recommendation for the Coca Cola Company, which is following.

- Coca Cola Company should try to emphasis more on providing their infrastructure in the market to facilitate their customers.
- According to the survey, conducted by the international firm Pakistani people like little bit sweeter Cola drink. So for this Coca Cola company should produce their product according to the local demand.
- Marketing team should try to increase the availability of Coke in rural areas.

CONCLUSION

- Coca-Cola Company has a systematic system for allowing discount
- Rate of discount is fixed for each level of sales volume
- Discount is allowed to regular customer at fixed rate

- Minimum limit of sales volume is fixed for calculating discount
- Discount is calculated depending upon the sales volume
- Can on of equality is maintained while allowing discount.
- Profit is not affected due to discount.

It was observed that Coca-Cola has been perceived quite positively as it has been projected. People are aware of the Brand & Awareness of Coca-Cola is quite high in the market. When a product is launched, avid Coke drinkers choose this soda over any other competitor simply because it's a Coca-Cola product and they trust it.

Although Coke has been into controversies, people still prefer to stay loyal to the Brand with Coca-Cola being termed as a more popular brand than Pepsi.

Coca-Cola products would appear, on the shelf, to have the most expensive range of soft drinks common to supermarkets, at almost double the cost of no name brands. This can be for several reasons apart from just to cover the extra costs of promotions, for which no name brands do without. When people buy Coca-Cola they are not just buying the beverage but also the image that goes with it, therefore to have the price higher reiterates the fact that the product is of a better quality than the rest and that the consumer is not cheap.

In supermarkets and convenience stores Coca-Cola has their own fridge which contains only their products. There is little personal selling, but that is made up for in public relations and corporate image. Coca-Cola sponsors a lot of events including sports and recreational activities.

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