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International Marketing



Viralblog (2012).

Introduction

In the 2012 of the firm Interbrand, founded in 1974 and specialized in investigating the value of leading global brands, announced the results of the Best Global Brands 2012 report. On the basis of various criteria Interbrand released list of 100 global brands. One of the Leading brand in that report was Coca-Cola. This report is to critically analyse the extent that Coca-Cola's marketing mix is standardised and/or adapted across international markets. This report has also discussed the Internationalisation Process Theory (IPT) that 'best' describes the internationalisation process of Coca-Cola. Towards the end this report has analysed the extent that one believe Country of origin effect (COO) influences consumer perception of Coca-Cola

1. Marketing Mix Analysis



Product

The Coca Cola has a wide variety of products, such as Coca Cola Zero, Coca Cola Classic, Diet Coke, and in different forms (Pollock, (2010):

- Can of 350 ml.
- 410 ml bottles.
- 1 ½ litter bottles.
- 2 litter bottle.
- 3-liter bottle.

Product Variety: With respect to variety of products, Coca Cola offers different options like the classic, the diet, the Zero, Vanilla Coke, Cherry Coke, so one have a range of options with regard only to Coca Cola.

Quality: With what comes to quality, given the strength in the markets that have the Coca Cola and its position in the consumer, quality standards for these products are high.

Design: The design of the bottles and cans Coca Cola is always attractive and all one can see the logo of Coca Cola with red, well known since its inception (Schlanert, 2011).

Features: Coca Cola has a marked feature, not only for its unique flavour, which even though other brands trying to enter the market of Cola, still cannot move to Coca Cola.

Brand: It's a mark occurs throughout the world and preferred by most consumers because of its peculiar taste (Schlanert, 2011).

Volume size: Coca Cola has apart from having different varieties of products, also has different forms, such as six packs or four packs.

Services: No services product delivery post Coca Cola, but Coca Cola sometimes placed their drinks dispensers, which keeps at good temperature beverages for human consumption.

Warranty: Currently, while Coca Cola product purchase does not give one a guarantee tangential, one acquires these products because they know they are quality and that gives guarantees for consumption. Now with regard to the product life cycle, Coca Cola remains in a stage of maturity for many years (Schlanert, 2011).



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Place

Coca Cola is in any population and is consumed by all kinds of people, and not hard to find a place to buy any drink Coca Cola. This is handled based regional franchises in Mexico (Zona Centro) and Latin America is FEMSA who distributes the product. COCA COLA focuses on the distribution and not in the media. 's vision is to position the product anywhere in the world. Make presence in all places at the same time as (Schlanert, 2011):

- Universities
- Metro Stations
- Airports

- Museums
- Etc.

With this strategy, the glamour of the mass media is exceeded because the product simply is everywhere. Coca-Cola uses several direct distribution channels as (Schlanert, 2011):

- Pre
- Auto sales
- Telesales
- Customer Supervisors Pareto and Supermarkets.

There are also indirect channels as:

- Wholesalers
- Retailers
- Supermarkets
- Shops
- Foreign

Transport

There must be processes to prevent the shipment of off-specification product. Providers must inspect all vehicles to verify structural integrity, cleanliness and suitability for loading. The tank car must be dedicated to food grade materials. Documentation must be available showing the previously shipped products tank car cleaning (Pollock, (2010)).



Viralblog (2012).

Logistics and Transport

The key to Coca-Cola is simple yet complex. In a system consisting of 60 bottling plants and 428 distribution centres, the little big secret lies in providing consumers with 15 different brands produced by the Company in the presentation, taste, wherever and whenever one want. While there are medium and large shopping centres and retailers in metropolitan Mexico, our country is also colourful (Pollock, (2010).

Coca Cola products are distributed worldwide, with regard to Peru Coca Cola makes a distribution through intermediaries, thanks to the latter; one can see Coca Cola products in any part of Peru. Since its distribution channel is through intermediaries, we can see these products from a vendor to a supermarket, which is a good distribution strategy by the managers of Coca Cola since its launch wide. Coca Cola was positioned on customers as a product with good picture, thanks to the creative commercials that strengthen perceived about the product

Price

The price is the expression value of a product or service, usually expressed in monetary terms.

The price is the element of the marketing mix that produces revenue the others produce costs has always been one of the key variables in the marketing strategy of any company or product in the case of Coca-Cola Company adjusts prices according to each type of consumer, allowing one to continue with the loyalty of each segment (Lopez, 2012).

Multi-Segment

This strategy involves the implementation of different product portfolios and market price for groups which are defined based on consumption occasion, competitive intensity and socioeconomic status, and not only for the types of distribution channels (Lopez, 2012).

Price Policy

Prices may vary by brand and product size. Coke prices are usually below the prices of competitors.



Virablog (2012).

Promotion

Refers to advertising and outreach efforts that must be made so that the public may find out that there is already a product that meets one r current and future necesitades.

Promotion techniques are (Lopez, 2012):

- Advertising
- Sales Promotion
- Personal Selling
- Propaganda
- Public Relations
- Buzz Marketing

Marketing mix of Coca-Cola is broadly standardized with except of its advertising and few other promotional tactics,. This strategy appears appropriate as it helps Coca Cola to carry the same message and brand image across the different market. The reason for standardization of Global marketing mix are justified with the rational that Coca-Cola across the globe target same market

segments with almost similar needs with that particular product. Another rationale is that Coca-Cola broadly offers the same product with a lot of variation across the globe. The nature of the beverage industry and the need for gigantic distributional channels also shape Coca-Cola's marketing mix more or less standardized across the globe (Lopez, 2012).

2. **Internationalization Process Theory of Coca-Cola**

Coca-Cola was originally created as a cure for the flu in 1886 and sold for five cents a glass. In the interim between 1886 and 2006, however, Coca-Cola has become the world's largest manufacturer, marketer and distributor of soft drinks. From a simple invention, today, Coca-Cola is Number One in the world. Since its birth, Coca-Cola has expanded on the planet thanks to the phenomenon of globalization. Globalization is the process that allows a product to spread and become known in the world. Coca-Cola entered globalization as the most prominent symbol of the sales force in the United States for an important reason: he was the leader in the soft drink in the 1880s. Following its success at home, Coca-Cola decided to enter the world market first entering the most developed and industrialized countries (Arnold, Quelch, 2012).

After its creation in 1886 by John Pemberton, a shareholder called Asa Candler bought the drink in 1888. This is partly thanks to him that the drink will know the day from all over America and later throughout the world. So after founded in 1892 "The Coca Cola Company" Candler decided to spread the drink in America. He said in 1895, "What Coca Cola drink in each state and territory of the United States" And it was in 1896, Coca-Cola for the first time crossed the borders of the United States and is distributed in Canada, Hawaii and Cuba. In 1919, Coca-Cola will experience a turning point since Asa Candler will sell Coca-Cola to Ernest Woodruff, a wealthy businessman in Atlanta. The latter will in 1929, naming his son Ernest Woodruff at the head of "The Coca Cola Company" to help promote the brand. Over time, Coca-Cola will find its

place in America by becoming the most consumed beverage in the continent through its innovations (Arnold, Quelch, 2012).

In 1941, Coca-Cola has said "supply of war" during the war. So this is the end of the Second World War that all France actually discovered Coca-Cola. Thereafter, Coca Cola will become very popular in France. Indeed, in 1949 the Parisian Society of Soft Drinks is created. Over time, it will evolve to become in 1996, Coca Cola Company, which is now the largest bottler of The Coca Cola Company (Arnold, Quelch, 2012).

Then in the 50s, Coca Cola mollified consumption by introducing the habit of drinking fresh. Refrigerators and vending machines are installed in factories and offices. And in 1966 Coca-Cola is the most refreshing drink consumed in the world (Arnold, Quelch, 2012).

Every day, 2.8 billion bottles are sold worldwide and annual sales of \$ 47 billion in 2012. Today, Coca Cola is present on all continents, in all countries, and became the world's first vending machine with 47% of the global market. The small bottle with curved forms has become a sign of belonging to the world. Coca Cola makes two thirds of its sales outside of America, in Europe but also in China and Mexico. Ten years after the creation of Coca Cola executives have started to expand their brand globally. Thus, in 1926, Coca Cola into the global market and is sold around the world through the creation of the "Department of Foreign Sales" which later became "The Coca Cola Export Corporation" on. In 1979, Coca Cola was introduced in China. The following year, in 1980, the company has been implanted in Mexico, India, Vietnam, Georgia and Jordan. With over 71,000 employees around the world, are the most famous brand in the world and the most creative with their slogans and advertisements (Rani, et al., 2012).

The idea that revolutionized the world of soda is the "cans" which allowed Coca-Cola sales in a small business to reach more consumers. With this genuine colonization Coca-Cola is needed

and dominates the soda market. Coca-Cola is American-born power is evident on the continent (North America and South America), which explains the number of annual consumption (servings) per capita. The countries of Europe are also colonized. Some countries such as Spain reach an annual per capita consumption of the order of that of the United States (> 250 servings!). The Coca-Cola is now distributed in 200 countries around the world. That is why we are able to speak of a true colonization of the world (Rani, et al., 2012).

Coca-Cola sponsors international events such as the Olympic Games since 1928, world famous sports event. But it is not alone. The American multinational company is the main partner of the famous FIFA (Federation of International Football Association). Thus, more recently, through this partnership, Coca-Cola was able to extend its grip on Africa during the World Cup in South Africa. This expansion is particularly visible in our photo album "Coca-Cola in Africa." Through these events, the brand is enhanced by posters, banners, commercials, visible to all those who follow the event on TV or on the net (Rani, et al., 2012).

Product Diversity

During the 80s, when leggings, headbands and the fitness craze, the company has the effect a change in its production. To meet consumers desiring a Coca-Cola without calories, diet-coke appeared. Since the enterprise is increasing its market share declining the original product derivatives multiples to meet customer demands. This is how it is developed the Coca-Cola Zero, lemon, vanilla, Coca-Cola black or caffeine etc. There are more than thirty Coca-Cola different. With this diversity, the consumer has more choice and wants to test the latest products (Lopez, 2012).

Global Promotion

The Coca Cola Company promotes its product through a huge advertising budget of over \$ 2 billion (in 2007). It has developed its advertising using any means of communication: Internet, newspaper, billboard, television and at major events as a sponsor (Olympic Games, World Championship skiing, X Games). The brand has even contributed to the image of Santa Claus giving it its red colour which confirms the ubiquity of Coca Cola in our culture and beliefs. Through this process, the Coca Cola was able to expand its image throughout the world and touch all civilizations. Be careful here, we talk about the impact of Coca Cola on the world is not its consumption. This drink is known to all and has gained an unrivaled reputation. It symbolizes joy with its slogan Open Happiness (open happiness). Coca-Cola is now the symbol of the American supremacy (Handayati, et al., 2011).

It's evident that, more Coca Cola enters a country, the more revenue increases, the brand therefore fully uses the engine of globalization to develop. Coca-Cola invests in many developed countries such as France. Thus, The Coca Cola Company has invested \$ 2 billion in Europe to conquer the market for soft drinks. Coca Cola also invests in developing countries, which boosts its sales. The brand continues to expand into new markets. Its subsidiaries are located in almost every country, every continent. (Eurasia, America, India, France, Mexico, Australia, Brazil, Latin America and Africa) More the brand also known failures related to cultural particularities of each state (Handayati, et al., 2011).

Coca Cola Not Just a Drinking

In fact, Coca-Cola invests in other areas such as clothing. This may seem unusual or great, but the Yankee king of soft drinks Coca-Cola parade at the Fashion Week in Rio. Coca Cola on this occasion presented his first collection under the name Coca-Cola Clothing: a line of sportswear clothing inspired by the hip-hop culture. This included investing in shoes inventing his own

brand: Coca Cola Shoes as well as nutraceuticals, but for once it was not made only by creating his own product or its own brand but it is combined with another brand into a commercial product. Indeed, the French pharmaceutical group Sanofi and Coca-Cola want to start in 2013 " a range of four drinks welfare. Cola-Cola will develop the formula drinks and Sanofi distribute the pharmacy (Arnold, et al., 2013).

3. Country of Origin Effect

With their economic and military aid during the two world wars, the United States has aroused the curiosity of Europeans. Many people are interested in their way of original and new life. This is what has allowed the implementation of certain U.S. products in European culture as chewing gum or Coca-Cola. The 70s and 80s were really those of Cocacolonisation world. Coca-Cola was able to override its image and become a drug common drink (Bertoli, Resciniti, 2013).

Embedding Coca-Cola with growing repute of America has also cost Coca-Cola when image if America began to shatter. These campaigns exaggerated and pretentious slogans as these have the effect of irritating people. Coca-Cola is not accepted by everyone. Indeed, in the Middle East Coca-Cola is rejected in part by the Muslims. Why? As a conflict between them one can observe this refusal with the use or creation of different brands such as Mecca Cola large Muslim entrepreneurs. The name of the drink is also written in Arabic to leave foresee any resemblance to the American brand. Some other countries such as France adopted, them, to show that they do not necessarily need American power. Many areas feel "invaded" by the American superpower and want to assert and maintain their regional integrity (Alserhan, 2011).

This is why various regional Cola are created: the Auvergne Corsica Cola and Cola for example. More for health reasons, the American beverage was many times controversies. Some anti-Coke slogans saying to unclog one r toilet, use Coca-Cola. The drink is not consumed by the whole

world. This map shows, for that matter, the paradox between affected by the installation of Coca-Cola (map above) and consumer countries. It is clear that Coca-Cola is rejected for various reasons, political or heritage. Indeed this drink symbolizing American power takes a bit too much space in the states. The overall consumption of Coca-Cola in some countries is down or for political reasons (wars or tensions) or for military historical reasons or for heritage reasons. There is therefore a real rejection of the American model in some countries which affects the consumption of Coca-Cola (Alserhan, 2011).

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