

Coca-Cola

BRAND AUDIT

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Executive Summary:

With more than 125 years' experience, Coca-Cola has gracefully transitioned from a local Atlanta soda product to a globally recognizable brand with over 500 brands and 3,500 beverage offerings. Today, Coca-Cola is the dominant leader of the beverage industry, as such, Coca-Cola has a responsibility to set the standard for others.

In a highly saturated market with low barriers to enter and powerful competitors, remaining an industry leader can be traced to Coca-Cola's loyal customer base and the company's consistent delivery on bringing its consumers a refreshing product. The company's lead competitor has concerned itself with expansion across multiple industries and exhausted itself with trying to remain relevant. Coca-Cola has relied on its experience and nostalgic feelings to create emotional ties to its customers. The strong brand identity and recognizable brand images resonate with consumers. However, concerns of the health and environment impact this industry takes continue to grow. We believe with our assistance Coca-Cola will be able to prepare for any future change in opinion by implementing shifting branding measures now. If done efficiently and quickly, Coca-Cola will promote its dedication to the health of their consumer and the Earth they inhabit.

The following audit takes into consideration the fundamentals of the Coca-Cola Company and the industry it not only inhabits, but controls. With a consideration to internal and external factors, C&C Branding has thoroughly examined and researched various aspects of the Coca-Cola Company to create strategic recommendations that will allow the brand to innovate and prosper while meeting the needs of modernized society. We believe the road to continued success is built upon segment marketing in order to fulfill the needs of different customers with different products. Efforts to advertise Coca-Cola's established environmental practices and commitment to a wide range of offering regardless of consumers' preferences will allow the company to thrive in the coming years.

Background and History:

The history of Coca-Cola first starts in 1886 when Atlanta-based pharmacist Dr. Jon S. Pemberton wanted to create a “distinctive tasting soft drink” that could be sold at local soda fountains (Coca-Cola Company, 2011). Coca-Cola came to life when Pemberton developed a flavored syrup and mixed it together with carbonated water. On May 8, 1886, his first soft drink was sold at Jacob’s Pharmacy in Atlanta, Georgia. During the first year of the company, consumers were drinking approximately nine servings of Coca-Cola per day (Harvey, 2016).

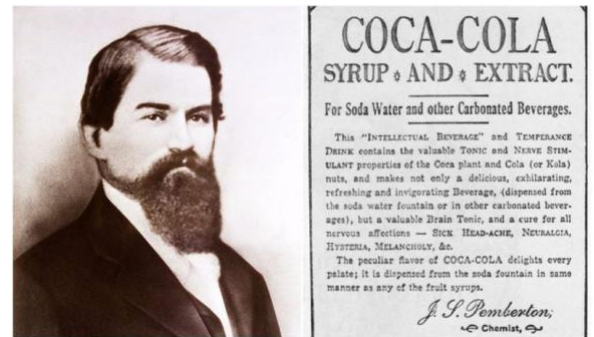


Figure 1: John S. Pemberton, creator of the iconic Coca-Cola beverage (The Coca-Cola Company, 2011)

Just two years later, in 1888, there were three different versions of the soft drink being sold by three separate businesses for approximately 5 cents per glass (Coca-Cola Company, 2011). In the same year, Atlanta-based businessman, Asa Griggs Candler purchased a portion of the company from Pemberton. Soon after, Pemberton suddenly passed away, and Candler gained full control of the Coca-Cola Company. Under the leadership of Candler, the brand began to expand outside of the Atlanta area and into new geographic regions (Yafai, 2016).



Figure 2: The evolution of Coca-Cola bottles over time (The Coca-Cola Company, 2012)

The bottling of Coca-Cola beverages was first introduced in 1899 out of a Chattanooga, Tennessee bottling company. Within seven years of the Tennessee bottling branch opening, Coca-Cola contracted to other bottling manufactures. The iconic contoured bottle, however, would not be introduced until 1916 when the company opted for a

design so distinctive it could “be recognized in the dark” (Coca-Cola Company, 2011). The bottle-shape became instrumental to Coca-Cola’s branding as it became a distinct feature of the beverage.

By the late 1890s, Coca-Cola soon became recognized as a national brand and one of America’s most popular fountain drinks. Chandler was able to raise Coca-Cola sales from an estimated 9,000 gallons of syrup in 1890 to almost 370,877 gallons in 1900 (Britannica, 2018). Much of the success of the Coca-Cola brand in the 20th century was in result of Candler’s aggressive marketing techniques. In 1919 the company was sold for \$25 million to a group of Atlanta investors.

By 1923, Robert W. Woodruff was elected president of the company and sought for expansion into the home. Six-packs were sold to promote all-day drinking. Woodruff also initiated Coca-Cola’s sponsorship of the Olympics beginning in 1928 (Yarif, 2016). The company’s global presence continued to grow and because of World War II, bottling plants were constructed over the world to meet demand of soldiers abroad. Once the war ended, Coca-Cola already had extended itself into international markets, where it has stayed.

Today, The Coca-Cola Company is a total beverage company managing over 500 individual brands, with 3,900 products ranging from carbonated drinks to fruit juices to packaged waters. Since the inception of Coca-Cola, the brand has successfully become one of the largest beverages manufactures and distributors in the world. The company has held a position on the Fortune 500 List for 65 years (Fortune, n.d.). The universally recognized brand can now be found in over 200 countries worldwide. The brands portfolio features a total of 21 billion-dollar brands including Diet Coke, Coca-Cola Zero, Powerade, Minute Maid, Dasani, Fanta, Simply, Del Valle, Gold Peak and Georgia. According to the Coca-Cola company, “Coca-Cola” is the “second-most widely understood term in the world, after ‘okay’” (Coca-Cola Company, 2011).

Brand Description and Industry Overview:

The nonalcoholic beverage industry encompasses products including bottled waters, carbonated drinks, soft drinks, fruit juices, energy drinks, sports drinks, coffees, teas and various ready-to-drink beverages. In 2016, the beverage industry was valued at \$967.3 billion with a growth expectation of 5.8 percent by 2025. North American beverage companies including Coca-Cola and PepsiCo account for the largest market share in the industry (Grand View Research, 2017). The highly-competitive industry is overseen by national and international regulatory authorities across the world.

As of 2019, Coca-Cola was the dominant force in the industry and the largest beverage brand, leading manufacturer, and distributor of soft drink beverages in the world. Coca-Cola's product portfolio is not limited to carbonated sodas but offers other beverages. However, the brand's largest market is soft drinks which includes any bottled non-alcoholic beverage that contain carbonated water. From the over 500 non-alcoholic beverage brands Coca-Cola manages, the flagship product is the widely-recognized classic Coca-Cola drink.

The non-alcoholic commercial beverage industry is a highly competitive market with many well-establish brands. Competitive factors of the industry include price, sales, advertising, promotion strategies, product innovation, efficiency technique, packaging, equipment and brand value. Moreover, distribution strategy is a fundamental aspect of the industry. To achieve optimum results and stay up-to-date with globalization trends, brands must market their products on a global scale. The Coca-Cola Company realizes the importance of operating globally and has worked hard to establish their brand across the world. The company utilizes an international marketing approach, treating different countries as separate markets. This approach allows the brand to fully adapt to culturally, economic, and political variations (Martin, 1997). When expanding to different

countries, Coca-Cola encourages a “‘think local, act local’ approach” where the brand adapts to the culture of the area rather than forcing the brand into the culture. (Banutu-Gomez, 2012).

To achieve optimum results and keep up with globalization, Coca-Cola operates on a global scale and segments markets based on geographic, demographics, psychographics and behavioral segments. Their geographical units including region, cities and neighborhoods.

The Coca-Cola brand then divides their target markets based on demographics including age, occupation, education race and social class. The company’s global

market is segmented by region: Europe; Middle East & Africa; North America;

Asia; Latin America; Corporate; and Bottling Investments. Of the six, North America contributes 36.7% of the company’s worldwide revenue with Europe, Middle East & Africa following with 22.8% (Statista.com, n.d.). To distinguish their brand from competitors and meet consumer needs, Coca-Cola emphasizes their demographic segmentation. Moreover, the brand divides consumers based on psychographic profiles such as personality, values and lifestyle. Coca-Cola’s market segmentation has been a core aspect of Coke’s marketing strategy and has largely contributed to the brands success.

It’s important to note that the Coca-Cola Company does not distribute the final products. Rather, the brand focuses on the distribution of syrups, or bases, to its carbonated soft drink products. These bases are sold to company-owned or -controlled bottlers who then distribute the

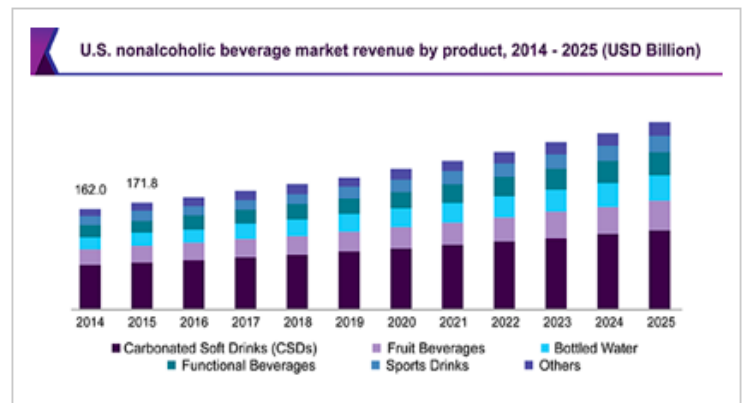


Figure 3: Graph of the U.S. nonalcoholic beverage market revenue by product. As shown in the image, Carbonated Soft Drinks (CSDs) account for majority of revenue. (Grand View Research, 2017)

finished product. Due to this distribution model, the company is able to engage with the larger global market.

In recent years, the soft-drink industry as a whole has experienced a significant decrease in sales due to a decline in soda consumption. This is primarily due to the increase in health-conscious individuals who are opting for healthier drinks rather than sugary sodas. Ultimately, this trend has led to the decrease in soda consumption and sales across the globe. According to a 2017 report, “63% of Americans say that they are actively avoiding the consumption of soda on a regular basis” (Gaille, 2017). Despite the decline in soda consumption, Coca-Cola’s revenues have not been substantially impacted. In the last decade, Coca-Cola’s market share has actually increased from 17.3 percent to 17.8 percent. Coca-Cola has been able to adapt to the change in consumer behavior and organically grow revenue at a greater rate than profit. Much of Coca-Cola’s success in the difficult market environment, is in result of the power of the brands expansion into thriving new beverage categories, competitive pricing and margin-enhancing restructuring efforts. To combat soda consumption decline, Coca-Cola has minimally increased its prices. For example, packaging its classic Coke in smaller cans but maintaining the price increases the profit margin per can (Sanchez, 2019)

Brand Inventory:



Logo:

The Coca-Cola logo is an iconic and universally recognizable logo. The iconic Coca-Cola logo was invented in 1886 and has only been changed slightly.

Mission Statement:

The Coca-Cola Mission Statement reads, “our mission is:

- To refresh the world in mind, body and spirit.
- To inspire moments of optimism and happiness through our brands and actions.

- To create value and make a difference” (Coca-Cola Company, n.d.).

Core Values: According to Coca-Cola, the brand upholds the following values and uses them as a guideline for how Coca-Cola “behaves in the world” (Coca-Cola Company, n.d.).



Brand Vision: The Coca-Cola mission statement and brand vision are cohesive in the sense that they support one another and uphold similar values. Coca-Cola’s brand vision “serves as the framework for our Roadmap and guides every aspect of our business by describing what we need to accomplish in order to continue achieving sustainable, quality growth” (Coca-Cola Company, n.d.).

Brand Vision Continued:

- **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 shareowners while being mindful of our overall responsibilities.
- **Productivity:** Be a highly effective, lean and fast-moving organization.

Product Line and Inventory: The Coca-Cola Company owns and distributes over 500 different brands worldwide. In terms of beverages, the company offers beverage categories including:



Product Line:
 Carbonated Soft Drinks
 Bottled Water
 Juice & Juice Drinks
 Tea & Coffee
 Energy Drinks & shots
 Sports Drinks
 Alternative Drinks

Figure 4: Coca-Cola Product Line (Coca-Cola Company, 2015)



Figure 5: Visual depicting Coca-Cola's product line and product mix (Simply Safe Dividends, 2019)

Coca-Cola's Most Popular Carbonated Soft Drink Beverages:



Diet Coke

The #1 diet soft drink with refreshing, authentic cola taste. The freedom to indulge without the calories. Also available in Caffeine-Free and Lime.



Coca Cola Classic

The #1 soft drink in the world with that refreshing and uplifting cola taste. Also available in Caffeine-Free



Sprite & Sprite Zero

The leading teen brand. Clean and crisp refreshment. No caffeine.



Cherry Coke & Cherry Zero

Adds a bold, exhilarating taste of Cherry to Coca-Cola. (Diet Cherry only available in 12oz. cans)



Coke Zero

No calories or carbs, but same great taste as Coca-Cola Classic! Also available in the Zero line: Cherry Coke Zero, Sprite Zero, Vault Zero



Flavors

Barq's (Root Beer & Red Crème Soda)
 Fanta (Orange, Grape)
 Mello Yello
 Pibb

Slogan: Since its inception, the Coca-Cola brand has used various slogans to “not only reflected the brand, but the times” (Coca-Cola Company). The first Coca-Cola slogan debuted in 1886 and read, “Drink Coca-Cola.” The slogan since has changed every few years with different purposes, such as advertise the company’s size (“Three Million a Day” in 1917), to set itself apart from the competition (“The Only Thing Like Coca-Cola is Coca-Cola Itself” in 1942), to promote togetherness (“I’d Like to Buy the World a Coke” in 1971), or to position itself as an American icon (“Red, White & You” in 1986); the company chooses different slogans to highlight different parts of the brand every few years (“A History of Coca-Cola Advertising Slogans,” 2012). Fast forward to 2016, and their company slogan evolved to “Taste the Feeling (Coca-Cola Company).” The “Taste the Feeling” is a global campaign and slogan that is intended to unify the brand among different variants that share the same values.



Figure 5 :The first-ever Coca-Cola slogan created in 1886.



Figure 6: Coca-Cola's most-recent slogan debuted in 2016.

Mascot: In 1993, Coca-Cola adopted the polar bear as their mascot when creator, Ken Stewart, Stewart explained that he thought the polar bear was a good representation of the Coca-Cola brand because Coke products are best served when cold.



Figure 7: Polar Bear Mascot (Coca-Cola Company, 2014)

Coca-Cola Brand Attributes:

Brand attributes are functional and emotional associations to a brand that help establish brand identity and essence. The following attributes are ways in which consumers consistently recognize the Coca-Cola Company.



Marketing Mix for Coca-Cola:



Product:

Coca-Cola has an array of products in the beverage industry spanning from carbonated drinks to waters and fruit juices. For the sake of this project, we will focus on the carbonated drinks soft-drink segment as it pertains to its most popular products.

Price:

As the market evolves and competition increases, Coca-Cola shifted to more of a competitive pricing strategy. Price for Coca-Cola varies per product, however because the carbonated drink industry has only a few market leaders with almost identical products, prices are relatively similar.

Place:

Coca-Cola products are offered in 200 countries (Coca-Cola Company, 2011). While the brand has a strong global presence, Coca-Cola chooses to handle most of their distribution channels at the local level. Bottled and canned versions of their drinks can be found in supermarkets, vending machines, and convenience stores.

Promotion:

Promotional strategies of Coca-Cola focus on the ability of Coke to bring people together. Each year Coca-Cola invests billions of dollars on their advertising and promotion strategies to build their brand, maintain their position as an industry leader and bring consumers together (Coca-Cola Company, 2011).

In 2016, the company has promoted a “One Brand” strategy to unite all their marketing efforts starting with the “Taste the Feeling” campaign. One of their most successful campaigns was the “Share a Coke” campaign, which first launched in 2011. The campaign encouraged consumers to find bottles with names that hold a personal meaning to them or their family. Approximately 250 popular names were printed on Coke bottles. Some bottles even include popular jargon used primarily by millennials such as “Bestie,” “Wingman,” and “Family” (Coca-Cola Company, 2011). The campaign went beyond simply showing the attributes and benefits of Coca-Cola products, it brought people together. By asking consumers to #ShareACoke with someone, the brand created value and established a strong emotional connect with their consumers.

Product Positioning in Industry:

Two Major Competitors:

1. PepsiCo Inc.
2. Dr Pepper Snapple Group Inc.

Points of Parity:

- Beverage industry
- Contemporary and up-to-date
- Refreshing flavored beverage
- Similar target markets

Points of Difference:

- **Coca-Cola:**
“Open Happiness”
- **PepsiCo:**
“Live for Now”
- **Dr. Pepper Snapple Group:**
"Always One of a Kind"
- Distinctive taste
- Classic and iconic symbol and imagery
- Emotional connection with consumers

Major Competitor: PepsiCo Inc.



Figure 8: Beverage offerings of PepsiCo (Excel Consultant, 2015)

The global beverage industry is largely dominated by Coca-Cola Co. and PepsiCo. As of 2018, Coca-Cola controlled over 40 percent of the global non-alcoholic beverage industry, while PepsiCo controlled about 33.3 percent (Investopedia, 2019). While Coca-Cola is a leading competitor in the soft-drink industry, PepsiCo is Coca-Cola's primary competitor in terms of carbonated beverages.

Pepsi-Cola is a Frito-Lay Inc. brand and is sold in more than 200 countries. The brand retails products including Pepsi, Diet Pepsi, Mountain Dew, Gatorade, Tropicana, SoBe Water, AMP Energy and Naked Juice. Unlike Coca-Cola PepsiCo's product line also includes various food and snack products. The brands product line extended in 1961 as a result of a merger with Frito Lay Company.

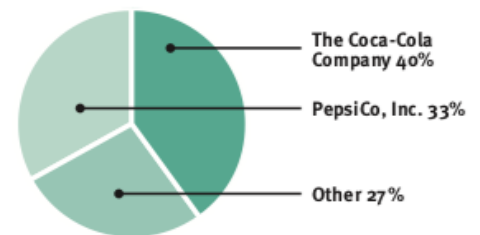


Figure 9: As shown above, Coca-Cola is the leading manufacturer of soft drinks when compared to PepsiCo and other brands in the industry (Food Politics, 2011)

PepsiCo's product extensions include Lay's chips, Ruffles, Doritos, Tostitos, Cheeto's, Rold Gold Pretzels, Sun Chips and Cracker Jack popcorn. In 2001, PepsiCo created an acquisition with the Quaker Oats Company, expanding their product line again to Quaker Oatmeal, Cap'n Crunch, various cereal brands, and Aunt Jemima syrups and pancake mixes. For the most part, PepsiCo's snack items are sold primarily in the United States, Canada and Mexico.

In comparison to Coca-Cola, PepsiCo does not perform as well in terms of appealing to consumers and meeting their needs and wants. Coca-Cola has cultivated a strong emotional connection with consumers which in turn has directly impacted consumer purchase decisions, brand loyalty and brand value. According to studies by Shop Advisor, Coca-Cola has established itself as a “lovemark” brand with strong emotional connections to consumers.

As shown in the Figure 10, PepsiCo lags behind Coca-Cola with low emotional connections to consumers. The lovemark is a tool used to measure how much consumers respect and love a brand. The same table also shows

that Coca-Cola’s second major competitor, the Dr. Pepper

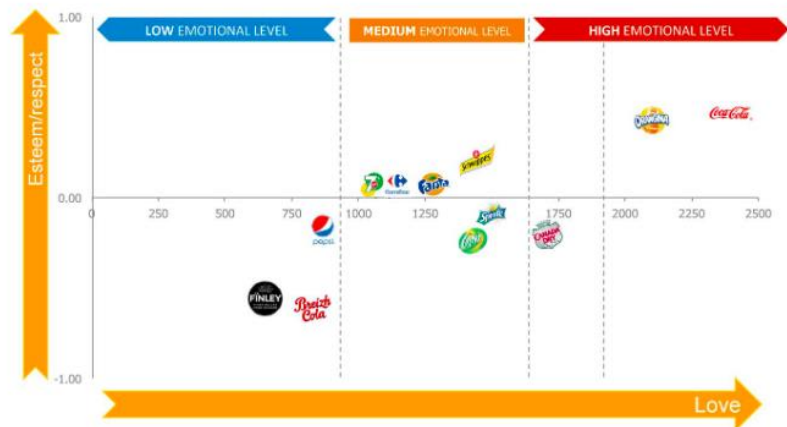


Figure 10: The Lovemark Axis shows that Coca-Cola is considered a high love, high respect brand. In comparison, PepsiCo and various Dr. Pepper Snapple group products are not considered lovemark brands.

Snapple Group only product that is considered a “Lovemark” is their Orangina flavored drink. The theory is based on the idea that “human beings are powered by emotion, not by reason” (Sheehan, 2013). According to research, when a brand is considered a “lovemark” directly correlated with a brand return on investment (ROI), consumer loyalty and ultimately brand value.

Major Competitor 2: Dr. Pepper Snapple Group Inc.



Figure 11: Product portfolio of Dr Pepper Snapple Group Inc. (Dr Pepper Snapple Group Inc., 2019)

Coca-Cola's second major competitor is the Dr. Pepper Snapple Group that was invented in 1885 by Charles Alderton a pharmacist from Waco, Texas. From the brand's humble beginnings in Waco, Alderton grew his brand to become one of the largest manufacturers in North America. Dr. Pepper products are now sold across the globe.

The Dr. Pepper Snapple Group is a major competitor in the nonalcoholic beverage industry with an integrated business model. The brand manufactures, bottles, and distributes dozens of non-cola flavored drinks including juices, juice drinks, teas, and mixers. Some of the brand's most notable products include soda beverages Dr. Pepper, Orangina, Sunkist, A&W Schweppes, Canada Dry and Crush. The brand also retails juice drinks including Hawaiian Punch, Mott's juice beverages and Snapple. One of the main points of differentiation between Coca-Cola and Dr. Pepper Snapple Group is that, Dr. Pepper does not retail Cola beverages.

As previously mentioned, the Dr. Pepper Snapple Group has achieved the status of a "Lovemark" brand with their popular Orangina beverage. Orangina is a lightly carbonated orange flavor fruity beverage. While Orangina has achieved the status of a love mark, it is not considered a Cola beverage, and is not a direct competitor for Coca-Cola's Cola beverages. According to the chart, not all of the brand's products are considered as love marks. With that in mind, according to

the table, most of the brands are performing better in terms of love and respect with consumers when compared to PepsiCo.

Key Challenges Facing the Coca-Cola Brand:

Although Coca-Cola remains the top beverage brand on a global scale, changing attitudes of the current population, with an emphasis on younger generations, must be addressed in order for Coca-Cola to remain successful. Sugary carbonated beverages are the products most closely associated with the company; however, the growing concern over health and how sugary drinks fit into that threaten the rate of consumption of these beverages. Coca-Cola has been able to adapt to this concern. The company offers healthier alternatives to their classic cola. Diet Coke and Coke Zero Sugar, as well as Coke Life, offer consumers fewer calories and less sugar than a traditional Coke. Emerging carbonated drink brands, such as La Croix and Polar Seltzer, that have been popular amongst millennials due to their no calorie count and array of flavors. Coca-Cola took note and released a line of Diet Coke in a multitude of bold flavors such as Ginger Lime and Twisted Mango.

Beyond the carbonated beverage industry, Coca-Cola does face multiple indirect competitors. Consumers opting for other beverages such as water, sports drinks, and juices span from the same health consciousness mindset of younger generations. Although there is little the current product portfolio of carbonated drinks can do to satisfy these new needs, the company can place an emphasis on their other products. Along with traditional sodas, the company also oversees Dasani, Simply Beverages, Powerade, and Minute Maid.

In order to continue their growth, the company must be able to adapt to expectations set by younger generations. Along with healthier options, millennials and Generation Z expect large corporations to be environmentally conscious. These growing markets are turning away from

single-use plastic and other non-environmentally friendly resources. Coca-Cola uses 3.3 million tons of plastic every year for their packaging (BBC News, 2019). Coca-Cola has worked on reducing their need for new plastic. Fifty-percent of their current bottles are manufactured using recycled materials. The company has pledged to recycle a bottle or can for everyone they sell by 2030 in their 2016 World Without Waste campaign (Moye, 2018).

SWOT Analysis:

The following SWOT Analysis highlights Coca-Cola's strengths and weaknesses. The chart also includes protentional opportunities for the brand to grow and develop its products, as well as protentional threats that could impact the Coca-Cola brand.



S	<ul style="list-style-type: none"> • Dominate market share in beverage industry • Largest non-alcoholic beverage company in the world • Awarded highest brand equity award by Interbrand in 2011 • Strong consumer loyalty • Large distribution network due to high demand on product • Highly recognizable signature logo
W	<ul style="list-style-type: none"> • Product diversification is low • Reliance on carbonate drinks • Slightly higher cost than competitors
O	<ul style="list-style-type: none"> • Expand to developing nations • Diversification to health food business • Market lesser selling products • Expand product line and add food or snacks • Increasing demand for bottled water • Protentional for acquisitions
T	<ul style="list-style-type: none"> • Consumers becoming more health concious • Competitive market • Indirect competition places dent in brands market share (Starbucks and Dunkin' Brands Group) • Water scarcity • Legal requirements to disclose negative nutrition facts on product labels

Consumer Perceptions of the Brand:


Coca-Cola, as a lovemark, has a positive brand image that is highly loved and respected. As a long-standing company, it is well-trusted and enjoyed by many consumers. The following recommendations are based on consumers perceptions of Coca-Cola in the U.S. market. The Coca-Cola brand is deeply ingrained in the American society. For over 100 years, Coca-Cola products have been offered in U.S. retail stores, grocery stores, convenience stores and restaurants.



Figure 12: Positive and negative sentiments about the company in the Americas (TalkWalker, 2018)

However, online, we found a significant number of negative reviews mainly due to negative experiences. As depicted in Figure 12, most sentiments in North America are negative. While majority are individual issues with products, some are also issues related to the Coca-Cola company. From our findings, negative opinions about the company span from the nutritional value of their popular offerings, their dependence on plastic packaging and association with questionable partners (in this case, Fair Oaks Farm).

Our research found that one major issue consumers have with Coca-Cola products is the amount of sugar in the beverages. Coca-Cola's most popular beverage offerings are sodas high in sugar and calories, which are advertised more than its healthier alternatives. The consumer in Figure

 Alana Sasmita, Food Science Student
Answered Oct 10, 2016
Originally Answered: Is drinking Coca Cola bad for health?

Yes.

You can google how much sugar in one can of coke, how much the calory, etc.

Drinking coke in daily basis leads to obesity, diabetes type 2, and non-alcoholic fatty liver disease. Coke usually contains caffeine, which is (hypothetically) bad for calcium intake. Coke is bad for the teeth, too, because of its low pH (approximately pH=2). Drinking coke in daily basis may encourage teeth erosion.

2.7k views · View Upvoters · View Sharers

 Upvote · 5  Share · 1

Figure 13: Consumer's response to "Is drinking Coca Cola bad for health?" on Quora.

13, explained that he was particularly concerned with the sugar content in Coke products. This is a particularly important challenge for Coca-Cola as consumer trends are changing, and groups like millennials now prefer healthy beverage options rather than sugar filled drinks.



Figure 14: Comment left on an Instagram post

In addition to changing consumer preferences, the widespread use of plastic to package almost all of Coca-Cola products is another issue many customers find with the company. Many take to social media and express their concern with the companies use of plastic and packaging that is harmful to the

environment.

Lastly, an undercover investigation about the Fair Oaks Farm, a supplier to Fairlife (milk company associated with Coca-Cola) revealed the farm to participate in animal abuse and cruelty. Due to this, customers took to the social media accounts of the company to voice their disgust with the practices tagged with #BoycottCocaCola.



Figure 15: Twitter user expressing disappointment with Coca-Cola's partnership with Fair Oaks Farm

Despite these, Coca-Cola is still a beloved brand with millions of followers on their social media accounts. Most go to company social medias to voice their complaint and disappointments with the brand. However, there are a few comments about an individual's love and loyalty to Coca-Cola.



Figure 17: Positive Instagram comment



Figure 16: Positive Facebook comment

Strategic Recommendations:

Before presenting recommendations for the Coca-Cola brand, C&C Branding would first like to point out that the following recommendations will take on the American market. Though the brand has global influence, these suggestions will be tested on American markets and if successful, moved to international markets. However, the American market itself can be dynamic

and complex. In order to successfully reach the American market, we first suggest a segment market approach to any marketing efforts made by the company. Positioning specific products to specific markets proves effective, as seen in the 2018 re-launch of Diet Coke. However, the classic Coke will remain a beverage for anyone and everyone. The other beverages, such as Coke Zero and Sprite, will then be assigned a demographic to be positioned for. With Coca-Cola's aid, we would conduct extensive research to determine which products fit the needs of different groups. Success of this strategy would come with research and the ability to match products to consumer segments for further marketing.

Currently, the younger adult population (ages 18-29) are underserved by both Coca-Cola and Pepsi (Birkner, 2016). Individuals in this age range and with higher education have turned away from sugary sodas to alternatives such as water and flavored seltzers. If this generation is lost by Coca-Cola, future sales will take a significant decline. Therefore, the brand must be able to appeal to this group in order to create a loyalty. To do so, we suggest highlighting environmental efforts made by the company and healthy alternatives the company offers.

According to a 2016 Shelton Group study, 63% of Millennials "claimed to be anxious about climate change"; however, many of the same group do not practice easy environmentally friendly activities (the same report said only 34% recycle compared to 52% overall). Coca-Cola's "World Without Waste" campaign will then be framed to these individuals as a benefit to drinking Coca-Cola beverages.

In 2018, Coca-Cola set a goal to "collect and recycle the equivalent of every bottle or can it sells by 2030" (Moye, 2018) as part of this campaign. To completely fulfill this goal, Coca-Cola would encourage consumers, especially Millennials, to take the initiative and recycle materials properly. With our help, Coca-Cola will continue these efforts as well as:

1. Establish the “Cola-Cycles” campaign, an effort to encourage more eco-friendly practices by younger adults to help Coca-Cola’s “World Without Waste” campaign, which would include the creation of:
 - a. Three educational videos for consumers on the proper methods to recycle Coke products in the United States within the next year;
 - b. Branded recycling bins on college campuses with both the Coca-Cola logo as well as the school’s logo;
 - c. A social media movement allowing individuals to share their recycling efforts that would be specific to different schools (ex. Students at FSU would post with #CokeCycleLikeANole)

The initial launch of this campaign will occur during college football season. “Cola-Cycles” will be placed around universities during tailgate season equipped with tents to encourage recycling with branded recycling receptacles. Coca-Cola will educate consumers on the process of recycling and how Coke is doing their part. The tent will provide guests with a branded reusable bottle by both Coca-Cola and the home team

which they can bring to a Coca-Cola Freestyle machine. By doing this, we believe more consumers will be attracted to the tents and want to learn more. The reusable cups will also be a form of free publicity and help generate word-of-mouth. Ultimately, the goal of “Cola-Cycles” will give consumers the opportunity to drink Coca-Cola in a more sustainable way, while helping reduce waste and show how Coca-Cola is a sustainable and environmentally friendly brand.



Figure 18: Proposed ad material for "Cola-Cycles)

A full-length five-minute video will be produced after the launch of the campaign detailing the launch event and future plans. In addition, three clips detailing how consumers can be environmentally friendly will be posted on Instagram, Facebook, YouTube (79% of adults in the group using Facebook, 67% using Instagram, and 91% using YouTube, according to the Pew Research Center in 2019). To evaluate the effectiveness of the promotional videos and educational clips, the brand will track engagement and views online. The company will monitor the comments on the videos on platforms, such as YouTube, Facebook and Instagram to determine how consumers feel about the new campaign. By directly evaluating consumer comments online, we will also be able to conclude if consumers are using “Coca-Cycles” and the educational videos to start recycling. Moreover, the success of the “Cola-Cycles” will be understood through the amount of plastic (in pounds) collected every six months which can then be translated to number of bottles.

Today, the average consumer is more concerned about making healthy choices and would likely opt for a beverage that is low in sugar. FoodInsight.org reports the first type of Foods and Beverages Eliminated to Reduce Sugar Consumption is soft drinks (2018). Although Coca-Cola’s primary brands are soft drinks, this continual change in consumer preferences should be expected and prepared for. Therefore, we would like to dedicate more advertising funds to its naturally healthier options, mainly Dasani water and the Dasani Sparkling options.

Among the top bottled water brands in America, Dasani is the top in sales (excluding private label brands) during 2018 (Beverage Industry Magazine, n.d.). Instead of trying to market Diet Coke or Coke Zero as a healthy option, we would propose an advertising campaign showcasing the refreshing and revitalizing nature of Dasani water. Showcasing the simplicity of Dasani, these ads would position the Dasani bottle or Dasani Sparkling cans on white backgrounds with simplistic copy. These ads would be placed in magazine and also on social media. We would

buy ad space in magazines that promote healthy living such as Eating Well, Women's Health and Good Health. The print ads would have QR codes on the corner that would bring customers to the landing site for the exact product. With its positioning as a healthy, refreshing beverage, it fits within these magazines. As for digital ads, based on research, these ads would target individuals who take on active lifestyles, based on who they follow and recent searches. For more information, customers can click the link and bring them to the same landing site as the print ad.

Unlike digital ads, success of print ads is difficult to determine; however, we would choose to look at the purchase rate of the magazine to register the spread of the ad and record how many use the QR code to track engagement with the ad. Digitally, we will be able to track how many customers saw the ad and clicked on it.

We hope with the suggestions we have made to the Coca-Cola company; we have presented contrasting methods to segment and target different consumer markets. Dividing the market and presenting the benefits of different products will be crucial in future endeavors. The effects of declining soda sales can be counteracted with efforts to advertise the company's dedication to the environment and health of its consumers. By age, the company can target younger adults and their appreciation of environmentally friendly companies. And by lifestyle, Coca-Cola can position a less advertised product to a prominent group. The brand recently celebrated its 125-year anniversary and in order to flourish for another 125 years the company must be able to adapt to a changing consumer base and innovate itself in order to remain the top beverage company in the world.

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