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Coca-Cola Case Study Summary

Coca-Cola is the world's most popular beverage company in the world.

In this case study, we will explore the major factors which have led to Coca-Cola becoming such an enormous success.

To begin, here are four areas where Coca-Cola spends a lot of its time and resources into optimizing, called the 4 'Ps':

- 1. Product:** Coca-Cola makes beverages for every type of consumer imaginable. From green-tea to orange juice – the range of products Coca-Cola has is able to cater a wide range of audience.
- 2. Price:** Coca-Cola's pricing strategy takes into account the purchasing power of each individual country and the pricing of its competitors. They also employ the strategy of 'upselling', in which they price bulk items more attractively.
- 3. Distribution:** Coca-Cola has put together an efficient global network of producers, distributors and sellers who can put its beverages to market quickly at a low cost.
- 4. Promotion:** Coca-Cola puts in place various marketing campaigns that are personalized for specific countries.

In addition, it also constantly optimizes its internal organizational skills within the company itself, which plays a crucial role in helping it expand its empire even further.

In addition to these internal factors, external factors also play a huge part in the company's success which can be divided into two types:

Macro Environment

Political Forces:

Coca-Cola serves its products around the world. This presents a significant challenge as each country comes with its own rules and regulations which the company has to navigate.

Economic Forces:

Due to currency inflation and fluctuation in purchasing power, Coca-Cola has to make a hard decision as whether to keep their pricing same and forego profit, or increase pricing and risk losing sales

Social Forces:

Each country has certain events (such as Muslim's fasting during Ramadan) or a health-wellness campaign during which Coca-Cola has to confront losing sales - or boost sales with a better marketing campaign.

Technological Forces:

Coca-Cola constantly delights customers through the use of technology, whether through its music partnerships, custom-branded bottles or online delivery services.

Micro Environment

Company Workforce:

Coca-Cola depends upon its workforce that has a strong work ethic, extremely in-depth industry knowledge and deep-level of skills to run its organization smoothly. Finding such good employees can be a challenge.

Suppliers:

Coca-Cola relies on a range of suppliers for raw materials for its beverages and packaging. According to the company itself, a 'stable' supply of raw materials is necessary for its functioning.

Competition:

The competition is always attacking Coca-Cola's position as the number one beverage company with aggressive pricing, innovative products and better marketing. This means Coca-Cola is always on its guard, attacking back with its own pricing, products and marketing campaigns.

Customers:

Today's customers will move towards a competitor in case one wrong move is made. Recognizing this fact, Coca-Cola provides a training program called 'Customer Development and Training' for its employees to become better at serving customers.

Final Thoughts

To become successful, Coca-Cola has carefully created a well-optimized supply chain by putting a focus on its 4 'P's and using PEST analysis to keep external and internal forces in check. To achieve this, Coca-Cola has adopted the use of technology, training and well-thought-out marketing campaigns to gain the favor, trust and sales of its target audience.

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