

PRINCIPLES OF MANAGEMENT

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EXAM ASSIGNMENT

CASE STUDY OF COCA COLA'S 4PS, SWOT ANALYSIS, MICRO & MACRO ENVIRONMENT (PEST)



INTRODUCTION TO COCACOLA :

The company was originated in 1866 by an Atlanta pharmacist, John S. Pemberton at his Pemberton Chemical Company.

His bookkeeper, Frank Robinson, chose the name for the drink and penned it in the flowing script that became the Coca-Cola trademark.

Later on the company was bought by a businessman Asa Griggs Candler and his superb marketing tactics led Coca Cola to its dominance in the market.

Coca-Cola is the largest beverage company in the world, providing around 3,900 beverage choices.

Coca-Cola's 4Ps :-

Coca cola has its 4p's which might be the base of their success.

Product, Place, Price, and Promotion are the 4p's.

Product : The product strategy of Coca cola can be determined by looking at its wide product range. Some products of this company are Coca Cola, Sprite, Fanta, Diet Coke, Coca Cola Zero, Coca Cola Life and many more.

The product has different sizes for their customers for example 200ml, 500ml, 1ltr, 1.5litt and 2ltr bottles.

Coca Cola distributes the product according to the regional taste and the preference of customers.

Price : One of the biggest competitors that Coca Cola has in the beverage market is Pepsi. They follow competitive prices for their product.

Place : Coca Cola has a presence in 200+ countries and in the market for more than 130 years. Their distribution network is spreaded over to urban and rural areas too. Company has a specific recipe or formula which is the base of their taste, they produce the beverage and transports it to the bottlers in different parts of the globe. Their strong distribution network and easy availability of their different products gives them extra boost as compare to the competitors.

Promotion : Coca Cola sets the bench mark for advertising and branding. The mediums used for the promotion purpose mostly are using media like TV, online ads, print media, sponsorships etc. Special incentives are given to the distributors and retailers for pushing Coke products.

TALKING ABOUT THE SWOT :- (INTERNAL BUSINESS ANALYSIS)

Coca cola use SWOT analysis to determine their internal business affairs. Strengths, weaknesses, oppurtunities and threats is the abbreviation of SWOT.

STRENGTHS :

Dominant market share in the beverage industry, their revenue in 2017 was 35.410million US dollar.

Their Market power of suppliers and competitors.

They have power over the buyers.

They have a wide audience reach.

Diversified product portfolio with 21 billion-dollar brand.

WEAKNESSES :

Their low presence in health drinks.

Heavy reliance on carbonated drinks.

Currency flutter/alternate.

Lack of product diversification.

Issues with water management.

Oppurtunities :

They are considering oppurtunities in growing markets.

Growth in beverage consumption.

Reduce price or prodcution material.

Packaged water.

Threats :

Increased competition from the less known brands.

Reducing and changing customer demand for carbonated drinks.

Products are considered not good for health.

(EXTERNAL BUSINESS ANALYSIS)

To monitor the external business issues the factors rely on the division of two environments which are Micro and Macro environment.

Micro Environment :-

These are the internal environments of a company for example the company itself, marketing intermediaries, suppliers, customers, competitors & Public following are the major micro environmental factors which are affecting Coca-Cola.

Macro Environment :-

It consists upon the uncontrollable external factors which effects companies strategy, decision making and performance. Coca cola uses PEST analysis to monitor in this situation.

PEST (Political factors, Economical factors, Social factors, Technological factors)

Political factors :

- Taxation
- Regulatory changes
- Change in government
- Corrupt government
- Employment rules

Economical factors :

- Economic growth of company
- Very high inflation rates
- Exchange rates
- Employment rates

Social factors :

- Health concious society
- Age of consumers
- Lifestyle and Fashion

Technological factors :

- Use of cans and plastic bottles.
- Use of internet.
- New machinery for production.
- Energy use.

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