

# **SYDNEY WEST INTERNATIONAL COLLEGE**

## **Marketing Principles**

### **GROUP ASSIGNMENT 1**



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## **The Executive Summary**

This report was written to satisfy the pass requirements of Marketing in Principles at Sydney Western International College. This study aims to produce a clear understanding of the Coca-Cola Company in Australia. The analysis of the Coca-Cola company brings an overview of how the company has achieved its goals, their strategies and future growth. The investigation also seeks to find out how this well-populated Coca-Cola product satisfied the customers and how they are different from other companies upon their marketing strategies.

In order to achieve the objectives, a literature search was conducted by using websites, books, newspaper articles and journals. These categories help to compare the general marketing strategies with the Coca-Cola company strategies. Useful information regarding marketing helps us to study the environment of the company.

The final outcome of the report was that they have followed a complete theory on marketing to achieve its goals. Even the company had to face the decline stage, the performance of the good management and advertising tools assist the organization to win the market and avoid distractions. The biggest challenge was the Pepsi company which had a diametrical increase within a short time and was popular in all over the world as Coca-Cola, changing the whole marketing situation and attracting other companies' consumers to their product. In conclusion, this research was able to carry out a current marketing situation, SWOT analysis, Issue Analysis, Company objectives, Marketing Strategy, Action Programs and Controls of the Coca-Cola Company.

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# SWOT Analysis

## Strengths in Coca Cola Company (sponsorships)

1. In August 1993, FIFA working in co-operation with The Coca-Cola Company introduced a ranking system for football (soccer) men senior national teams. The system makes it possible to publish comparisons of the relevance strengths of internationally active teams at regular intervals. Since its introduction, the FIFA/Coca-Cola Ranking has proved to be a reliable measure for comparing national A-teams.

To ensure that the FIFA/Coca-Cola World Ranking always reflects the current status, FIFA primarily evaluates matches played in the 12 months prior to the date on which it is issued. Performance over the previous years is also taken into account, however. Basically, the score obtained from the current 12 months is added to that of the immediately preceding seven years with each previous year being devalued continually.

The company help for sports it is a charity work

## 2. Healthy eating, physical activity

what promotes healthy bones in growing children and youth? According to a decade of significant research, a combination of exercise and adequate calcium intake encourages good bone development in adolescents and children. To absorb calcium properly, a child also needs sufficient Vitamin D.

Some parents wonder if other food and beverage ingredients could influence bone development. Studies on phosphorous and caffeine -- both used in small amounts in soft drinks -- have shown they have no significant effect on bone mass. The U.S. National Institutes of Health,

as well as other sources, report no appreciable connection between these nutrients and an individual's calcium balance. This position counters a small body of work that has suggested associations between soft drink consumption and bone fractures in teen girls.

The company help for children's activities

### **3. Community works**

Society advances on the strength of community: people sharing their ideas and resources to reach common goals. We seek to strengthen local communities worldwide through our support for education, through partnerships with other organizations and through acts of citizenship by the people of Coca-Cola.

We support education because of its power to expand opportunities for individuals and increase understanding between cultures. We partner with national and international organizations to alleviate economic disadvantage and help improve the quality of life in local communities. Together with our local bottling partners, we strengthen communities by giving with our hands and our hearts, as partners in the promise of a better life. **(Strength, 2004)**

### **Weaknesses in Coca Cola Company.**

The threat of Coca Cola Company is that as their business too much vast compare to this their branches all around the world are not enough. **(Our company, 2004)**

### **Opportunities in Coca Cola Company**

In regard to opportunities of Coca Cola Company are the western Philippines island of Palawan, poverty-stricken children at rural schools have been known

to look for edible plants to eat during recess.

The Philippines Division of The Coca-Cola Company has launched a community initiative called "NutriBreak" to improve the daily nutrition intake of underprivileged children who attend Little Red Schoolhouses.

Under the nutrition program, the government's Food and Nutrition Research Institute and Banquet State University have partnered to develop a nutritious snack for the schoolchildren.

The snack provides kids with the daily requirement of protein and carbohydrates and is served with our vitamin-fortified Eight O'clock orange juice drink, as a part of the Philippines Division's Active Lifestyle (AL) program.

The Little Red Schoolhouse Project, the flagship program of The Coca-Cola Foundation Philippines, has already built fifty schoolhouses in the Philippines' remote areas. The "NutriBreak" nutrition program will ultimately reach all fifty Little Red Schoolhouses

They try to expand children's charity works **(our company 2003)**

THE COCA-COLA COMPANY INCREASES ANNUAL DIVIDEND BY 11 PERCENT

#### **40th Consecutive Annual Increase**

**Atlanta, February 21, 2002** - The Coca-Cola Company's Board of Directors today announced it has increased the quarterly dividend from 18 cents to 20 cents per common share, equivalent to an annual dividend of 80 cents per share. This increase reflects the Company's significant free cash flow generation.

This is the Company's 40th consecutive annual increase of its dividend. The dividend is payable April 1, 2002, to share owners of record as of March 15,

2002.

They increased their board of directors

### **Threats in Coca Cola Company**

They have only one company to challenge for their products it is Pepsi cola company. But however they have a complete control over it. (**Threats, 2004**)

## **Action Programs**

As for as new products are concerned they are looking for health-conscious consumers should as consumers first look to nutrient-rich foods to obtain their daily nutrition. In this regard their Chef Barr Hogen is working out. (**New releases, 2004**)

### **Four New Products, Super Nutrition**

The new Odwalla juice beverages - Blueberry Smoothie, Protein Tropic ale™, Passionate "C"™ and Organic Orange Juice - are available in 1.5 litre (50.8 fluid oz.) multi-serve recyclable-plastic bottles. Blueberry Smoothie and Protein Tropic ale™ are also offered in a new 11 fluid oz. size bundled into handy 4-packs. Suggested retail price for the multi-serve and 4-packs are \$3.99 each, providing an affordable price for such premium juice products. These new products will be stocked in the refrigerated juice case, making it convenient for consumers to find them in the store.

### **Drink It and Thrive**

At Odwalla, they chosen a variety of great-tasting and nutritious fruits, as well as other ingredients call 'super foods' - for these new juice beverages and Smoothie," are for healthiness and Wellness. As health-conscious consumers should first look to nutrient-rich foods to obtain their daily nutrition. Too often, consumers turn to pills and powders for what they think is an easy nutritional fix. Juices, however, are a convenient, flavourful and hydrating form of natural nutrition."

Chef Hogen's newest product recipes include a line-up of four delicious tasting products:

- Odwalla Blueberry Smoothie is a blend of blueberries, blackberries and raspberries combined with oranges, apples and bananas to make a sweet and silky Smoothie. The bluesy blueberries boast a blow to free radicals, with a rhapsody of antioxidants and anthocyanins. This 100% fruit juice blend contains no added sweeteners.
- Odwalla Protein Tropic ale is a tantalizing blend of tropical fruit juices and purees such as pineapple, mango and passionfruit, combined with 4 grams of soy protein per serving.
- Odwalla Passionate "C" is a scrumptious sipper of orange, apple, mango, banana, strawberry, and acerola cherry (one of nature's highest vitamin C-packed fruits) and passionfruit. Each vibrant 8 fluid oz. serving provides 470% of the Daily Value for vitamin C.
- Odwalla Organic Orange Juice, made only from certified 100% organically grown oranges, underscores the company's commitment to sustainable agriculture and natural-resources conservation.

## **The Coca-Cola Company objectives**

### **Marketing Objectives**

The company is dedicated to provide and maintain a safe and healthy workplace for its employees, suppliers, contractors and customers. As the company is large it is hard to continue to grow at a steady space. The competition is higher than ever before. And the forthcoming competition and challenge for the company in the targeting markets leads them to be more accurate and more efficient. The company has faced for the big challenge with its main against competitor "Pepsi". Since the time the company met this new competitor it has to change its strategies, directors, distribution methods and promotion system.



As consumers are drinking more and more new beverages, coca-cola company plan to improve their products with respect to the prices. The following objectives have been taken into consideration (**Coca-ColaCCA, 2003**)

#### **Market Place**

- Improve the quality of the product and deliver that quality without any changes to every market place.
- Gain the success of suppliers, distributors and retailers who connected with the coca-cola network.
- Provide more jobs, facilities, and marketing in the local market as well as in the global market.
- Reduce the price but remain the quality of product or increase the quality of the product.
- Innovation in the products they offer, the process they use to make them, the package they develop and ways they bring them to the market will change to a proper way and increase the efficiency,. The delivery system will faster than ever before.

#### **Work Place**

- Improve the safety of the work place.
- Make it as the most diverse organization on the earth, with talented employees who bring a variety of intellectual, professional, ethnic and cultural per spectives to the company.
- Make the policies to foster an inclusive environment that encourages all employees to develop and perform to their fullest potential.

#### **Consumer Needs**

- Improve the tasty and provide more hygienic beverages than today.
- Offer a valuable price, which satisfied the customer.
- Readily available in every time in the market place, especially where in places that the product is well consumed.

- Fulfil the consumer's expectation in order to satisfy the consumers and win the market place.

**\*Growth Drivers, which company targeting on, are;**

- Profitable profit generation
- Cost reduction
- Customer service improvement
- Capital Management
- The Coca-Cola company relationship

**Financial Objectives**

The company is now focusing on the earning per share. They are expecting to increase the earning per share from 12% to 15%. Also expect to increase the net profit from 10% to 15% and return on capital employed growth from 1pt to 1.5pts. The changes of financial performance over the previous years indicate the future growth of the company (Refer Appendix - A and B and C).

## **Current Marketing Situation**

**♦ *Market Situation***

The company has a strong place in the market. The head of the marketing Mr. Sergio Zyman develop the company strategies to promote their product more efficiently than other competitors. From the whole beverage the Coca-Cola Company has achieved market more than 78%. With its indulgency, the company has the best selling and quality assurance comparing to other beverages.

**♦ *Service Situation***

The company performs a standard delivery service, which runs on time basis. Services are spread into every state including NSW, Victoria, Perth, and Queensland. High quality service guarantees that the company product exists in the market better than before. Marketing executives of the company

always capable and available to help for their customers and resellers. The company well conducted with their wholesalers and retailers in order to encourage them and to be with them. Attract to another competitor is neglected upon this situation.

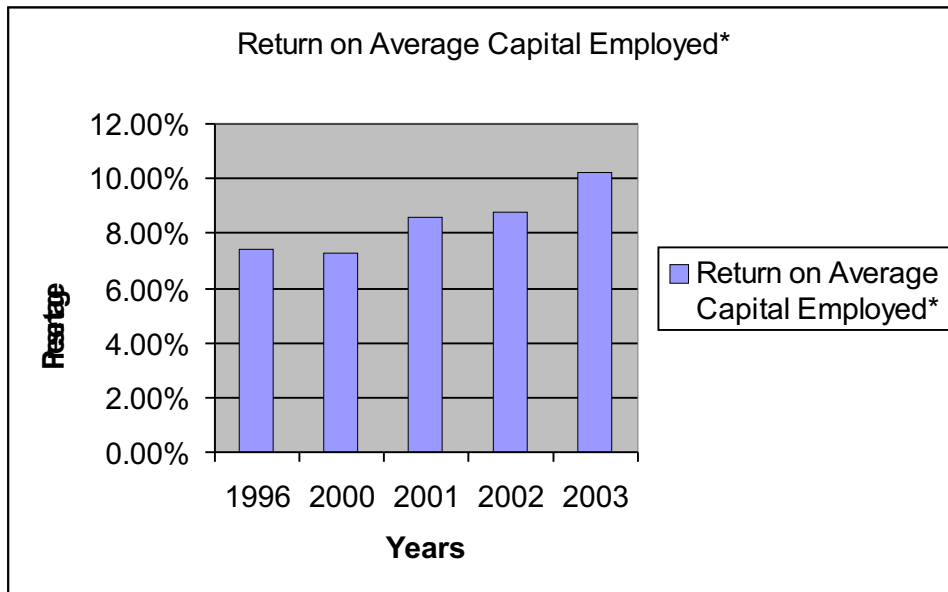
#### ♦ ***Distribution Situation***

The company has the best selling images. It reserves more on advertising and it's been useful and beneficial to increase their profit and production. Introductions like 'fast-lane merchandisers' are continually increase each period. Agreements with colleges, universities and other public and private sectors help them to keep their product in one whole market and avoid entering of other competitors. ( *Schermehorn etal, 2004 p 46* )

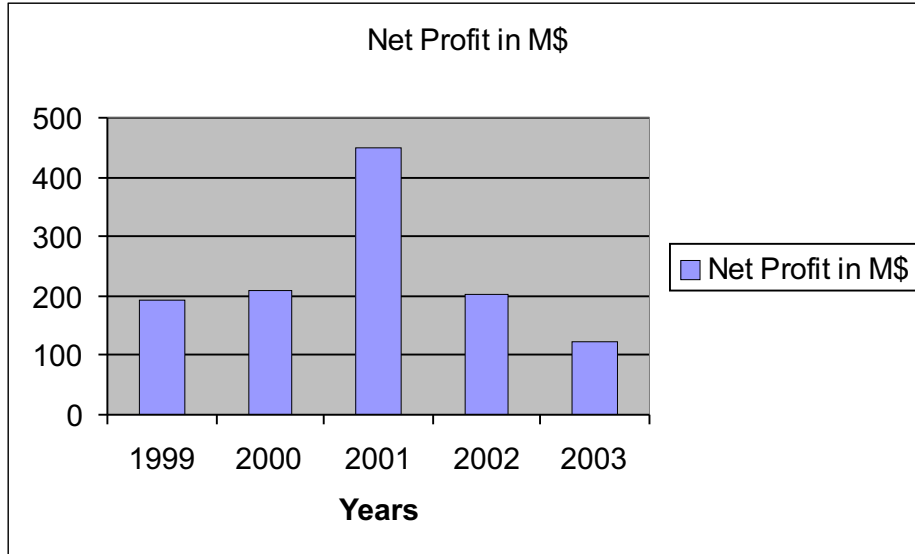
### **Conclusion**

From all above facts and figure of the company. The strength of the company more than the weakness and likewise opportunities with compare to threats it concludes that company has strong swot analysis, which is a positive sign. As for as Current Marketing Situation is concerned with respect to market situation, service situation and distribution situation is much better than its competitors (Pepsi). The company is dedicated to provide and maintain a safe and healthy workplace for its employees, suppliers, contr actors and customers; the coca cola company also have many campaigns in markets. Financial Objectives the Coca-Cola Company objectives are increasing day by day which shows that company will increase its sale ratio annually from 11% of the previous year to 20% in next coming 5 years.

## Appendix A



## Appendix B



## Appendix C

### KEY FINANCIALS

	2003	2002	2001	2000	Change in 2000- 2003
<b>Revenue (\$ million)</b>	1,882.9	1,776.8	1,675.1	1,558.1	+6.5%
<b>Volume (million unit cases)</b>	301.2	285.8	275.1	263.3	+4.6%
<b>Revenue per Unit Case (\$)</b>	6.25	6.22	6.09	5.92	+1.8%
<b>EBIT (\$ million)</b>	377.7	317.0	288.9	272.0	+11.6%
<b>EBIT margin (%)</b>	20.1	17.8	17.2	17.5	
<b>Capex to Revenue (%)</b>	5.2	1.7	3.5	4.8	

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