

The principles of marketing

E1. Produce a marketing strategy for a product or service with a clear understanding of the principle of marketing.

My objective for the marketing strategy is to achieve more profits by making some adjustments to the packaging of Coca-Cola. I want to see whether the demand for Coca-Cola will increase or decrease due to small changes. These changes are that I will replace the opening with a cap on a Coca-Cola can to stop people throwing away the drink due to a lack of storage space. By doing this I hope to gain a bigger market share for Coca-Cola.

Before I start making any changes I need to primary and secondary research in which consumers will be asked whether they would buy the changed product. In order to make the idea a success I will have to develop a marketing strategy which evaluates ways which we can achieve these objectives.

The reason businesses seek to make a profit is that, without a profit, a business is unable to do all the things it wants to do. Without profit the business cannot keep its shareholders happy, it cannot pay higher wages to its employees, it cannot invest in better technology to improve its products and so on.

Understanding customer needs

In order to anticipate change, organisations need to have an antenna that is highly sensitive to changes taking place in the buying population. For example, what is happening to:

- The age structure of the population?
- Tastes and preferences?
- Incomes?

Market research is the antenna of an organisation and is far more complicated than simply asking 100 people if they like a product. This is the stage where market research starts. It is therefore, the ability to satisfy customers that marks the difference between a successful and unsuccessful organisation. There are only few firms who can provide for individual needs. Most marketing activities are therefore designed to meet the needs of groups of customers within a market.

The first challenge for any organisation is to find a set of customers and to identify their needs so that appropriate goods and services can be developed. The first element in the marketing mix is the product, then all the other elements in this marketing mix can be engaged to meet customer needs. These may include developing the pricing for the product or service provided, working out how to distribute (place) goods to the customers, as well as how to promote them.

Coca-Cola need to understand customer needs to be able to sell their product. They must undertake market research to find out what their customers want so they can produce to their needs.

Understanding and keeping ahead of the competition

One of the key factors in any market is the existence and strength of the competition. In a competitive environment organisations are forced to be on their toes. They cannot allow rivals to gain advantages by offering lower prices or goods customers perceive to be substantially better.

In order to be successful, organisations will gear activities to being better than their competitors, and to keeping up with any improvements competitors make. Coca-Cola must be in front of their rivals so that their product is at the top. They must make improvements all the time to better their product so that competitors don't take over.

Marketing in any organisation must constantly seek to enable the organisation to manage the effects of change and competition-by coming up with new products, advertising promotions, price alternations and special offers.

As competitor activity is one of the biggest threats to a business organisation, many marketers spend a lot of time finding out what their competitors are doing. Finding out about competitors involves considerable amount of research. This will start with finding out as much as possible about competitors' products and other elements of their marketing mix.

Unfortunately, over the course of time, many organisations develop a product orientation rather than a market orientation. Marketing orientation is based on the belief that, if organisations do not satisfy the needs of customers, they will not survive. It is therefore essential to match the production and development of good and services with the identification and anticipation of customers' desires and requirements.

It is important, then, for organisations not just to look at their competitors' products but also at how they deal with their customers. Customer needs and requirements are identified in every area of organisational activity, from the original idea and design right up until the final sale and after-sale and after-sales support. This is important for Coca-Cola to think about as they need to look at how their competitors are selling their product so that Coca-Cola can do it in the same way but better.

Communicating effectively with customers to satisfy their expectations

An effective network of communications is essential for any form of promotional activity. It enables an organisation not only to communicate with its customers and satisfy their expectations but also to build an image with the world at large. Such an image will help others to form a judgement about what the organisation stands for, and will influence their dealings with it.

For marketing purposes, communication of products and services contributes to the persuasion process, which encourages consumers to buy at whatever the offer might be. The various ways the consumer is persuaded comes under the promotional mix.

The promotional mix has all the marketing and promotional communications methods used to achieve the promotional objectives. These can be further broken down into two distinct areas:

1. Controllable and
2. Non-controllable.

Non-controllable communication consists of marketing messages that occur as a result of word of mouth, personal recommendation or a consumer's overall perception of a particular product or service. This may depend on how long a family has been using the product/service. Today, consumers are increasingly influenced by the power of brands and designer labels.

Controllable communication consists of marketing messages that are carefully directed to achieve an organisation's promotional objectives. These may include the following:

Advertisements- messages sent to the media to inform or influence the people who receive them.

Direct mail-personally addressed advertising sent through the post.

Sales promotions-techniques designed to increase sales, such as money-off coupons, free samples and competitions.

Coca-Cola should therefore study the communication process carefully. It should have a clear idea of what the message is whom it is sent to and what the outcome of sending it is. They should communicate effectively to always persuade consumers to go out to buy it and also have new advertising to persuade them after a while.

Co-ordinating marketing functions to achieve marketing aims

Business strategy is concerned with the big decisions organisations make. This may have substantial implications for the whole organisation and influence the future of a business for a long time to come. An organisation with a strategy knows where it is going because of its planning ahead. Marketing strategy is concerned with identifying and meeting the requirements of customers successfully so that the organisation can meet a range of objectives.

Marketing strategies are the way organisations attempt to find out exactly what their customers want, and then to influence customers in the way that is favourable to the organisation.

Marketing strategies require detailed research to find out about:

- Customer requirements
- The right products to develop to meet customer needs
- How to position the product or service in relation to other products and services
- The right marketing mix.

After the strategy is set, tactics must be decided on e.g. market research. Then marketing objectives should be made which are realistic. Coca-Cola should come up with a new strategy when needed to meet consumer wishes because other organisations will and Coca-Cola will lose sales.

Constraints on marketing activities

Every organisation involved in marketing activity is faced with a number of constraints that may limit their activity. Internal constraints relate to the source capabilities of an organisation. When a company wants to develop new products/services, it needs the resources to finance expansion. The bigger the scale of the development projects, the more resources are required. Also businesses need the skill and know-how for a range of marketing activities.

External constraints involve a series of factors within the business environment in which an organisation operates that limit, in one way or another, the organisations activities. This may include the following:

Consumers- if an organisation is not market focused or if consumers are not interested in a product, then it will be difficult to market.

Competitors- it may be difficult to market a product for which a competitor already has an advantage.

Economy- in a period of economic recession when consumers have falling incomes, it may be difficult to market a luxury product.

The law- there may be a number of laws constraining the activities of a business. Which may make it difficult for the business to do well.

If this is the case with Coca –Cola then they will have to research all these constraints fully and will try to find solutions that enable it to turn weaknesses into strengths and threats into opportunities.

Maintaining a relationship with other stakeholders

As individuals, groups or organisations are affected by what an organisation does, they are said to have a stake or interest in the decisions the organisation makes.

A company's stakeholders, therefore include not only its customers and owners but also its workforce, its suppliers (and their families), those living near the sites, special interest groups and, of course, society as a whole, including the environment.

Some examples of these may be:

- Employees
- Customers
- Suppliers
- Creditors.

It is important for Coca-Cola to maintain a relationship with their stakeholders, as they are the one who has made Coca-Cola into what they are today.

QUESTIONNAIRE ANALYSIS

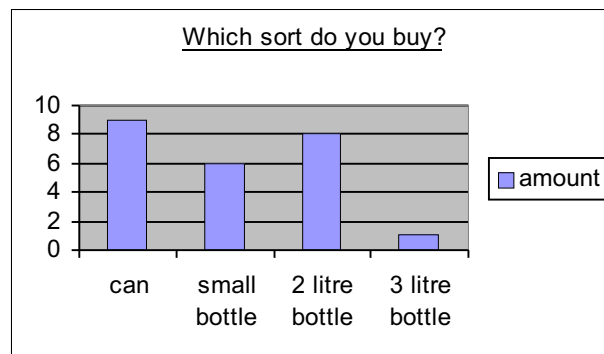
E2. Appropriately identify, collect and use primary and secondary data relevant to the marketing strategy.

I have designed a questionnaire allowing 15 people regarding Coca-Cola. This varied asking what quantity of coke they purchase to how much they pay for it. For my primary research, I will hand out questionnaires, which I will analyse the data that I receive.

Using questionnaires have many advantages. First of all it is probably the most important form of getting data. The reason being because it is easy to understand and the answers give the consumers opinion on what they exactly think whereas a survey does not do this. A questionnaire also allows a business to see what consumers are critical and happy with so they can either make changes or leave it as it is.

The problems with questionnaires are that sometimes not all of them are returned so can be very inconvenient, some are not completed or others don't answer the questions required. I will give out my questionnaires out to anyone I know.

Quantity	Amount
can	9
small bottle	6
2 litre bottle	8
3 litre bottle	1

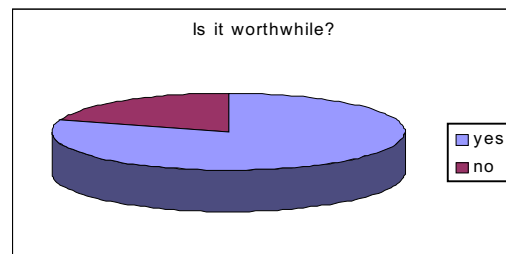


This is showing that a lot of people tend to buy cans but that is because, my questionnaire was given out to 16/17 year olds who tend to buy cans as they contain drink and are easy to carry around. I asked this question because I wanted to find out what quantity is bought the most so that it could then enable me to base my promotion on it. I wanted to find out what people buy.

Amount of people pay varies from quantity of coke they purchase but they are mostly the same. I asked this question because I wanted to find out what price people pay and whether they think it is worthwhile as asked in the next question. By looking at this people pay different as to what quantity they buy but overall said the price charged was quite reasonable. This helped me as it showed that no emphasis needed to put on the price factor. So this means that I don't have to have a promotion on the price, as the customers are happy.

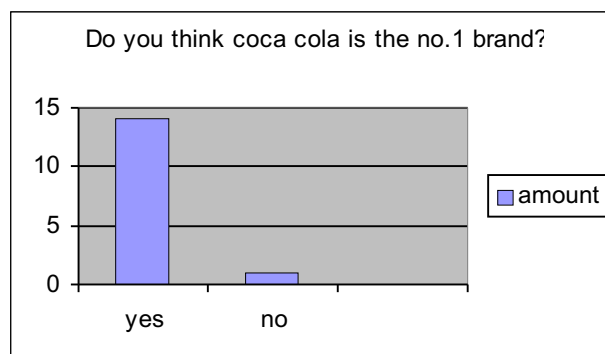
E.g. 45 p for a cola can.

Answer	amount
yes	12
no	3



Majority of the people think the amount they pay is worth while. So this shows that no changes need to be made on price as said above.

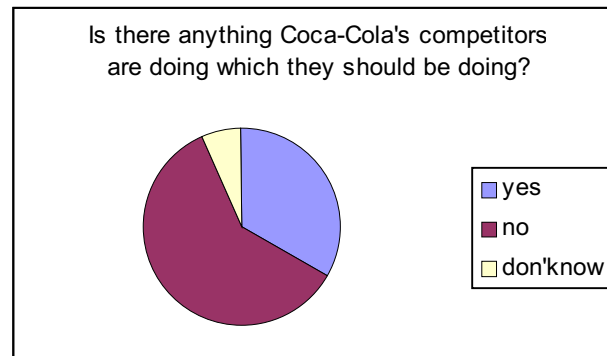
	amount
Yes	14
No	1



This question shows that Coca-Cola is the number one brand. The reasons why I think this is because it is a trend in which everyone has to have it. Also it is well known so consumers tend to go with well-known products. Also advertising plays a big part as it encourages consumers to go out and buy it for themselves as they make it look and taste so nice which is irresistible.

I asked this question, as I wanted to find out whether Coca-Cola is the number one brand. If customers said yes then it would be vital to understand their needs, which should be fulfilled. If it is not then what is that Coca-Cola should be doing and what changes should be made to make it a number one brand.

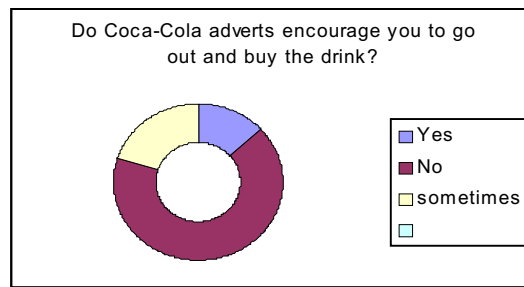
answer	No.
yes	5
no	9
don'know	1



By looking at this the majority of people thought that Coca-Cola were doing what their competitors were doing. Others said that they should be doing what their competitors are doing such as putting on promotions such as buy one and get the second free or do more advertising.

I asked this question because I felt it was important to know whether Coca-Cola is doing what they should be doing and if not what they should do. It would also let me know whether customers were happy with Coca-Cola and if not what they wanted changing so it gave me the chance to look at what I could change to make the customers happy. It would also show what the competitors are doing and who they are.

	answer
Yes	2
No	10
sometimes	3



By looking at this 10 people said that the advertising done by Coca-Cola did not encourage them to go out and buy the product so this suggests that maybe the advertising was not effective, as it should be. Also 2 people said that it did encourage them whereas the other 3 said it did encourage some but sometimes. I asked this question because I wanted to find out whether the advertising done by Coca-Cola is effective or not. If it is not then I could then improve on it to make it effective. This could also let me know what advertising I should use and what would be effective.

I asked whether people wanted anything by appearance changing, a few said that they wanted the shape changing. Others said that they bought more when there was a price reduction in the summer. These questions were asked to what customers wanted changing as to appearance so that I would now what needed changing for my promotion. This also let me know when the best time is to put on the promotion which customers would go for.

Secondary data

This type of data is the existing data that a business can use for its own purposes.

The Internet

This is a type of secondary data that a business can use such as it contains a lot of published material but it may not be as reliable as books, magazines.

Government statistics

Government prepares statistics and the Central Statistical Office (CSO) publishes both a monthly and annual analysis. This provides us with information about the different markets. Above are just some places where I can get secondary information.

The secondary data shows advertisements are sold in spots and the daytime spots cost less because there are little audiences. In the evening between 5.30 p.m. to 10.30 p.m. there is a much bigger audience because people have finished work, school or whatever they are doing to relax and watch television.

In the UK, ITV (including GMTV), channel 4 and channel 5 (1997), show advertisements between programmes and in intervals within the programmes themselves. Advertising time on TV is sold in 'spots' ranging from one minute down

to seven seconds. Daytime spots, when audiences are low cost less than those do in 'Peak time'- the evening when millions of people may be watching Independent Television. Most evenings from 5.30 p.m. to about 10.30 p.m. is peak viewing time when TV audiences are largest. The ITV companies usually show the same programmes, though they may show different advertisements.

TV advertising time in Britain is sold on the 'spot' system. A 'spot' can last for a few seconds as with many of the 'still' advertisements for local stops or for a minute or even occasionally more. 'Spots' are bunched into breaks which may contain just one advertisement, though this is rare, or several. Each of the programme companies charge different rates, or prices, for its spot time. It is not hard to see why. One company, Grampian Television, serves only about 2,023,000 homes, but the London Region, whose programmes are provided by Charlton Television during the week and by London Weekend Televisions at weekends, has about 5,491,000 homes- 2 and a half times as many. A half- minute spot in mid-evening on a weekday could cost £1,250 on Grampian Television whereas a similar spot time cost on Carlton Television might be £23,000.

On a weekday evening when a very popular programme is being shown on the whole ITV network, as many as 20 million people may be watching. On Sunday morning the audience may only be a few thousand. Round about teatime during the week, a high proportion of the audience will be teenagers and children. Earlier in the afternoon in term-time, most viewers will be housewives, elderly people or shift workers. This information allows the advertiser to select his audience. It allows them to advertise to the correct audience.

There are now over 240 commercial stations, licensed and regulated by the Radio Authority, that pay for themselves by taking money from advertising. There are now national, regional and local commercial stations broadcasting. Commercial radio stations, unlike TV stations, are no longer restricted to a limit on how much advertising they can take per hour- however they normally stick to 9 minutes as viewers tune elsewhere. They are sold on 'spot' basis. Peak audience times are different, however, with radio at breakfast period and evening rush hour has its largest audiences.

Out door advertising- poster sites in Britain are mainly in big cities alongside main roads close top the cities. Outdoor advertising also includes the sides and backs of buses, banners and boards at football and other sports events, both the inside and outside of London and other city taxis, bus shelters, and boards at bus and railway stations. So posters are often used to remind people of brand names, or tie in with TV advertising to remind people of the TV message.

Point of sale (POS) advertising includes posters for the shop window, complete window displays for the advertiser's products, 'Open' and 'Closed' notices for the door with a product name on them, and the various other small advertising items that you see in shops. These are sometimes part of a short-term advertising campaign, but more often they are used to keep an advertiser's name in the minds of shoppers. In 1998, £14,307 million was spent on advertising in Britain. Over 80 per cent of this was spent on display advertising of goods and services in the press, on television, radio, posters, direct mail and in the cinema. The remaining 20 per cent or so bought

classified advertising (small ads), financial and legal notices, company announcements, and recruitment advertising (job ads) and advertising in the business and professional press.

Companies also spend substantial sums on other forms of communication but statistics are not always available. However, it is estimated that in 1995 £750 million was spent on exhibitions in Britain and substantial sums are also spent on sponsorship, sales promotion, mail order and other forms of activity.

This is where the money was spent:

	DISPLAY ADVERTISING £M	CLASSIFIED ADVERTISING £M
Television	4029	-
National Newspapers	1351	442
Regional Newspapers	826	1563
Consumer Magazines	553	157
Business and Professional Journals	756	453
Directories (Including Yellow Pages)	-	780
Press Production Costs	610	-
Outdoor and Transport	563	-
Radio	463	-
Cinema	97	-
Direct Mail	1666	-

Who are the advertisers?

The table below shows the amount spent on advertising in 1998 by various product groups and by other groups of advertisers.

ADVERTISER	£M
Retail and Mail Order	1093
Motors	631
Food	625
Financial	481
Toiletries & Cosmetics	356
Leisure Equipment	327
Drink	245
Household Stores	244
Holidays, Travel & Transport	242
Publishing	217
Pharmaceutical	217

Entertainment	182
Institutional & Industrial	142
Government	87
Charity & Educational	49

THE MEDIA	
National daily newspapers	14
National Sunday newspapers	11
Regional morning newspapers	18
Regional evening newspapers	72
Regional Sunday newspapers	7
Local weekly newspapers	477
Free distribution publications	These are newspapers and magazines distributed free and delivered door-to-door. Distribution is usually confined to a specific locality. There are many thousands of such publications.
Consumer magazines	Over 3,500 ranging from the Radio Times with a circulation of nearly 1.4 million, to hobby magazines selling only a few thousand copies.
Business, professional & controlled circulation magazines	Over 6,300 titles
Television	13 regional companies, plus GMTV, Channels 4 and 5 (see later table) and satellite & cable
Radio	241 Commercial radio stations
Cinema	2,680 screens (some grouped in cinemas with more than one screen)
Poster panels	About 82,000

Advertising Rates

The media fix their advertising rates according to the size of their audience and its age and social profiles. The rates are highly negotiable depending on numerous factors including possible large discounts. Here are some examples of 1998 rates:

	£
Daily Mail full page (black and white)	30,492
Daily Mail full page (colour)	43,974

Daily Telegraph full page (black and white)	41,125
Daily Telegraph full page (colour)	49,500
Sunday Times full page (black and white)	48,500
Radio Times full page (black and white)	13,700
Radio Times full page (colour)	18,500
Just Seventeen full page (black and white)	4,900
Just Seventeen full page (colour)	7,930
Edinburgh Herald and Post full page (black and white)	3,080
Carlton 30 second weekday peak time spot (1926hrs - 2330hrs)	23,000
Grampian TV 30 second weekday peak time spot (1800hrs - 2300 pm)	1,250
30 second spot (each day, one week) in London Cinemas (372 screens)	40,225
30 second spot (each day, one week) in Lancashire Cinemas (162 screens)	10,035
BRMB (Birmingham Radio) 30 second spot, Wednesday - Friday (1600hrs - 1900hrs)	700
Virgin FM (London) 30 second spot, Thursday - Friday (1600hrs - 1900hrs)	650
Virgin Radio (AM/National) 30 second spot, Thursday - Friday (1600hrs - 1900)	1,100

Another means of identification used in advertising is 'social grade'. This is a classification based on the occupation of the head of the household, and it indicates the household's spending power. The table below shows the special grades, the occupation to which they refer, and the approximate proportions of each grade in the total UK population:

A Higher managerial, administrative and professional 2.8%

B Intermediate managerial, administrative and professional 18.6%

C1 Supervisory or clerical and junior managerial, administrative and professional
27.5%
C2 Skilled manual 22.1%
D Semi-skilled and unskilled manual 17.6%
E State pensioners or widows (no other earnings), casual or lowest-grade workers
11.4%

So if you wanted to advertise say, an expensive but sporty car, you would look for a newspaper or magazine with a high readership of fairly rich 24 - 35 year-olds - in other words, an AB readership aged 24-35. Naturally, you would be 'buying' some other readers as well, because there are plenty of younger and older people, and plenty of C1s, C2s and Ds, who like to read about expensive cars even if they can never afford one. But then those younger people will get older, and some of the C1s, C2s and Ds may get promotion to the point where they can afford your car. Age and social grade classifications do not work precisely but they help the advertiser to get reasonably close to the audience

I have also been able to get some information on the facts and figures on advertising figures to use. This information as it shows me, which forms of advertising are the best ones to use. This information shows me where the most money was spent on advertising. It showed me that the three main advertisements where the most money was spent on were television, national newspapers and regional newspapers. So therefore this is useful so I can therefore later on apply this to my marketing strategy where I have to decide on the type of promotion I am going to use. This is shown in the appendices 1.

Also later on it shows which newspaper would be the best one to use. Looking at this data the tabloid newspapers are the most popular e.g. the sun. This also shows me which channel would be the best one to use on television. So I can apply this to my marketing strategy as to what channel is the one to choose.

In conclusion Coca-Cola is seen as a beverage, which is rather popular, the price will be lowered and by advertising the consumers will know the changes. The best method is TV and prime time will be the best as it has a high audience even though it is expensive. This secondary information is really useful as it allows me to see what is the best form of advertisement is and when the best time is to advertise.

Rationale

E3 Create a realistic rationale for the development of a coherent marketing mix for the product or service.

C2 Make well reasoned proposals for your marketing mix, clearly linking your proposals to information generated by your analysis.

The aim is to increase the market share.

Product

Coca-Cola is a black fizzy soft drink, which tends to be very popular within the young generation. It is also one of the best brands sold, which is very well known all over the world. It is sold in many styles. Coca-Cola is sold in plastic bottles, glass bottles, cans. It is sold in many different quantities such as in a can, small bottle near to 1 litre, 2-litre bottle and a 3-litre bottle.

It is a manufacturer brand. These manufacturer brands associates the producer with the specific product and the producer will be heavily involved with the promotion of the product.

By looking at my questionnaire, a lot of amendments are not needed as a whole. A few people have emphasised on the promotion whereas a few others have emphasised on the product and price.

The change I am going to make to the product is to the Coca-Cola can where I am going to replace the opening with a cap. The cap will enable consumers to shut the can after they have drunk it. The reason why I have come up with this idea is because I thought that when a consumer buys a can it is very hard to finish off so they end up throwing it away but this way they can shut it and carry it around. This way they are getting moneys worth out of their drink.

So furthering my idea, I decided to do a survey, which asked 10 people about the idea. By doing this I got a better understanding of whether it would be a success. By looking at my survey, I found that consumers thought it was a good idea and they would go for it.

It will be sold as a bulk because they are cheaper to produce.

Place

Physical distribution management is an important part of the marketing mix. It helps an organisation meet customer needs profitably and efficiently. In doing so it enables manufacturers and distributors to provide goods for customers at the right time, in the right place and in the condition required. It may also reduce the led- time-from when a customer first make an order until the time that border is delivered

Logistics is the process of integrating materials management and physical distribution management, and it involves a whole series of activities from moving raw materials

through to the manufacturing process, and moving finished goods to the final consumer. Physical distribution must balance the need for customer service against the need to minimise costs. On one hand, to maximise customer service an organisation may need a great deal of stock and warehouse space, efficient staff and rapid transport mechanisms while, on the other, to minimise costs it needs low stock levels, limited store space, few staff and lower transport.

With the physical distribution system, I will have to make sure that there is enough stock to go around, if there isn't enough stock then Coca-Cola could lose customers. I will have to make sure with my strategy that there is enough warehouse space to put stock in

I will market these products in supermarkets, corner shops, newsagents, and paper shops. Examples of these are Asda, Sainsbury's, Boots etc. These are the places where consumers go to buy food and drinks. I would put it in specific places where the customer will get attracted to them easily. Examples of these may be point of sale, front entrance.

Promotion

The type of promotion I will use is persuasive advertising where consumers will be persuaded to buy this product. Firstly I will put it in national newspapers, as they are very popular. I will put it in the tabloid newspapers e.g. the sun as it is read by many readers and if they see the advert, then they will come and get it or spread the word. By looking at the advertising data I can justify why I may use this form of advertising. Many people read national newspapers as the data shows so I thought it would be best to use this. Also the Sun newspapers is the most popular newspaper read as figures show, so therefore I decided to use it.

In 1998, £14,307 million was spent on advertising in Britain. It is estimated that in 1995 £750 million was spent on exhibitions in Britain and substantial sums are also spent on sponsorship, sales promotion, mail order and other forms of activity.

This is where the money was spent:

	£M	£M
Television	4029	-
National newspapers	1351	442
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Directories(including yellow pages)	-	780
Press production costs	610	-
Outdoor and transport	563	-
Radio	463	-

Cinema	97	-
Direct mail	1666	-

Examples of newspaper and magazine circulations:

Daily newspapers-popular

Daily newspapers	
Daily Express	1,095,716
Daily Mail	2,350,241
The Mirror	2,313,063
The Star	525,734
The Sun	3,730,466

I will also use television adverts as they are persuasive, short and snappy and as a lot of people watch the TV. It is ideal. The adverts will come on repeatedly and it will stay in the consumer's head what the advert was about. It will come on many times as a constant reminder. As appendices 1 and other research show that television is a good method to use to get the point across. It is rather effective, as a lot of people tend to watch the television. I think I would have my advertisements on ITV as a lot of people watch it and it is rather effective. Also I may advertise it on Channel 4 but my first choice will be ITV. I will put the advertisements between 7pm to 10pm as a lot of people watch television then as they finish work and therefore like to watch something in peace. Also at that time people tend to have finished what they are doing. The reason why I may use television is because as the advertising data shows a lot of people watch it and also a lot of money was used on television. Also it shows that ITV would be the best one to use.

I would also have a sales person at the entrance talking about the new image which will try to persuade the customer it is better and worthwhile. This would be good as the customer will be able to take one and also see one for themselves as to how suitable it really is. I will also give out smaller versions of the cans out to consumers for them to test out how convenient it really is. By looking at research a person standing at a entrance explaining a product can be rather successful. They have a way of persuading consumers to buy something they are offering for sale.

I would also have it as a point of sale near to where the drinks, the checkout as it is a good way of persuading the customer to buy it and mostly it works. In this way customers are persuaded to buy something, as it is quite common for consumers to try out what is new. I would also have leaflets to inform customers at home as direct mail can be effective as the consumer can read about it and sometimes this encourages them to go out and buy it. The reason why I thought I would use this is because I think that it can be effective something on paper as it does not have all the details. Therefore consumers will be curious to find out more about it, they will then go out and buy it. Appendices 1 shows that some money was spent on direct mail, I decided to use it as it can be very effective.

I would also have billboards, which again have quick and sharp messages. They are aimed at drivers, if it is effective and the driver only happens to read half of it then they will be curious to find out what it is. With this they will buy the product. Overall everyone will be curious to see how it works so they will go and buy it.

I will also put something in a magazine as shown in appendices money that was spent on it so therefore it is likely to be effective. I will put it in a drink magazine or a young teen magazine as a lot of teens buy a magazine and it is quite common that young teenagers drink more coke than the older generation of about 45.

Price

The first pricing task is to create an overall pricing goal for an organisation that is in line with the marketing strategy and then determine objectives for each of the product line.

I would use penetration pricing. It is appropriate when the seller knows that demand is likely to be elastic. A low price is therefore required to attract customers to the product. Penetration pricing is normally associated with the launch of a new product for which the market needs to be penetrated. Because a price starts low, even though a product will be developing market share, the product may initially make a loss until the consumer awareness is increased. Penetration pricing is particularly appropriate for products where economies of scale can be employed to produce large volumes at low unit costs. It is also common when there is a strong possibility of competition from rival products.

It may not be a new product but it consists of having a new feature on it so therefore I will lower the price to 41p to attract customers. This way I am not losing a lot of money but I am making the product settle in the market. This is just for when the product has come in and later on the price will be put up. I know that consumers will try anything, which is of a low price. They will definitely try this as it consists of having a new feature, which is quite ideal.

Customer service

Customers are the most important people in any organisation. They are simply the natural resource upon which the success of any organisations depends. When thinking about the importance of customers it is useful to remember the following points:

- Repeat business is the backbone of selling. It helps to provide security and certainty.
- Organisations are dependent upon their customers. If they do not develop customer loyalty and satisfaction, they could lose their customers.
- Without customers the organisation would not exist.
- The purpose of the organisation is to fulfil the needs of the customers.
- The customer makes it possible to achieve everything the business aims for.

It is therefore important to realise that not only must organisations give out good products but also a service to get customers to buy their product. Also organisations must also make sure that they have staff which could deal with customer service. They must look at their employees and see where they need help. Once done they should train them so that they don't lose customers which could have an affect on sales.

SWOT Analysis

A particularly useful approach to examining the relationship between an organisation and its marketing environment is a SWOT analysis. A SWOT analysis sets out to focus upon the strengths, weaknesses, opportunities and threats facing a business or its products at a given moment. It includes both internal and external element. The internal element looks at the current strengths and weaknesses of the organisation. The external looks at the opportunities and threats present in the environment in which the organisation operates.

Carrying out a SWOT analysis requires research into an organisation's current and future position. The analysis is used to match an organisation's strengths and weaknesses with the external market forces in the business environment.

Strengths

Strengths are the things that the firm is good at. For Coca-Cola it can be a variety of things from their marketing strategy to their relationship as a company. One of its biggest strengths is that it is a good product, which is known all over so they have a good reputation. If customers are happy with a product then they will keep on coming back to purchase the product. Also if the reputation is good then we are able to experiment with our product which will have no major impact on customers.

Another strength is how well they are doing in the market, which I will be able to find out from my primary data. Finding the strength of an product is important to an organisation as it allows them to see what they are good at and what their customers are happy with. This will allow Coca-Cola to carry on with what they are doing in order to keep the customers happy.

Weaknesses

The weaknesses could be the things that a firm is not good at compared to their competitors. By identifying the weaknesses, Coca-Cola can try to improve on them so they don't fall behind competitors. The weaknesses can also allow me to base my marketing strategy on this. If I wanted to change Coca-Cola as a product, I can change it taking the weaknesses into consideration so those customers are happy with the product.

The weakness Coca-Cola has is that there are so many brands in the market, Coca-Cola has to share sales. The other weakness is that if new changes were undertaken with the drink e.g. the ingredients changed then customers may reject it.

Opportunities

Opportunities are where firms can use their strengths to improve their position in the market. There are many opportunities open to Coca-Cola to improve its position. First of all the population is growing so therefore more people are going for the drink. People are getting in more income so the sales of Coca-Cola could go up as people can afford it at the moment. Young people prefer fizzy drinks than water so Coca-

Cola can take advantage of this and make changes to the product and people will still buy it. The market is growing so therefore more people will go for the drink.

Opportunities help us to make more of a profit and be more adventurous with our products and services if we are doing well. Opportunities also allow us to make our marketing strategy more adventurous, which will enable us to stay in front of our competitors, which will allow us to make a profit. There are new opportunities available that weren't before. The new technology allows us to promote Coca-Cola a lot better, which is more effective. The new technology such as the Internet is an opportunity as we are able to attract more customers to the promotion.

Threats

Threats will mainly come from competitors such as Fanta, Diet Coke and Sprite with whom they have to compete with in order to get a better market share and customers. Competitors will try to attract customers to them so Coca-Cola will have to make sure that they have a plan, which will help them to stay in front of competitors.

Another threat is that consumers are drinking a widening assortment of beverages. There is increasing demand for health and nutrition drinks etc. Coca-Cola will have to try and overcome this so that consumers don't stop drinking Coca-Cola and turn to healthy stuff.

Consumers are worried about how fat they are so if they go on a diet, they will stop drinking Coca-Cola as it is fattening so Coca-Cola will have to think of something to overcome this, as they will lose customers.

PEST analysis

E4. Identify and explain the external influences affecting the development of the marketing strategy.

A PEST analysis stands for Political, Economic, Social, and Technological influences, all of which are external. Carrying out a PEST analysis involves identifying the key factors external to an organisation that are in a state of flux and that are likely to have an influence on the organisation in the coming months and years. An effective PEST analysis will be based on detailed research using all the latest journals and publications.

Political factors

Political factors include government regulations and legal issues and define both formal and informal rules under which the firm must operate. Some examples include:

- Tax policy
- Employment laws
- Environmental regulations
- Trade restrictions and tariffs
- Political stability

The external forces controlled by the government, both national and European, local authorities or other trade or activity orientated regulatory bodies are all covered by the political and the legal environment.

The rules and regulations set or developed by bodies under this heading have the force of law, while others are voluntary such as advertising codes of practice. These rules and regulations that are set by these bodies would have a great impact on our product as our product will need to be sold in the market to customers who will purchase our product. It is essential that we meet the other regulatory bodies otherwise it will be impossible for us to sell our product to our customers which means that we will not make a profit and will lose sales. Our time and effort will also be wasted, as our product will not sell at the end of the day. We will need to abide by the advertising rules so that our product is advertised to the highest standard and that our customers are drawn to our product which is why advertising appropriately is very important to businesses as if our product is not advertised properly we may lose a lot of money and sales. In order to follow the advertising rules and advertise properly we would need to follow "The British codes of advertising and sales promotion". The British Codes of Advertising and Sales Promotion are written by the advertising industry through the Committee of Advertising Practice (CAP). All the main trade and professional bodies representing advertisers, agencies, service suppliers and media owners are members of CAP.

My marketing strategy can have a great effect if the government puts the taxes up to control inflation. This can affect my marketing strategy because if customers don't have much money then they will not be able to buy my drink and I will not be able to make a profit, as they won't be able to afford it. They would then look for a cheaper drink and buy that instead of my improved and developed coca cola. This may cause

a big problem for me as my marketing strategy will not be met and I will not be making a profit. If the raw materials are not available for me to buy then I will not be able to go ahead with my marketing strategy and I will not be able to make the changes to coca cola, this is if there is a change to the availability of raw materials.

Economic factors

Economic factors affect the purchasing power of potential customers and the firm's cost of capital. The following are examples of factors in the macro economy:

- Economic growth
- Interest rates
- Exchange rates
- Inflation rate

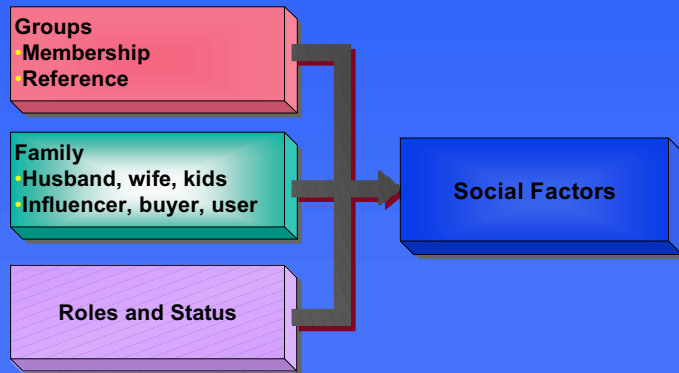
At present inflation is low which means that Interest rates are down too so there is a high chance that consumers will buy my product and they have plenty to spend because they have more earning which means that they will be able to afford my product. I would be able to make a profit if customers buy my product. With unemployment at present been low there is some chance I may make sales because a lot of people would be earning and would be able to buy my product. As the interest rate is also low I will be successful in making a profit. Recession is one thing that coca cola needs to be prepared for just in case changes come in place in the economy so coca cola needs to be prepared and ready, as you do not know. The marketing strategy needs to be ready for these things as well. Coca cola will be able to make sales and profit and expand in future.

Social/ cultural factors

If a new drink comes out at the same time as I launch and promote my new coca cola drink then consumers will be distracted and buy that product depending on what the fashion trend will be, because when something new comes out consumers would normally turn to buying that as there is a lot of publicity when new products are launched especially when it is of a good quality or brand or has better taste, this is known as fashion trends. My marketing strategy may have an effect if a fashion trend of healthy drinking continues, as a lot of people are drinking healthy drinks. This may bring my sales down

Now a days both men and women go out to work in the world of employment. This role has been accepted in society now; their roles have in a way become equal in society. The old fashioned way of thinking that men should go out to work and women should stay home and look after children, or cook food all the time has died down although in some religions such thinking is still in place. Having two people in the household, both the man and women working means that there is more income coming in which means that consumers will not have a problem with buying my product and will be able to afford it as they have enough income coming in. If consumers do not have enough income they tend to settle for a substitute, which means a drink that is cheaper or would buy another drink instead.

Social Factors Affecting Coca Cola



If family members do not Like coca cola then the Buyer will not buy my Product.

Everyone has their own way of thinking and now a days the younger generation or population seem to have a strong feeling and understanding about the environment and feel strongly about its effects. Their beliefs and views have become strong about the environment. Due to this we may lose sales as consumers may stop buying the drink. They may argue that the fumes and smoke etc at the making process in the factory is harming the environment. Such protests can lead to bad reputation and publicity.

Technological factors

The Internet is a good means of distributing my product and I will use that so that consumers could purchase my product on line for example shopping. This way of distribution is becoming very popular and I will be able to make better sales and profit this way.

By using technology to produce my product I will be saving a lot of time and money and will be producing my product a lot of quicker for consumers to purchase. I will also be able to produce my product to the highest and best quality as by using technology quality is checked and is often reliable. I will be producing my product cheaply and at the same time to the highest standard for my consumers to buy.

I will definitely use technology to produce and distribute my product as I will not need as many labour or people to produce the product as technology will replace humans to do the job so I will not only be saving money but will also be producing quality goods at the same time because it also saves me from paying people to do the job. There is a problem however of using technology which is buying it in the first place as it is quite expensive and coca cola would probably not want to spend as much

on producing the product however it may be an advantage for the future as they may be able to make more sales and more profit. By using technology you can ruin the environment because of the fumes etc so coca cola would need to consider the environment and what the public think too as this affects them, as we need to keep them happy, make the environment safe in order to make my marketing strategy a success.

Constraints

E4 Identify and explain the external influences affecting the development of the marketing strategy.

The Advertising Standards Authority (ASA) was set up in 1962. This is an independent body that exercises control over all advertising except that on radio and television. This control includes the:

- Press - national and regional magazines and newspapers.
- Out door advertising- posters, transport and aerial announcements.
- Direct marketing – including direct mail, leaflets, brochures, catalogues, circulars, inserts and facsimiles.
- Screen promotions – including cinema commercial and advertisements in electronic media, such as computer games, video, CD-ROM and the Internet.
- Sales Promotions – such as on-pack promotions, front-page promotions, reader offers, competitions and prize draws.

The authority draws up its own codes, which it uses to ensure advertisements are 'legal, decent, honest and truthful'. Advertisements should be prepared with a sense of responsibility to both consumers and society, and to conform to the principles of fair competition. The ASA can withdraw any misleading or offensive advertisements within a very short time. This is if they receive a complaint letter.

So this means that Coca-Cola can't have any misleading information on the advertisements as they would be taken off and they would get into trouble so therefore they must have correct information on them which are honest, truthful etc.

The Code of Advertising Practice Committee supports the British Code of Advertising Practice. This code sets out rules, which those in the Advertising industry agree to follow. It indicates to those outside advertising that there are regulations designed to ensure advertisements could be trusted.

Ethical, environmental and social constraints

Ethics are moral principles or rules of conduct generally accepted by most members of society. Most organisations today believe it is necessary to take up a stance that shows the public they operate in an ethical manner. Emphasis on the interests of the consumer is a key aspect of many organisations. So Coca-Cola must make sure that whatever they do must be in the customer's well being so the advertising done does not affect them in any way.

With many companies' environmental performance becoming central to their competitiveness and survival, a range of new tools for the environmental management have been developed. Organisations face many potential dangers with regard to ethics and public opinion, and no organisation is capable of satisfying all stakeholders but, by becoming good corporate citizens and being socially responsible, they can generate considerable goodwill. This strategy can be developed as a marketing advantage.

Coca-Cola must make sure that when advertising or making their product, they don't harm the environment factors such as pollution.

This movement towards responsible marketing is an acceptance by most organisations that they have a responsibility to serve their stakeholders. While most stakeholders will share common expectations, there will be other areas over which disputes arise. This may be between managers and shareholders, workers and many more. If consumers are unhappy with the actions of certain organisations, they can either set up or join pressure groups. So Coca-Cola must make sure that this does not happen, as it will affect the company as a whole. They may lose communication, which will mean products won't be produced of a high quality.

The Sales of Goods Act is to ensure that sellers provide goods that are of 'merchantable quality' - that is, they must not be damaged or broken. Goods sold must be fit for the purpose intended. Therefore the coke can, must not be damaged or broken which could harm the customers e.g. can broken, customer cuts themselves against the coke can.

The Trades Description Act attempts to ensure that the description given of the goods forms part of the contract of the buyer makes with the seller. This Act makes it a criminal offence for a trader to describe goods falsely. Coca-Cola must not say that their good is made in the USA when it is made in Great Britain.

The Weights and Measures Act ensures that consumers receive the actual quantity of a product they believe they are buying. Coca-Cola must not say that the quantity in a can of coke is 500ml when it is really 300ml as they can get into trouble.

C1. Identify and explain links between your analysis of external influences and the development of your marketing strategy.

After doing my pest and swot analyses I can tell that there are factors, which will let me, develop my marketing strategy and others will not.

First of all I had to look at whether there was any point of making a change to the product. I looked at various areas and realised that it is one of the greatest brands so therefore it should work. This at first slowed down my marketing strategy, as I was not sure whether to do it.

The marketing mix of my strategy is very dependant on the environment because it is a very fast and dynamic one that is changing all the time so my strategy needs to keep up pace with this. Therefore we need to sell Coca-Cola at the right prices by looking at the economy regularly to see if the public can afford to buy the product at the price we intend to sell it at. This where the market research will help us to define what customers think about our product and how it affects the organisations. We need to know what the demographic thinks about the product. People of all gender, age sex can be targeted easily by using the media to promote all of these different people will be able to hear about Coca-Cola.

The religion speculation about Coca-Cola sign affected my strategy as I thought what if people stopped drinking it because of this. I knew a few would. I thought about it thoroughly and came up with the conclusion that it will not affect it as much so therefore I went ahead with the idea.

At the moment unemployment is low, interest rates are low, the economy is in a good position. By looking at this it has influenced me to take advantage of advertising more as people are able to spend more as they have good disposable income. If they see more advertising they will go out and buy more.

Lifestyle changes as people turn healthy and doctors and dentists recommend that Coca-Cola is bad for the health and teeth therefore this may affect sales. Consumers may stop drinking Coca-Cola and turn to a substitute such as diluted drinks, which are sugar free.

The demand for Coca-Cola is inelastic because it is a strong brand identity, which is not going to be affected because consumers will not give up what they really like.

Validity and reliability of data

C3. Independently identify and collect a range of information relevant to the marketing strategy and apply appropriate method for checking its validity.

I did primary research by giving out questionnaires to 15 people all aged 16 or 17. These were distributed in school. The data that I have received is useful as it shows me how many people buy coke and at what quantities and price. This is also showing me whether quality is a big issue or not.

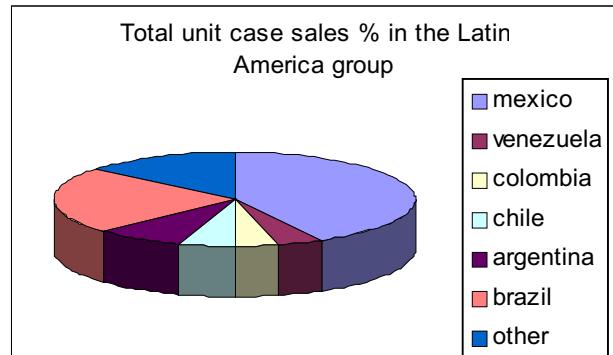
It has given me the chance to explore customer needs and the activities of Coca-Cola's competitors. It has also given me the understanding of the market of the product so therefore after looking at my results I can find out what customer needs need fulfilling and in what way. For an example I can find out what Coca cola's competitors are doing which Coca-Cola can do and do better.

For my secondary research I went and got notes from the notes but later on when I received Coca-Cola booklet I decided to get the information from there.

Latin America Group

Population_500 million Group Average Per Caite_198

country	total unit case sales %
Mexico	42
Venezuela	4
Colombia	4
Chile	5
Argentina	8
brazil	23
other	14



Position	Brand name
1	Coca-Cola classic
2	Diet Coke
3	Sprite
4	Caffeine free diet Coke
5	Minute Maid Soda
6	Barq's

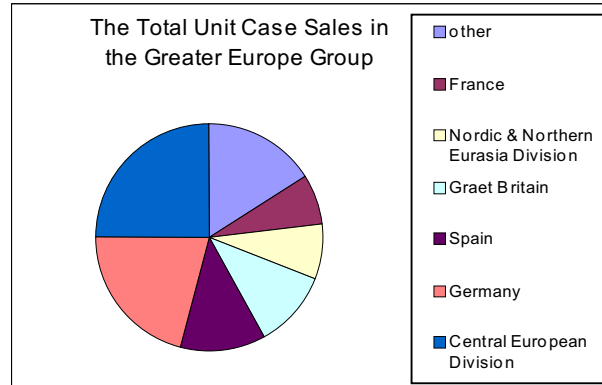
This table shows the most popular brand in that area and as shown it is Coca-Cola.

Greater Europe Group

Population_868 million

Group Average Per Capita_93

Country	%
other	16
France	7
Nordic & Northern Eurasia Division	8
Great Britain	11
Spain	12
Germany	21
Central European Division	25

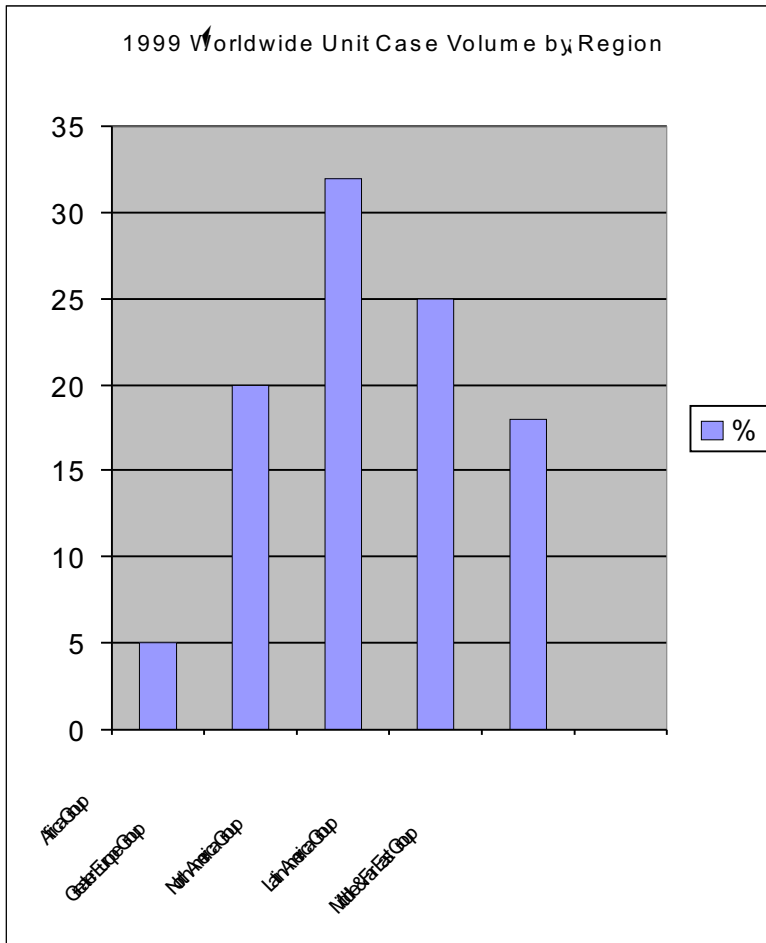


Position	Brand name
1	Coca- Cola
2	Fanta
3	Coca- Cola Light
4	Sprite
5	Bonaqua
6	Mezzo

This table shows what brand was the number one in Greater Europe. As shown again it was Coca-Cola followed up by Fanta etc.

World-wide Unit Case Volume by Region

	%
Africa Group	5
Greater Europe Group	20
North America Group	32
Latin America Group	25
Middle & Far East Group	18



This is showing me how many sales they have in particular. This data is useful as it shows me where Coca-Cola has most of its sales. It also shows me how many sales it has in each country so it shows me how many market shares it has in each country. It is reliable but it is a couple of years olds so the results may have changed and also it is not done by me so I don't know how reliable it is.

I can argue this and say that it is reliable as the company has researched it themselves, as they were the ones who sold it.

The following data is showing me how much money was spent on advertising in Britain in 1998. This data is shown in the appendices. Looking at this data the most money was spent on television, national newspapers, regional newspapers etc. It also showed me what the advertisement was on e.g. retail and mail order, motors, food etc.

This is useful, as it will later on help me decide what form of advertising I should use for my marketing strategy. It suggests to me that I should definitely use newspapers and television, as they are the ones consumers read and see more of. So this will also let me use the statistics to back up what I am going to say.

It is reliable, I would use it to decide what advertising I am going to use. It is old but figures like these don't change very often.

Bibliography

I used a variety of sources including secondary and primary sources. I used primary information by giving out questionnaires asking customers what they would want regarding Coca-Cola. This was useful as it gave me ideas on how to improve Coca-Cola as a product.

I also used a variety of secondary information. This included books, Internet, Coca-Cola book produced from the company themselves.

www.Coca-Cola.com

www.Bized.ac.com

www.marketingteacher.com

www.adassoc.or.uk

www.virgin.biz.net

This was useful and fairly reliable as it gave me advertising data which helped me decide which advertising to use. The questionnaires were reliable as I gave them out to people who filled it in.

Marketing models

A1. Use appropriate marketing models and tools to evaluate the likely success of the marketing strategy.

Boston Matrix

This relates closely to product life cycle. They identify four types of products in an organisation's portfolio.

Problem children are products that have just been launched. This is an appropriate name because many products fail to move beyond this phase. Such products are often referred to as question marks. It is possible to develop these products and turn them into the stars and cash cows for the future. But first a lot of financial support and commitment is required.

Stars are products that have successfully reached the growth stage in the life cycle. Although these products will also require a great deal of financial support, they will also provide a neutral cash flow and are good prospects for the future.

Cash cows have a high market share in markets that are no longer expanding because the market is relatively static, they require few fresh injections of capital and for example advertising and promotion may be required to inject a little fresh life from time to time. However, the net effect is of a positive cashflow. Cash generated by the cash cows may be used to help the question marks.

Dogs are products in decline. These have a low market share in a low growing or declining market. As they generate a negative cash flow. They will usually be disposed of.

To maintain an effective portfolio development, it is important to have a balance of products at anyone time. Organisation will require a number of cash cows to provide 'bread and butter'. At the same time, it is important to develop the cash cows of the future by investing in the problem child. (Question marks).

If I used the Boston Matrix e.g. stars then it suggest to me that my marketing strategy will work as Coca- Cola as a product has successfully reached the growth stage so therefore have a positive cashflow and good prospects for the future. Also looking at the cash cows, I can tell that coca cola has reached the maturity stage where they have a high market share and exist in a market where it is no longer expanding. Therefore only little is needed to be done e.g. promotion. In this case I am doing promotion where I am going to develop a coke can with a cap to inject a little bit of life time to time. It is of a positive cashflow.

Dogs may affect my strategy because if Coca-Cola have a weak market share there is no point improving the product because we will be wasting our time trying to improve something which customers don't want. Therefore I will have to look at how well the product is doing before I decide on a marketing strategy.

Under the star, if Coca-Cola hold a good position in the market then we don't have to make dramatic changes to the product but try to improve the quality of it. If it has a high market share then we can put the prices up, because if it is a popular product then people won't stop buying it and we will be able to make a profit.

Coca-Cola is a cash cow, this is good news for us because it shows that the product is doing okay but changes can be made in order to make it popular so that it becomes a star. By finding out how popular Coca-Cola is, I can focus my marketing strategy on the product's needs to either make it popular and make a profit or finish it if it is doing poor.

If it is a problem child, I think they should finish the product as it has made the money it is going to make. In my marketing strategy I can concentrate on introducing a new product e.g. a new taste to Coca-Cola.

Ansoff Matrix

Ansoff's Matrix looks not just at the management of a product portfolio but also widely at market developments and opportunities. The matrix matches existing and new product strategies with existing and new markets.

The matrix suggests five alternative marketing strategies that hinge upon whether the product is new or existing and whether the market is new or existing.

- Consolidation implies a positive and active defence of existing products in existing markets.
- Market penetration suggests a further penetration of existing products. This will involve a strategy of increasing market share within existing segments and markets.
- Product development involves developing new products for existing markets.
- Market development entails using existing products and finding new markets for these. Better targeting, market research and further segmentation will identify these new markets.
- Diversification will lead to a move away from core activities. This might involve some form of integration of production into related activities.

If I used Ansoff Matrix then it will show that my marketing strategy will be successful as I am trying to use an old product with a new feature to increase market share but mostly to freshen up Coca-Cola's company's name. If we diversify into new boundaries my marketing strategy will need to be aware of the socio-cultural groups that will buy the product so therefore we need to make sure that Coca-Cola can be consumed by all these consumers. We would need to be careful of the consumer's needs because we will be in new boundaries. The way we promote product will have to change if we want to do well so therefore we need to do primary research to find out what type of advertisements would be effective for our new public in influencing them to buy the Coca-Cola.

A2. Evaluate the reliability of the different marketing models used.

I think that Boston Matrix is quite reliable as it consists of information, which is quite ordinary. A firm can determine how well their product is doing by basing it on this strategy it also helps the firm to see if they are doing well in the market by referring to the things like stars, cash cows etc. For example problem children are products that find it hard to move up in the world and financially need a lot of help to make it a success. This is rather true as products can't come into the market and go straight to the top as it only happens to a few. So therefore they have to make a name for themselves and if they don't then they fail. It also helps firms to base their marketing

strategies because they look at the strengths and weaknesses which allows them to come up with a strategy to improve on these areas.

I think that Ansoff Matrix is quite reliable as it shows what opportunities and developments can be made to something. It is true that market development can lead to many things. For example the same product can be used to increase the market share by advertising differently or promoting differently.

A3. Evaluate the impact of changes to the external environment on the marketing strategy.

There is much better technology so therefore products can be made easily, cheaper and of a better quality. Therefore consumers will be happy so more sales will be made. With the Internet being so popular it is an advantage to me as when people go on to the Internet they can find out about the can with a cap so this way consumers are being informed. This is affecting my strategy but for the better.

The widening sort of beverages that consumers are drinking, as there is an increase demand in health and nutrition drinks. This could mean that the sales for Coca-Cola might go down as Coca-Cola is thought to be unhealthy which could cause a lot of problems.

There is growing competition, which could mean that Coca-Cola's sales could go down if one little mistake is made or if rivals are giving a better deal than us.

Inflation is one of the external factors that can affect a marketing strategy because if the inflation is high customers won't buy luxury goods because they won't have enough money. The environment has a big external effect on the strategy because pressure groups can object to products being made or produced by a firm and this can cause the firms to change their strategy causing a firm lots of profit loss as they may have to make changes.

Stakeholders can have a big say on the marketing strategy because they might not want to spend more money on the marketing strategy if they feel satisfied with how well an organisation is doing. Therefore this could mean for Coca-Cola that if their competitors decide to pursue a certain strategy they would have to wait before the stakeholders give them the money to implement the new strategy.

The September 11th attacks and others may have caused people to change their opinions of Coca-Cola. Therefore they may have gone anti-American where they may have boycotted Coca-Cola, as America owns it. This may mean that sales may have decreased due to this problem.

People have become more health conscious as Coca-Cola has an effect on your teeth and the idea that it contains caffeine. Therefore more people are turning to substitutes such as diluted drinks to be healthier. If this is the case then sales will decrease as not many people will be drinking the drink.

Developing countries such as the Third World countries are improving as they are having more income come in so will lead to the demand for Coca-Cola increasing as they can afford it now then before.

If people's income were high this would mean for Coca-Cola that consumers might be willing to buy products as they have more money. It could also work the other way and Cadburys can lose money if the income for people is less because consumers will not spend their money on luxury goods therefore resulting in a change of the marketing strategy. Therefore it may be that Coca-Cola will have to think about targeting at consumers who will buy the product.

The environment has a big external effect on the strategy because pressure groups can object to products being made or produced by a firm and this can cause the firms to change their strategy causing firms to lose profit as they may have to make changes to their marketing strategy.

The development of global products and global marketing is good for my marketing strategy. For example, Coca-Cola products are identical across the globe, and the

advertising and marketing used to promote these products are almost identical-allowing economies of scale.

If I decide to advertise the product, I will have to think it through properly. This is because if there is something in the advertising that is wrong or that is against certain groups then I will not be able to advertise it. Therefore I will have to change my marketing strategy which will take time and lose money. Therefore the advertising needs to meet standards of the advertising standards and practice.