

Coca-Cola

Coca-cola launched in the early 18th century and quickly became a sensation leading to its spread to bottling factories all over the world in the time span of 20 years. The product consists of its classic flavor to coke zero, and other products ranging from Dasani water to Gatorade. When it comes to the Coca-cola company, they focus on their brand message “open happiness” represented to the consumers to enjoy life with a coke. This slogan has driven how Coca-Cola handles its representation from on-screen to social media! Throughout history, Coca-Cola has built its campaign portfolio and created many iconic advertisements that have shaped history from iconic polar bear commercials for the Super Bowl to the “sharing a coke” campaign through Twitter hashtags.

What has given the Coca-Cola brand a marketing advantage is how it focuses on brand over product, instead of a drink it sells a lifestyle. Coca-Cola has also stayed on top of health trends and more recently taken a focus on the younger generation as they make up a large portion of their overall market. While classic Coca-Cola is popular, the Coca-Cola company has taken action to accommodate healthier options as the youth statistically are shown to be more health-conscious. By having over 3500 different products it makes it hard to manage them individually so from a marketing standpoint this gives the Coca-Cola company an edge to manage them all under one lifestyle brand. Instead of selling a bottle, Coca-Cola sells “happiness in a bottle” this allows Coca-Cola free reign to sell different variants of products while holding up the same standard and goal for the company.

Coca-Cola is a massive industry and is not without its competitors, in this case being the Pepsi brand. Pepsi was created in 1893 and went by a different name, this soon became a

national sensation rivaling Coca-Cola. Pepsi is also a soft drink company that fights Coca-Cola for the same market, resulting in similar market capital, 2020 Pepsi having 188.6 billion and Coca-Cola 185.9 billion. Pepsi has taken a different route in their marketing strategies by thriving on social media and the use of celebrity clout.

Gen Z Marketing Strategies

Marketing strategies used to target Gen Z and Millenials vary from the tactics that companies have been typically using to engage older generations. There are even subtle differences between the types of content and attitudes that appeal to Gen Z and Millennial audiences. Millennials mostly use social media platforms such as Facebook and Instagram, they are more interested in the lives of major celebrities rather than social media influencers or YouTube stars, and their attitudes tend to be overall idealistic since they grew up in an economic boom. Generation Z, on the other hand, grew up in a recession so they tend to be pragmatic and more focused on saving money than the other generations, they tend to not use Facebook anymore but switched to just Instagram, Snapchat, and most recently TicToc. Another defining characteristic of Generation Z is that they grew up with iPads and iPhones and many of them don't remember a time before the internet, and therefore they have an extremely short attention span of about eight seconds, so first impressions matter greatly when advertising to them. Given all this information, some of the keys to selling to Generation Z are using short videos to advertise, selling the brand and the lifestyle as a whole rather than just the product, using smaller, more down to earth influencers to promote products rather than big celebrities, using the brand's social media to directly engage with customers on a personal level to build trust, and lastly, use current events and issues very carefully in advertising. Using videos to advertise is the most effective way of capturing Generation Z's attention. Youtube is a very popular platform as

85% of young people use the service. Coca Cola has a very active YouTube channel with 3.5 million subscribers in which they post videos daily to engage their fans. Coca Cola also hopped on the new insanely popular social media platform TikTok, by introducing a branded “challenge” which gathered more than 31 million views in the first week and encouraged teenagers to participate. As for using influencers and celebrities, Coca Cola uses both, but to target the younger generation, Coca-Cola asks micro-influencers of less than 100,000 followers to create sponsored posts that highlight Coca Cola’s classic drink. Gen Z engages more personally with smaller influencers with fewer followers and a less polished public appearance which makes teenagers trust them more and take their recommendations. Generation Z likes to buy into the brand and lifestyle and the whole experience a product brings, which is why Coca Cola’s message of happiness and sharing is so important in their advertising. Lastly, the young generation really enjoys personally engaging with a brand and participating and creating content of their own which is why Coca-Cola very smartly uses Twitter hashtags to prompt young people to participate. The #shareacoke hashtag on Twitter generated \$100,000 worth of free Twitter impressions in one day, which was very beneficial for the company.

Generation Z is also the generation that is most involved and emotionally invested in current happenings and movements in their communities. Sustainability and health trends are huge interests of the younger generation and Coca-Cola creatively used this to their advantage by launching a multi-million dollar campaign in Great Britain encouraging people to recycle their plastic Coca-Cola bottles. They even released a cute video advertisement called “Love Story” about two Coca-Cola bottles that “fall in love” repeatedly after being recycled and reproduced over and over again. It's important to be very careful when attempting to use current events or societal movements to advertise a product because when done distastefully, it is easy for the

effort to backfire tremendously, as seen with the 2017 Pepsi ad involving celebrity Kendall Jenner which attempted to relate to the issue of police brutality but was done in a way that seemed to trivialize and make light of the topic. This was a major catastrophe for the brand at the time and it took several years for the brand's perception with the younger generations to reach its previous levels.

Market segmentation

Generally, the Coca-Cola company follows the mass marketing strategy, since their beverage is nonalcoholic and it can be enjoyed by people of all ages, backgrounds, and locations. The general message and image of Coca Cola is one of fun, good times, enjoyment, and friendship, which was made to be universally appealing. However, Coca-Cola still uses different strategies to cover the different audiences that they try to attract. Some of the time, the way that the company used different tactics on different segments of their market didn't work out in the best ways. For example, in 2007 Coca-Cola decided that women are their target market for Diet Coke, so they unknowingly deterred the male part of the population from buying Diet Coke in fear of being seen as "feminine". To combat this, Coca-Cola later released a very similar product called Coke Zero with a much less feminine image, which appealed to male audiences as well. To advertise to different parts of the world, Coca Cola has advertisements on their YouTube channel in all different languages and appealing to different cultures. Also, as we mentioned before, even though Coca-Cola advertises to all age groups, their main concentration is the younger generations that can be molded into lifelong loyal customers.

When it comes to a massive brand like Coca-Cola of course they are going to have a lot of strengths that come along with the Coca-Cola name. One of those strengths is Coca-Cola's

soft drinks are the most-selling drinks of all time. Coca-Cola also has the highest brand equity, because it is undoubtedly one of the most renowned brands. This brand is so massive it's sold in over 200 countries and that is roughly 9 billion servings per day. The brand has also released over 500 new products globally. When people think of the brand in the US it is associated with happiness, which is part of the reason it has such a huge customer loyalty following behind the brand. It has also been considered one of the most emotionally connected brands in the US. Out of the big competitors for the soft drink industry, Coca-Cola and Pepsi are the top 2 as there's no surprise, but Coca-Cola holds the top spot because of drivers from Coke, Sprite, Fanta, Limca, etc. Coca-Cola has around 250 bottling affiliates globally, which helps them have the most efficient and most extensive distribution system. Coca-Cola has also made numerous acquisitions, for example in 2016 the brand acquired AdeS which is the largest soy-based beverage in Latin America. So, when it comes to strengths Coca-Cola has a lot of heavy one's strong brand identity, highest brand equity, extended global reach, greatest brand association and customer loyalty, largest brand valuation, dominant market share.

Weakness is a spot where Coca-Cola can say in a good way they are lacking. Coca-Cola has weaknesses but way more strengths. Pepsi is Coca-Cola's biggest rival, if it wouldn't be for Pepsi the brand would be the clear market leader. Pepsi has diversified its portfolio outside of just beverages having items like Lays and Kurkure, Coca-Cola has just beverages, so that gives Pepsi a little bit of a pushover Coca-Cola because of that when it comes to diversification outside of beverages. A serious weakness Coca-Cola has faced for a long time is the health concerns that come from carbonated drinks because of the sugar intake. It can lead to obesity and diabetes. It's a big concern for them but the company has not released a health alternative yet. So overall, the

main weaknesses for the brand would be aggressive competition with Pepsi, product diversification, and health concerns.

External strategic factors could help Coca-Cola gap themselves much further ahead of Pepsi if done so in the right manner. Coca-Cola can expand into and introduce new offerings in the health and food sectors kind of how Pepsi has done. It would contribute to their overall revenue and spread their wings away from carbonated drinks. Another opportunity Coca-Cola could do when expanding is increase their presence in more developing nations and ones with hotter climates where colder drinks are more of a necessity. For example, of places they could expand their umbrella is Africa and the countries within it. They could also come up with a more advanced way for distribution with the ever-rising fuel prices. Because Coca-Cola owns packaged drink water companies this would be a good opportunity for them to expand into healthier drink options and bring them to market and help avoid people's criticism. Overall, Coca-Cola has quite a few different ways to expand whether it'd be from introducing new products and diversifying its segments, increasing presence in developing nations, bringing advanced supply chain systems, and expanding on their packaged drinking water routes.

The company has faced many obstacles with many social and environmental groups because of its water usage in water-scarce places. There have also been allegations that the company pollutes water and mixes pesticides in water to clear. Another big thing the company has faced is the issue of using single-use plastic bottles, as well as recycling and renewables. Lastly, a large threat Coca-Cola faces is the direct and indirect competition, from companies like Starbucks, Tropicana, Nescafe. The only main threatening direct competitor would be Pepsi as stated before, but those were some of the indirect competitors that Coca-Cola faces.

Different kinds of promotions

Coca-Cola did an ad back in June of this year that was pretty interesting, to say the least. The reason for that is, the ad did not say the word Coke or Coca-Cola at all throughout the entire commercial ad. What it did do though was show an in-depth look at families coming together still smiling and enjoying life from their homes during these troubling times. The brand embodied their message in this minute and 30-second commercial without actually having the name spoken. It described how the statement “together tastes better” is accurate when it comes to times like these because it showed us how being with/around family it can make hard times easier. The commercial captured different families from all over the globe and brought back the meaning of family time and to savor every moment we have with family because we never know what tomorrow will bring.

When comparing Coca-Cola to Pepsi in advertising. Coke makes their commercials and advertising hit closer to home. While on the other hand, Pepsi goes the more flashy and vibrant route and “attention-grabbing” by having well-known celebrities in the majority of its commercials. Pepsi also likes to be loud and stand out, when Coca-Cola is more discreet and quiet. Coca-Cola has never really done loud, flashy, or vibrant commercials. That’s a clear spot to differentiate Pepsi from Coke when watching TV.

Alongside tv commercials, Coca-Cola has successfully used social media as a marketing tool to connect with young adults through popular platforms including Twitter and Instagram. Twitter has achieved success in using Twitter hashtags to market their company and getting people talking about their products. Coca-Cola released a hashtag in 2011 that trended on Twitter called “ShareACoke” which earned more than 18 million social media impressions. This hashtag was to give people the option to personalize their own coke bottle! The use of social media also

allowed Coca Cola to do some good as an act of corporate social responsibility. During the Covid crisis, Coca-Cola helped support the restaurant community by pushing “#TheGreatAmericanTakeout” to help the movement to encourage take out or order delivery! Coca-Cola also made a donation to the Restaurant Employee Relief Fund meeting its mark of \$10 million in 10 days!

UH marketing

Coca-Cola and Pepsi both focus on creating a lifetime choice for their consumers, but how do they do that? Coca-Cola and Pepsi rival each other in purchasing contracts for schools and colleges to have exclusive rights to have their product be the primary drinks sold on that property. Coca-Cola and Pepsi both use a set of marketing techniques from media to psychical marketing to establish strong relationships with their brand. Because coke and Pepsi are substitutable products, brand loyalty must be applied through other instances through brand property ownership. Students in schools and universities are a prime time for businesses to build relationships by setting up only brands to create a sense of trust and brand loyalty that can last a lifetime. By hitting college students who are usually on their own is an impressionable mindset, by introducing a product they can establish a relationship that continues to grow as their life moves on. Coca-Cola had a campaign called “friendly twist” targeted at college students to use their products to help create friendships during their first week of college. The product was made to only be opened with assistance from someone else!

Here at the University of Houston, we have a contract with the Coca-Cola company to have their products exclusively sold on campus. Coca-Cola put together a 10-year contract in 2010 of what is expected of Coca-Cola and the university, the contract goes into detail discussing

the 114 of UH vending machines providing coke products as well as the cafeterias. The contract also explains that cases of coke products to be given at events and new flavors tried out on campus grounds. Coca-Cola has a part in many of the schools organizational gatherings from sports games to rallies to campus parties. Recently Coca Cola has used campuses to try their new flavor “orange-vanilla” and used their products as a comforting beverage for freshmen coming to UH, this has been a grounds to begin their product relationship.