Success Strategy of Coca Cola

**Introduction**

The goal of this report is to highlight the impact of globalization, technology, organizational model, resource-based model, and the vision and mission of Coca Cola Company. The report will also highlight how these variables impact on the overall operational framework of the company including how best the company has the company taken advantage of these changes to gain market competition. Technological innovation and globalization are external drivers that can positively or negatively impact on the overall operation of the company. However, the paper highlights how Coca Cola has been able to leverage the changes in the models to gain market competition. The vision, mission, and stakeholders all have a direct influence on the performance of the company. The report will thus attempt highlight how mission, vision and the stakeholders of the company influences its overall success.

**Effects of globalization on Coca-Cola Company**

New emerging global market demand on beverages such as tea, sports drinks, dairy and juices has seen Coca cola venture outside soda industry. An increasingly wide collection of beverages continue to emerge from the company initially recognized for only soft drinks. In the last five years, drinks like Aquaris, Georgia coffee, Sokenbicha, Powerade and Simply have made sales of over a billion dollar. All these innovations have been driven by increasing consumer demand within a global scope. For instance Japanese consumers well known for adapting quickly in new trends and trying new things have seen Coca cola business unit in Japan release about 100 new brand of products in 2018 (Coca-Cola (Japan) Company Ltd, 2018). The country is well known for a futuristic mindset of its people, rich culture and innovation style that presses companies to think forward and develop products with an eyesight of both thoroughness and urgency. This has made Coca Cola be in the frontline with regard to innovation of beverages. For instance, in 2016, tea which is highly popular in Japan made about 27 percent of Japan’s beverage business. Coca Cola has made tea brands using a green tea, Ayataka, to match drinking habits of Japanese who have segmented tea into green, oolong, blend, black and FOSHU. Other fast growing beverages demanded are coffee, drinks with added health benefits and enhanced functionality and flavored sleep water.

Globalization has also expanded the global markets allowing the company to extend its reach in many emerging and potential markets. For example, through globalization, the company has been able to reach other global markets in emerging economies particularly in Africa and Asia. The growth of globalization has enabled the company to expand its product line to include products that suit to a particular country taste. As of 2009 the company had dispensed more than 100 other unique and different brands of beverages to suit the expanding markets globally. The expansion of markets and product line has enabled the company to increase on its annual sales and income generation allowing the company to improve on its returns.

Although globalization has enabled Coca Cola Company to expand its markets and product line, it has brought about intense competition with the company competing with other global brands such as Pepsi which is gaining considerable markets in many emerging economies. It is worth noting that the beverage industry is one of the most competitive industries globally. This is because there are many different types of brands both alcoholic and non-alcoholic that are existing in the market today. There are also many other companies that are similar to Coca Cola Company some of which tend to compete for the same share of the market globally just like Coca Cola. Although Coca Cola Company faces intense competition from other similar global brands, the company still commands about 41.9% of the market and closely followed by Pepsi Cola at 29.9% of the total beverage market.

**Effects of technological innovation on Coca Cola Company**

The world is changing very fast with new inventions and technological innovations taking center stage within the business industry. Many of these technologies are disruptive and may influence or disrupt the operational framework of any company. Coca Cola continue to leverage technology its operations including using artificial intelligence and machine learning to monitor and develop its products to meet the needs and expectations of its diverse markets. The Company continues to use social media platforms and leveraging the power of innovation to reach millions of its customers located all around the globe. The company maintains a visible appearance on Facebook and other social networking platforms to reach its target market. By the year 2010, the company began rolling out its freestyle dispensers that allows its customers to create their own beverage by using over 100 drinks in various combinations. This is indeed the power of technology. Most importantly, the company tries to maintain its market competitiveness by leveraging the power of Big Data technology to create new consumer experience through innovative programs such as sip & scan which let consumers unlock experience and prizes by scanning icons on Coke packages with their mobile phones. The company also focuses on digitization by delivering value to food service consumer through MyCoke Platform which enables stores to replenish their beverage inventories and schedule future orders.

**Modelling to increase returns through industrial and Resource based model**

According to Coca Cola European Partners (2016), franchisors, customers, suppliers, employees and communities are the key resources relied on by Coca Cola to grow its business. Increased healthy relationship between the company and franchisors would increase sales and distribution of new products into emerging markets for long term growth. Creating a customer based interest focus is a vital element in innovating brands suitable for them. Continuous research on customers’ demand and preferences would result in innovating unique brands that not only faces out competitors, but fits customers’ interest and increases returns. In order to succeed, the company should create a healthy economic, social and environmental influence on communities they interact with. This creates a positive attitude from the people hence improving their preferences on company’s products.

**Success based mission and vision**

According to Svendsen (2013), Coca Cola’s mission is to “refresh the world, inspire moments of optimism and happiness, and create value and make a difference,” while its vision focuses on “People, Portfolio, Planet, Profit and Productivity.” These mission and visions have guided Coca cola by declaring its passion and purpose and direction to which it moves towards in context of fundamental business.

**Impacts of stakeholders on growth of Coca Cola**

The Coca Cola company stakeholders include franchisors, customers, suppliers, employees and the communities. Coca Cola forms agreements with franchisors allowing the company to sell and distribute as well as make beverages in designated regions in ratified packaging. These long term agreements enables the company share their plans that results in its growth and value creation. Persistent focus on customers’ preferences and emerging trends are the main drivers to Coca Cola growth. This has been evident in high returns in Coca Cola Japan who has constantly produced beverage brands that meets Japanese people preferences. Maintaining good partnership with suppliers through collaboration and innovation is essential in ensuring sustainable growth. Coca Cola works with over 20000 suppliers covering all markets, products and company services ensuring smooth and effective run of business. The growth of company goes hand in hand with success of its employees (Davis & Simpson, 2017).

**References**

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