Global Market Analysis

Name

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Coca-Cola is one of the largest soft drink brands in the world. In the past decades, the brand has grown by leaps and bounds and surpassed the traditional soft drink giants such as Pepsi. For a brand to experience this level of growth in the market, there are certain things that it must have done excellently. One of the factors that have made the brand such an outstanding performer in the market is its ability to develop creative marketing strategies to conquer the markets. One of the areas in which the brand has excelled is its ability to identify its target market and develop the most appropriate market mix to achieve its objectives (Banks, 2016). However, marketing is not as easy as it may sound. It is a complex process that is characterized by the interaction of a lot of factors that must be considered carefully to achieve the objectives of the organization. Coca-Cola, thus, has been highly effective in its application of the right marketing mix to arrive at its current position.

**The roles of external of external factors on Coca-Cola's global marketing decisions**

As indicated earlier in the analysis, there are a lot of factors that determine the approach that a company takes in its marketing approaches. In a situation where a company would have to make decisions that affect is activities outside its parent country, the situation becomes much more complicated since some of the factors are far beyond their control. Some of the issues that Coca-Cola must consider are the social-cultural aspects of its targeted market, the political circumstances in the market and the economic conditions of the regions. Coca-Cola must find the best marketing mix that will address all these concerns since a slight lapse may lead to the destabilization of the markets.

Political stability is an important aspect of an accommodative business environment. Political stability affects the economic climate in a region and the overall costs of doing business. For example, in areas that are usually in war, the costs of running business operations are usually very high, and that has an impact on the approach that the company takes in marketing. For instance, in Africa, there are certain regions such as Sudan and the Congo regions that are usually in war and the costs of doing business are usually very high. Additionally, in these environments, the consumption of these goods may be low. Once a cost-benefit analysis is conducted, it may emerge that these regions with political instability may be unprofitable and that may restrain the company from committing its resources for advertisement in these regions (Armstrong et al, 2015).

Social and cultural issues play a critical role in determining the consumption patterns of a group of people. There are some cultures and social organizations that discourage the consumption of certain food items. In America, there are a lot of campaigns that are attempting to demonstrate that the soft-drinks are unhealthy and unsuitable for human consumption. In the face of these trends, Coca-Cola is under obligation to come up with the most suitable marketing strategies that will inform the customers that their products are safe and suitable for human consumption. Finally, the economic conditions of a particular region will determine the marketing strategies that are adopted by Coca-Cola. When the economy of a region is vibrant and doing excellently well, the brand will be marketed aggressively to capture additional customers in the region. However, in areas where the economy is dull, and there is no much productivity going on, Coca-Cola may be compelled to scale down since it would be unlikely that it would get value for money in the exercise. In the face of these circumstances, it is evident that there are forces that are beyond the powers of Coca-Cola that will be influential in determining the manner in which it approaches its marketing activities across the world.

*International laws that govern global marketing*

Global marketing does not happen in a vacuum. While appreciating the fact that there are no legally documented laws that regulate the manner in which different companies conduct their marketing activities in foreign countries, there are agreed principles that guide these activities. Firstly, it is important to note that in international marketing, companies will have to adhere to the local laws guiding marketing practices. In this respect, if Coca-Cola goes to market its products in Brazil, it will have to understand the relevant laws relating to marketing in the country. However, it is also necessary to point out that there are American laws that regulate its companies from doing some kinds of activities across the world (Cohn, 2017). For example, the anti-bribery laws that apply to American countries are also applicable to the American companies with regards to their operations outside the country. The bottom line with regards to global marketing, however, is that companies are bound by the marketing laws that are applicable in the host country.

**Evaluation of Coca-Cola's current marketing strategies**

The primary strategy that Coca-Cola uses in its marketing strategy across the globe is the promotion of the idea that its products are available, affordable and acceptable. While Coca-Cola allows its subsidiaries across the world to conduct different business activities, the company's marketing department at the headquarters determines the manner in which the business approaches marketing. It is important to note that Coca-Cola spends more than 15% of its revenues on advertising. It has researchers whose primary responsibility is to decide the most appropriate approach that it uses in advertising. Additionally, throughout the years, the company has adopted marketing strategies that are suitable to the cultural, political and economic conditions in different areas.

From the analysis, it is notable that the company appreciates the uniqueness of its customers across the world. Like in any business environment, a company's customer base usually consists of individuals from different social backgrounds, economic backgrounds, political orientations and age groups. Coca-Cola makes attempts to develop different marketing ideas that will address the unique needs of the clients. From the above analysis, it is evident that a strategy that is applicable in one region is unlikely to yield success in another environment.

**Digital marketing and social media**

Social media plays an important role in Coca-Cola's marketing activities. Since the entry of social media, Coca-Cola has been an active player in social media. The company has a significant presence on both Facebook and Twitter. On these platforms, the company uses them to promote its values and also provide information to its clients about its new products (Tiago et al, 2014). Additionally, in its interaction with the customers, the company is in a position to react to and clarify some of the issues that the customers have with the products of Coca-Cola. As a result, Coca-Cola has been in a position to improve its relationship with its customers.

**A new approach to global marketing that Coca-Cola could use**

At the moment, it is apparent that Coca-Cola has centralized most of its marketing activities. The headquarters are in charge of marketing decisions, and they determine the policies that are used in marketing the brand across several parts of the globe. However, due to the shortcomings of the centralized approach, Coca-Cola needs to adopt a hybrid of centralized and decentralized approaches. In this hybrid, while the company retains some control over some of the critical marketing programs of the company, some decisions need to be left to the subsidiaries across the world. The primary advantage of this approach is that it allows the company to consider the uniqueness of different groups of customers (Hulten, 2015). That would allow the company to respond to the needs of its customers across different parts of the globe.

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