Market Segmentation and Product Strategy

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**Identify the Market Segments**

The process of segmenting the market involves the identification of the important differences that are exhibited by different consumer groups and therefore improving the services offered to each group. The segmentation that is effective to the Coca-Cola is based on behavioral variables of the consumers, demographic variables, and segmentation based on the benefit that the customers seek from the product. The segmentation based on demographic variable depends on the characteristics of the consumers such as levels of income, their levels of education, gender, and age of the consumers. Coca-Cola has achieved to segment its market depending on the demographic patterns of its consumers all over the world. The market for this product has been segmented depending on benefit sought by the consumers all over the world. This is after the realization that different groups of consumers have different preferences from the same product. This has led to the segmentation of the market to suit consumers that require the product in it is sugary form and the market that prefer the product without sugar. The segmentation has led to the production of Coca-Cola Zero sugar to meet these demands of the market (Duuyuuu, 2016). The zero sugar Coke is preferred by the older market consumers while the sugary product is meeting the needs of, the younger consumers. However, this has been made from the same product, which has only been modified to meet the different market segments.

**Serving the Wants and Needs of Each Target Segment**

Coca-Cola has the major consumers as the young adults. The major objective of this product is to recognize and appreciate the young generation, which forms the segment on consumer behavior. This is the major need and wants of the young people, which the product has utilized through getting closer to the consumers, a characteristic that makes the brand appear young and fashionable. The needs and wants of the elderly customers, which are categorized on the segment of customers seeking special benefit from the product, is mostly health and lifestyle. This need has been met through constant improvement and innovation of the product, which has led to the development of the Zero Sugar Coke, which meets the requirement of this segmentation.

**Evaluation of Growth Potential of Coke**

The market segment based on consumer variables will stand as the largest market for the product due to its diversity. The product will receive a wide and deep market penetration due to the vast global presence. The product is already popular in most of the market segments, which has led to the building of a strong brand of the product. The product will need minimal marketing campaigns since it is already established in the market. This will, therefore, means that more effort and resources will be channeled towards the development of the product to improve customer satisfaction. The segment based on the customer benefits will provide a market of loyal customers who will be running the sales of the product. The needs for this customers are high fixed and are therefore expected to build the sales of the product through their loyalty.

**Current Marketing Strategy**

The marketing strategy of the product involves the use of undifferentiated and mass marketing strategies. The product has been developed to meet all the market segments, with the young customers being targeted by the ordinary sugary Coke with the older consumers being served with the diet coke. The competitive position strategy is used to market the product in each of the segments, which has been effective in making the product remain ahead of all the competitors and all the soft drink markets. This marketing strategy has been effective in enabling the product to achieve operational, collaborative customer relationship, and a cost control advantage over the competitors. For example, Coca-cola has achieved to outsource the operations of FEMSA, which is the world largest Bottling franchise. The company has helped the development of Coca-cola in adopting important opportunities for growth in the non-carbonated beverage segment and the strategic acquisition (Duuyuuu, 2016). This has been achieved through the joint agreement of the two companies.

**Alternative Positioning Strategy**

The product can use the strategy of cost leadership to position itself in the market. This strategy will help the product is positioning itself as a product that wants at a price that is lower than that of competitors in the market. The consumers will be expecting a normal product that meets their needs through cost leadership strategy. This strategy can be effective to the young market segment since the market forms the major sales of the product (Wilkinson, 2013). The strategy of differentiation strategy can also be used. Although the product has demonstrated its use for this strategy through the diet coke, the strategy is still in its implementation stage, because it has not been adopted by a large by many consumers.

**Challenges in Repositioning the Product**

The process of repositioning is a challenging exercise and in some cases, it involves primary communication which requires advertising and investment on communication production. The product is also expected to face the challenge of repackaging and updating of the websites, among other costs. The concept of product repositioning involves the product moving away from the existing advantages which are appealing to consumers (Marketing Study Guide, 2017). The positioning may not meet the existing requirements of the customers since the overall objective is to achieve a greater revenue from the existing positioning and as a rule, the sales from the current customers will decrease, and a recovery is not guaranteed.

**The Importance of Branding/Positioning**

The branding of this product will improve the creation of a trust for the product in the market. This is explained by the fact that people are always attracted to purchase from a business that appears legitimate and polished. The company can achieve this through the utilization of the value-led positing model which provides a conducive environment for positioning the product to the consumers based on the perceived value of the Coke as a product (Daye, 2016). This strategy will improve the recognition of the brand to the consumers. The current brand of the Coca-cola is characterized by several brilliant colors, which makes the product to be easily identified, besides creating a psychological attraction to the consumer. The model of product-led positioning, explains this property of the brand of this product where the company chose to develop a brand that is attached to the customers. The branding will help in making the customers develop a sense of belonging to the Coca-Cola and therefore create their loyalty to the product. This achievement will be significant to the creation of investment for Coca-Cola Company. The strong brand will guarantee the future for the company and its financial value will be improved.

References

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