
The Elements Of Strategic Management For Business

Introduction

As an industry supplier for drinks, Coca-Cola (Coca Cola) is introduced and They can also be named as largest non-alcoholic beverage marketers. The span of the company also includes over 500 brands held or authorized and 4300 drinks along with 1400 low-calorie and non-calorie products. The firm works in five business segments: Europe, Middle East and Africa, Latin America, North America, Asia Pacific.

The company reported US\$ 35 billion in annual revenue and US\$ 11.8 billion in net earnings in 2010. The total number of people employed on the corporation's payroll was 139,600 over the timeframe.

Literature Review

As an exceedingly successful company, it is vital to use effective business strategies to maintain long-term goals in any organization. This section describes the use of theoretical models and frameworks to implement the corporate strategy.

Corporate strategyAs noted in the case study Coca-Cola wants to redefine their industry by being a "Total beverage company". They implemented that strategy by acquisition of the British coffee shop chain costa coffee for selling price of 5.1 billion dollars

Amount of acquisitions done by nonalcoholic beverages companies

If we compared acquisitions such as these to other rival companies such as pepsi.co, we can understand that not only they have diversify their industry such as bottling, delivering, they managed to enter new markets by acquisitions. Even if Coca-Cola has a large amount of loyal customer base, they've managed to maintain customer-centric products.

Strategic positionCoca-Cola's positioning approach may have enabled them to create an appropriate self-image in their clients' minds for the only 'Real One.' They intended their positioning approach to take an efficient image of their goods for their customers. Once they chose to aim and operate in the segment of the market, they obviously created an image of the focused market segment and correctly identified their brands as portion of their positioning approach.

Value ProportionImprovement of company by using relationships, higher revenues and, marketing opportunities can be idenetyfied as value propotion of company. Following graph show what are the elements on value proportion.

Porters value

Capabilities of Coca-Cola (as an aspect of internal environment)Simply capability discribed as

how a company employs its resources to produce goods and services. Capabilities can differ from marketing, demand placing, or routine activities. Coca-Cola capacity is the ability to manage a extend job or activities collection. Continued use thoroughly, these capacities are becoming deeper and more hard for rivals to comprehend and imitate.as a cause of competitive advantage Coca-Cola company capacities are so easy.

Core competencies of Coca-ColaThe simplest meaning of the core competencies is the something unique that company has to enhance their business strategies.thess can be identified core competencies of Coca-Cola

Cola has its product skills and brand identification in its brand title. The idea of 'hidden formula' coca coke, for instance, is used to preserve its unique nature.

Coca-Cola's other key competencies are to achieve its administrative competence by maintaining a well-structured business framework,

Coca-Cola has core competency of product reachability which means it's available to more individuals than other rival products.

A powerful network of providers such as the bottling sector, air distributors, crops etc. is another key competence that can be recognized in Coca Cola. Coca-Cola has significant bargaining power through its suppliers, particularly because of its business composition taken from its conservatie operations.

Coca-Cola has great research and development capabilities including marketing.

SWOT

Strengths

In the beverage sector, it has a large market and higher brand value. Over 500 non-alcoholic drink products are owned, distributed and sold by the company across 200 nations.

Coca-Cola has vast range of loyal customers not only in their birth country but internationally.

WeaknessesCoca-Cola's net operating revenues have been rapidly declining throughout the last five years. Furthermore the company's gross profits have dropped significantly. Net operating income in 2017 fell to \$35.4 billion from \$41.9 billion (Coca-Cola annual report 2017).

Coca Cola Company products are regarded strong in calorie intake and detrimental to hygiene. Healthier beverages have been recommended by various organizations over fizzy products.

Opportunities

Coca-Cola can introduce or invest in more healthier drinks other than fizzy drinks to maintain health trends

Over the past century, the Coca Cola Business has vigorously acquired multiple local beverage

businesses. The business has also improved its involvement in significant bottling operations. This gave the business more power throughout the whole quality system

Threats

Coca-Cola should consider about Scarcity of resources. Because due to climate changes sooner or later insufficiency of water will occur and some may point fingers at beverage companies.

Since Coca-Cola is a multinational company exchange rate and inflation play major roles in corporate profitability

Dependence of third party water bottlers companies.

PESTEL

- Political factors – FDA (food and drugs administration) and government can set penalties if Coca-Cola doesn't meet their standards and also government can make law regulations such as taxation and environmental laws which can be reflect on pricing strategy.
- Economic Factors –In the 21 century economic factors such as inflation and recession can negatively affect global cooperates like Coca-Cola. Customers are affected by such financial crises. Under these circumstances, people have to move to purchasing only the fundamental essentials.
- Social Factors – Social factor is one of the most important factor that can effect revenue of the company. For instance in today's world many people are trying to change their lifestyle to be healthier. Social trends like that can effect fizzy drinks industry negatively.
- Technological factors – These factors can influence aspects such as advertising and marketing sectors in Coca-Cola. Which is much bigger deal in corporate who spends nearly 3.5 billion dollars (Statista, 2019) for advertising annually.
- Environmental factors –When we consider on the environmental factors Coca-Cola should focus on energy, scare resources, and other raw materials. For example cocoa company is the main purchaser of can and bottle industry and in 2007 they consumed over 300 billion liters of water for production (UKEssays. 2018).
- Legal factors –law factors plays major role in nonalcoholic beverage corporates. It effects laws for employees and also the external environment. EU Member States prohibited coca cola because result of 100 kids being poisoned in Belgium (UKEssays. 2018).
- Environmental factor(Emission)

Porter's 5 Forces

This model uses when company want to identify or analyses main competitive forces to recognize its competitive advantage. Followings are analyze of 5 forces for Coca-Cola Company.

- Competitors-A densely concentrated non-alcoholic beverage industry is defined by growing regional or national firms as well as worldwide mass-brand firms. In nearly all

kinds of products, the Coca-Cola Company encounters different forms of rivalry. But traditionally PepsiCo is the world leading rival company of Coca-Cola.

- Potential entrants- Market entry constraints are comparatively noticeable, as when the Coca-Cola Corporation as well as other worldwide competitors have developed unparalleled delivery networks and alliances. Hence, this force's strength is very restricted. Potential newcomers arise as current businesses' fresh groups and products.
- Substitutes- Like the potential newcomers, the replacements usually often arise from the current drink producers' item portfolios. This power has a considerable adverse effect on the Coca-Cola output due to the drastic modifications in customer attitudes that have been experienced over the past century.
- Suppliers- Coca-Cola managed to maintain secure relationship with their supply network. And that is one of the core competencies which helps success of the corporate.
- Consumers- As the main strategies of Coca-Cola depends on its capacity to satisfy clients' requirements and wishes, buyers seem to be the most significant power with a deep effect on both the economic position as well as economic results.

Discussion

Strategic analysis of an identified and critical aspect of the internal environment As described in the SWOT Analysis, the Coca-Cola has more internal advantages. Except reminder of the item (mostly). Coca-Cola does not externally have significant problems depending on assessment and its group composition relevant to its company needs. The high structure is used to keep its structure and management approaches to date. Because most of the problems related to performance and production are identified from there.

Evidence from a range of sources about the industry and about whether the firm's current strategy is successful. The corporate value in Coke has increased from 17.3% to 17.8%, and was 11% higher than in Pepsi. Pepsi fell 10.8% to 8%. And discusses Coca-Cola's good promotional efforts over the years at the primary athletics activities.

The Coca-Cola Company continues to freshen up everyone's contacts. The corporation's item has multiplied its attitude to social appreciation and understanding. For example In 2007 Coca-Cola Company changed their corporate structure due to satisfy the customer requirements integrating diversifying their production with North American can bottle and juice company.

Coca-Cola Launched diet coke and zero sugar Coca-Cola to face the uprising health trends. And to get use of that trend Coca-Cola invested in more organic and healthier beverage companies. For example Coca-Cola acquired Keurig Green Mountain who invented single pod coffee maker.

As described in case study Coca-Cola uses geographic market segmentation. This can benefit company when difference between laws in region to region because in some countries this industry is controlled by authorities.

When we consider above mentioned facts we can identify that existing strategy is a successful strategy

Appropriate criteria to assess whether the current strategy will remain relevant as the industry

changes. In the review of literature reader can identify several factors that can be negatively impact on the corporate using industry analysis tools like PESTEL, 5Forces and threats and weaknesses of the SWOT. In this context, it will be necessary to improve the strategy. There will be no outcomes further than a given stage in the present approach. The three most critical threats to the company in particular have to be resolved as identifies as SWOT.

Whether a change of strategy will be possible or desirable and Recommendations for change of strategy. In that regard, Coca Cola's current approach as a corporation will also have to be further enhanced to make sure its market share is not decreasing. Following can be identified as possibility and recommendation of change of strategy.

Coca-Cola existing segment is geographic market segmentation to achieve long term desired market. But since the consideration of health trends risen up they can shift their market segment to psychographic segment for efficiently match product with their lifestyle.

Coca-Cola can use combinations of market segmentations. For example populace in the geographic region of Asia pacific are tend to attached with cultural and religion. Because of that Coca-Cola can segment in that region in to demographic segments

Since scarcity of resources such as water increased Coca-Cola can alternate their business and operational strategies for gathering resources. For example this corporate can filter seawater instead of ground water.

Conclusion

Coca-Cola is a global, multi-national company. The stronger brand has made ongoing marketing attempts over 125 yrs and represents the company's biggest commercial strength. But However, Coca Cola as a brand certainly differentiates, while maintaining that income security is guaranteed in its activity it needs the same degree of divergence. As it deals with public affairs, its strategic position on the worldwide economy, and as it develops brand loyalty that deals with cultural distinctions Coca Cola has to re-define in recent trends.

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