

COCO COLAS 6P's

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ABSTRACT

Coco Cola is market leader in soft-drinks under FMCG (fast moving consumer durable) sector. Recently, it was in the news for pesticide controversy and this article helps us to know how coke overcame the negative word of mouth and gained the confidence of consumers in India by adopting marketing strategies i.e. 6P's - a lesson's of marketing to all the management professionals.

Introduction of Coco Cola

It was 1886, and in New York Harbor, workers were constructing the Statue of Liberty. Eight hundred miles away, another great American symbol was about to be unveiled.

Like many people who change history, John Pemberton, an Atlanta pharmacist, was inspired by simple curiosity. One afternoon, he stirred up a fragrant, caramel-colored liquid and, when it was done, he carried it a few doors down to Jacobs' Pharmacy. Here, the mixture was combined with carbonated water and sampled by customers who all agreed — this new drink was something special. So Jacobs' Pharmacy put it on sale for five cents a glass.

Asa G. Candler, a natural born salesman, transformed Coca-Cola from an invention into a business. He knew there were thirsty people out there, and Candler found brilliant and innovative ways to introduce them to this exciting new refreshment. He gave away coupons for complimentary first tastes of Coca-Cola, and outfitted distributing pharmacists with clocks, urns, calendars and apothecary scales bearing the Coca-Cola brand. People saw Coca-Cola everywhere, and the aggressive promotion worked. By 1895, Candler had built syrup plants in Chicago, Dallas and Los Angeles.

Inevitably, the soda's popularity led to a demand for it to be enjoyed in new ways. In 1894, a Mississippi businessman named Joseph Biedenharn became the first to put Coca-Cola in bottles. He sent 12 of them to Candler, who responded without enthusiasm. Despite being a brilliant and innovative businessman, he didn't

realize then that the future of Coca-Cola would be with portable, bottled beverages customers could take anywhere. He still didn't realize it five years later, when, in 1899, two Chattanooga lawyers, Benjamin F. Thomas and Joseph B. Whitehead, secured exclusive rights from Candler to bottle and sell the beverage — for the sum of only one dollar.

Safeguarding the Brand

Imitation may be the sincerest form of flattery, but The Coca-Cola Company was none too pleased about the proliferation of copycat beverages taking advantage of its success. This was a great product, and a great brand. Both needed to be protected. Advertising focused on the authenticity of Coca-Cola, urging consumers to "Demand the genuine" and "Accept no substitute."

The Company also decided to create a distinctive bottle shape to assure people they were actually getting a real Coca-Cola. The Root Glass Company of Terre Haute, Indiana, won a contest to design a bottle that could be recognized in the dark. In 1916, they began manufacturing the famous contour bottle. The contour bottle, which remains the signature shape of Coca-Cola today, was chosen for its attractive appearance, original design and the fact that, even in the dark, you could identify the genuine article.

A world of customers

After 70 years of success with one brand, Coca-Cola, the Company decided to expand with new flavors: Fanta originally developed in the 1940s and introduced in the 1950s; Sprite followed in 1961, with TAB in 1963 and Fresca in 1966. In 1960, The Coca-Cola Company acquired The Minute Maid Company, adding an entirely new line of business — juices — to the Company.

The Company's presence worldwide was growing rapidly, and year after year, Coca-Cola found a home in more and more places: Cambodia, Montserrat, Paraguay, Macau, Turkey and more.

Advertising for Coca-Cola, always an important and exciting part of its business, really came into its

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own in the 1970s, and reflected a brand connected with fun, friends and good times. The international appeal of Coca-Cola was embodied by a 1971 commercial, where a group of young people from all over the world gathered on a hilltop in Italy to sing "I'd Like to Buy the World a Coke."

In 1978, The Coca-Cola Company was selected as the only Company allowed selling packaged cold drinks in the People's Republic of China.

In 1981, Roberto C. Goizueta became chairman of The Board of Directors and CEO of The Coca-Cola Company. Goizueta, who fled Castro's Cuba in 1961, completely overhauled the Company with a strategy he called "intelligent risk taking."

Coco Cola's 6P's in India- A Turnaround after Pesticide controversy

Problem – The Coco Cola was running on empty and that mean more than just losing money by the mid of 2005 once the world's most admired brand had its reputation in India in tatters. Its partners mostly bottlers were edgy and its people down brat (had attrition carrying about 35%). Rival Pepsi was also in the same boat egged on by the competitive pricing strategy.

The Pesticide controversy of 2003 had brought the growth ion the entire cola category to a halt and again in 2006. By then the company had launched an initiative to tackle the issue and put in place initiatives to replenish resources. The guidance had come right from top management stating clearly in 2005 that growth only for profit- without concern for the society and sustainability can no longer be the company objective.

A Turnaround in Coco Cola India by the Indian- Atul singh (CEO) a leader on mission by adopting 6P's.

Let us have look on 6P's – Profit, Partners, People, Portfolio, Planet and Productivity.

1. **Profit** – Earlier: Excessive reliance on price cuts pushed volumes but drained resources and investment.
Now – Coke India is finally profitable growth is sustainable and investments are flowing in.
2. **Partners** – Earlier: Confusion, Confrontation often marked relations with franchisees causing detection and under investment.
Now – A new venture structure to separate franchise and company bottler's transparency and trust in dealings.

3. **People** – Earlier: High attrition of executions, frequent changes CEO's lack of clarity in roles.

Now – Attrition at one lowest ever levels, several employees benefit schemes.

4. **Portfolio** – Earlier: Healthy growth but without very clear focus under investment in packaging, distribution.

Now – Each brand has specific pricing, packaging, channel and occasion strategy and new launches planned.

5. **Planet** – Earlier: Pesticide controversy tarred the company image and badly affected all Cola markets.

Now - Commissioned independent third party environment audit, report made public.

6. **Productivity** – A newly added sixth P to focus on efficiency and effectiveness.

Though the problem of plenty hasn't entirely disappeared there is a much more focused approach today than ever before. Singh's Methodology was to apply a formula called BPPCO (Brand, Pack, Price, Channel and Occasion).

Atul Singh took this repair job further by mending faces with his bottlers where also included instituting training programmes and now there is a huge transparency in operations.

He say's "We ensure that the right brands at the right price in the right pack in the right channel and for the right occasion are made available".

Lastly, The Coke was the first to go in for an independent third party environment audit of its operations in 2007. The findings of which were made public. The audit was done by TERI, the Institute was impressed by the transparency with which Coke interacted and the spirit it showed in accepting criticism.

CONCLUSION

There has lot of homework done by the Coke team to ensure the turnaround and bring back its glory of being market leader in cola category. We should really appreciate the Atul singh – CEO of Coco Cola India for doing splendid job and enlightening his thoughts of marketing and keeping operations transparent to cerate a win-win situation between internal and external customers.

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