

The Influence of Healthy Consumption Trend on Coca-Cola Marketing Strategy

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Abstract: The Coca-Cola Company was established in 1886 and it ranks among the leading companies that deal with the production of brands of beverages which include more than 200 brands that are sold in more than 200 countries. Through such strategies as product differentiation, sustainability, and innovation, the company has continued to remain relevant in the market. However, the health effects of its tremendously popular sweetened products have been an issue, hence it has responded with non-sweet products like Coca-Cola Zero Sugar and Diet Coke. For environmental concerns, the company has focused on programs such as “World without Waste”, in recycling, and other efforts that have been made towards sustainability. However, the organisation has some threats such as competition, changing consumer awareness regarding health and obesity, and regulations. It should grow its products with health benefits, increase focus on sustainability, embrace e-commerce, and partner with wellness companies. These aspects and the subsequent strategies of Coca-Cola to enter the emerging markets reveal the corporate intentions to maintain its dominant market position while adapting to the new-age consumer and ecological imperatives.

1 INTRODUCTION

Coca Cola was founded in Atlanta Georgia in 1886 and has been in existence for 137 years. This mission states “refreshing the world because it is different” and has made the company the largest beverage company globally (Chabrandmanagement, 2013). Coca Cola Company has over 200 brands available in over 200 countries and regions and is comprised of some famous brands like Sprite, Minute Maid, Fanta and Dasani (Chung et al., 2021). In response to changing consumer preferences and an increasing focus on healthy lifestyles, Coca-Cola has expanded its offerings to include no-sugar options like Coca-Cola Zero Sugar and Diet Coke, as well as low-calorie products, aligning with the broader shift towards healthier consumption choices.

In response to changing consumer preferences and the growing focus on healthy lifestyles, Coca-Cola continues to prioritize sustainable development alongside product innovation. This commitment reflects the company’s awareness of shifting market demands while contributing to broader environmental goals. The company has undertaken social responsible programs to address some of the environmental issues, including the “World without Waste” program, where it is relentlessly working to

eliminate plastic waste, while its beverage bottles are 100% recyclable and made sustainably (Hafizah Adnan and Sayadi, 2021). The constant market presence and unchallenged brand voice of Coca-Cola has placed the company among the most valuable and recognizable in the world. The latter can be attributed to constant striving to meet current consumer needs, develop relevant products and remain committed to sustainability.

2 SWOT ANALYSIS OF COCA-COLA

Coca-Cola market position involves evaluation of internal and external environments that comprise both the strengths and weaknesses of the company as well as opportunities and threats which is discussed below:

2.1 Strengths

Coca-Cola’s greatest advantage is the tremendous brand power it holds in the market. Coca cola has been of the largest brands known all over the world and it has its operations in almost all the countries of the globe (Jamshidifarsani et al., 2019). They are sold

practically in every country, in effect catering to a diverse group of customers from all around the globe.

Another major strength is the availability of a large sales network where products are available through various outlets (Kottacheruvu, 2023). Coca-Cola products are sold in supermarkets, restaurants and through vending machines and any consumer can easily purchase it. In addition, Coca-Cola has well-established distribution networks, which enable the company to offer its products to consumers around the globe.

Coca cola products are almost available worldwide and have a presence in many outlets such as stores, restaurants, and vending machines. For instance, while Coca-Cola is available in over 200 countries, more than 3.9 million vending machines which are distributed worldwide indicate expansion (Lovett et al., 2020). This immense global network of operations gives Coca Cola a competitive advantage in that it can easily expand to new markets thus cementing its position in the beverage market. The company's innovative capabilities also support its strengths, especially in relation to shifts in consumers' needs and preferences (McMaster et al., 2020). For example, the launch of healthier items such as Coca-Cola Zero Sugar and Diet Coke show that the business can shift to meet changing consumer requirements.

Besides, innovation is supported by Coca-Cola's wide product range, which includes more than 200 brands and appeals to a larger audience. The Coca-Cola Company has its products as soft drinks, fruit juices, bottles water, and energy drink among others to ensure it fulfills the needs of the clients (Meng, 2024). This broad portfolio increases the company's market share and establishes Coca-Cola as a key player in the beverage industry.

2.2 Weaknesses

However, Coca-Cola has some issues that limit its competitive advantage. One of its major weaknesses is that it is directly linked to sweetened beverages, which have been under much scrutiny for being positively related to obesity and diabetes, among other ailments (Opait, 2020). This perception has adversely affected Coca-Cola's market share in the healthy beverage segment, where players such as PepsiCo and Nestlé have seized the opportunity and expanded their presence. Furthermore, the firm has continued to heavily focus on traditional products like the cola beverages, and thus they lack product diversity in new, health-conscious categories (Rosário et al., 2019). Although Coca-Cola is trying to diversify its healthy product offerings, the speed at which it introduces new

products is significantly slower compared to competitors like PepsiCo, which launched X number of new health-focused products last year (Saleem Khasawneh, 2021). This slower pace makes it difficult for Coca-Cola to capture the growing market for healthier options. This overreliance on traditional products may limit the capacity of Coca-Cola to adapt to new customer needs.

2.3 Opportunities

The change toward increased awareness of healthy nutrition is a clear positive for Coca-Cola in several ways. Based on the relevance of the sugar-free and low-sugar products to the consumers, Coca-Cola possesses great potential to diversify in this area. Thus, introducing new products like Diet Coke or Coca-Cola Zero Sugar, along with successful case studies from other brands in the low-sugar or sugar-free segment, shows the prospect of growth in the health-conscious drink industry (Anukeerthi and Baranidharan, 2024). Further, governmental policies, such as those promoting healthier lifestyles, reducing sugar intake, and encouraging sustainable practices, along with increasing level of public health consciousness, provide the right background for Coca-Cola to develop new products. Strategic alliances with health organizations and the introduction of new environmentally and health-friendly products and services can enhance its competitive position (Saleem Khasawneh, 2021). Social media platforms allow Coca-Cola to spread its influence widely, while the growth of e-commerce provides new opportunities to engage with consumers and expand its digital presence.

2.4 Threats

Coca-Cola Industry is one of the most competitive Industries in the market where it is faced with strong Competitors like PepsiCo, Dr. Pepper Snapple Group and Nestle among others. This pressure of competition has the net effect of prodding Coca-Cola to look for differentiated products (Chabrandmanagement, 2013). Other impacts include increases in operating costs through the effects of inflation on most important requisites like sugar and aluminium. For instance, the price of sugar has risen by 15% over the last five years and the price of aluminum has risen by 20% for the same period. These price increases have greatly affected production and packaging expenses. However, the social and environmental issue on plastic waste and recycling still are concern to the sustainability of this

company (Kottacheruvu, 2023). This means that if the environmental issues are not addressed then the image of Coca Cola brand and its consumers may be negatively influenced.

3 PESTEL ANALYSIS OF COCA-COLA

3.1 Political Factors

The political structure reflects a challenging political environment that reacts to government policies across the globe and affects Coca-Cola. New taxation measures such as the Ireland and the UK sugar taxes affect its traditional product portfolio given that it directly targets Sugar-Sweetened Beverages (SSBs) (Meng, 2024). Health advocacy movements also further complicate Coca-Cola's line of products. However, its "World without Waste" sustainability program helps to improve its image as a conscious business and a part of global legislation to recycle and preserve the environment. Despite challenges like sugar taxes and health advocacy movements, Coca-Cola's proactive initiatives, such as the 'World without Waste' program, help mitigate these impacts, keeping the negative effects of political factors within a manageable range.

3.2 Economic Factors

Fluctuations in the global economy, which determine inflation levels and increase in the cost of inputs like sugar, aluminum and water, have a direct impact on the Coca-Cola Company. The massive global network reduces localized pressures but competitive pricing for premium, health-conscious products is vital (Rosário et al., 2019). However to appeal to the masses, the company has to make the product relatively cheap while at the same time ensuring that it makes adequate profits. Growth in emerging markets can be attributed to the increasing middle-income population that demands differentiated prices and promotion techniques to address their need.

3.3 Social Factors

Regarding social factors, the growing consumer preference for healthier lifestyles has prompted Coca-Cola to diversify its product range, offering healthier options like Coca-Cola Zero Sugar and Diet Coke. Customers are now more particular with the choice they make and they are opting for beverages with less

sugar content, natural ingredients and even healthy boosts. However, Coke has slightly lagged in this segment compared to its competitors through the launch of products such as Coca-Cola Zero Sugar and Diet Coke (Lovett et al., 2020). Furthermore, the generations in power want to buy and support the brands that are environment friendly which is why the environment responsibility of Coca-Cola is very important for it.

3.4 Technological Factors

Coca-Cola continued to integrate technological solutions to improve product innovation and promotion. Advancements in technologies such as in alternative sweeteners, enhanced packaging methods, and increased research and development make it possible to satisfy the needs of the consumers (Selvaraj and Aziz, 2019). For instance, Coca-Cola's investment in enhanced packaging methods, such as lightweight aluminum cans and eco-friendly bottles, reduces material costs while increasing profit margins. Additionally, advancements in alternative sweeteners allow for healthier product innovation. The expansion of the e-commerce platform presents opportunities to increase the company's online presence and market to a wider range of customers since data analytics and artificial intelligence help in targeting different customers.

3.5 Environmental Factors

Concerning corporate social responsibility, more specifically environmental management, Coca-Cola continues to invest in recyclable bottles, as well as decreasing plastic production. However, issues like water deficiency in critical production areas cannot be ignored and proper water management should be practiced (Suswanti, 2021). Government and community partnerships, such as local water conservation initiatives and recycling programs, can address resource shortages. Moreover, Coca-Cola's use of renewable energy in production processes, including solar-powered facilities and energy-efficient transportation, aligns with international climate goals, reducing emissions and enhancing environmental sustainability.

3.6 Legal Factors

Soft drinks manufacturers such as Coca-Cola equally face strict legal restraints concerning health information, packaging, promotion, and environmental disposal. Failure to comply with the

regulation exposes one to penalties or fines and also harms one's reputation. To avoid such risks, the company has to be transparent and adhere to the changing laws (Anukeerthi and Baranidharan, 2024). For Coca-Cola, protecting intellectual property is critical in safeguarding its innovations, trademarks, and brand assets. This ensures long-term stability and maintains its competitive edge in a highly dynamic market.

4 PERCEPTUAL MAP: COCA-COLA VS. COMPETITORS

A positioning map or perceptual map is a marketing tool that can be helpful in an analysis of how consumers view a certain brand or product compared to its competitors (Jamshidifarsani et al., 2019). There are two dimensions for positioning it where it slots individual attributes such as price, quality, health orientation, modernity, or taste, in accordance with the consumers' preference. Every product or brand is located on the map based on its performance or

perceived by the consumer on those aspects. From the map, it is easy to know how the brand is placed in the market and sees areas where it is well positioned to offer a point of difference. For instance, firms can find that some market segments are underserved while others are oversaturated and adapt their offerings to fit the new consumer demand.

In the case of Coca-Cola and its competitors in the soft drink industry, as shown in Fig.1, the positioning map could have axes such as sugar level (low to high) and formality (traditional to contemporary). It also assists in visualizing competition where new product ideas can be positioned against Coca-Cola and competitors' products like Pepsi and Diet Pepsi or Coca-Cola Classic and Coca-Cola Zero Sugar. The map highlights Coca-Cola's strong position in traditional beverage segments and its growing presence in health-conscious categories. However, competitors like Pepsi are also strengthening their footprint in these segments, presenting both challenges and opportunities for Coca-Cola (Chabrandmanagement, 2013). Through this branding, it is easier for the Coca-Cola Company to gauge market trends and modify its operations to meet these new trends.

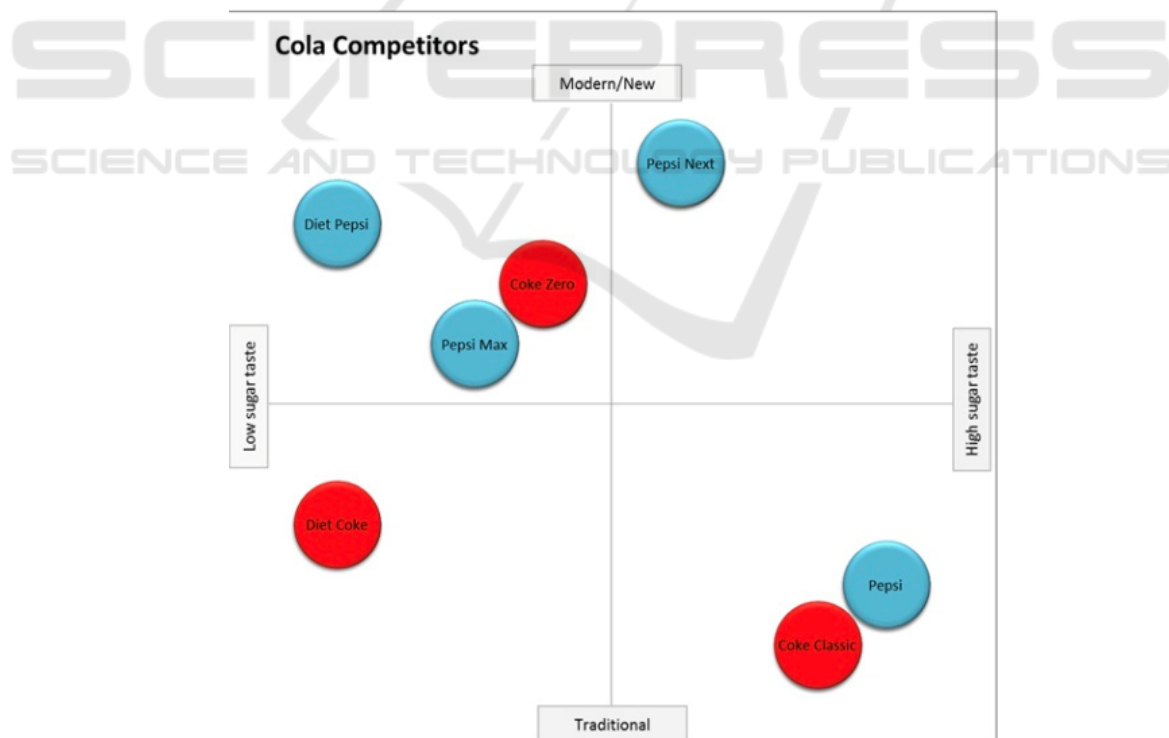


Figure 1. Perceptual Map (Photo/Picture credit: Original).

5 SUGGESTIONS FOR COCA-COLA

By aligning its strategies with consumer demands, adapting to regulatory changes, and innovating its product portfolio, Coca-Cola can maintain its leadership in the global beverage industry.

5.1 Expanding Health-Oriented Product Lines

Coca-Cola has to expand its portfolio of healthy beverages as consumers increasingly look for products that support healthy lifestyles. Apart from Coca-Cola Zero Sugar and Diet Coke, the company should launch beverages with functional attributes including vitamins, probiotics, or antioxidants (Wang, 2019). It can also diversify its offer utilizing natural sweeteners such as stevia and focusing on plant based or organic drinks that would attract consumers interested in healthy diets. These initiatives will help Coca-Cola to be relevant to the modern trends and will enhance the company's status as an innovative company.

5.2 Strengthening Sustainability Initiatives

While Coca-Cola has already developed the "World without Waste" program, more profound initiatives are needed. Making biodegradable or reusable materials for packaging and working with governments to improve the recycling system around the world can further the environmental mission (Selvaraj and Aziz, 2019). Strategies like waste collection partnerships, renewable power utilization, and consumer sensitization will put Coca-Cola at the forefront of sustainability besides lowering on carbon footprint. Such measures not only support environmental goals but also align with rising consumer demand for sustainable brands. Initiatives like waste collection partnerships, renewable energy adoption, and public awareness campaigns enhance Coca-Cola's reputation and strengthen consumer loyalty.

5.3 Enhancing e-Commerce and Digital Presence

The rise of e-commerce presents opportunities for Coca-Cola to connect directly with consumers. Enhancing the organization's digital presence and providing subscription services for health beverages

can enhance accessibility for consumers (Kottacheruvu, 2023). Using data analytic tools for targeted marketing and product promotions on social media pages and with the help of celebrities can create hype among the target consumers and make them more interested in the new Coca-Cola products that are rated to be healthier.

5.4 Collaborating with Health and Wellness Brands

Coca-Cola can seek endorsement from organisations and companies that may promote health and wellness, nutritionists, and fitness companies (McMaster et al., 2020). Organizing events such as marathons and co-creating products with doctors will show its intent towards wellness, making Coca-Cola a wellness company.

5.5 Targeting Emerging Markets with Tailored Strategies

Emerging markets such as India, Indonesia, and Nigeria offer significant opportunities due to their growing middle-class populations and increasing health consciousness. Coca-Cola can tailor its strategies by offering affordable healthy options and fortified beverages to meet nutritional needs in these regions (Suswanti, 2021). The markets that are health-conscious and sustainability-oriented will be targeted through marketing promotional campaigns that will ensure Coca-Cola captures these markets for future growth.

6 CONCLUSION

Coca-Cola is a leading beverage company in the global market, which has faced several issues and threats and can explore new opportunities that will help it maintain its dominance in the relevant market. These factors make Coca Cola stand out in a competitive and dynamic industry given the company's adaptability to customers' changing needs and the trend towards sustainability. In the context of Coca Cola, this research seeks to discover the strategic management areas that the company can put its attention on through the application of SWOT analysis and PESTEL factors. Key findings indicate that brand power, broad range of products and corporate social responsibility remain as key factors that make Coca-Cola Company to stand out. However, there are some threats like the increased

concern for health by consumers, competition from health conscious brands, issues with laws that restrict the sale of fizzy and sweet drinks. The responsiveness of the company is evident through adaptation efforts like offering sugar-free products and recyclable packaging, but it shows that more can be done.

The recommendations provided in this paper highlight a number of essential strategic directions for Coca-Cola. Offering more health-oriented products, including functional beverages and products with plant-based ingredients, can help attract dietary consumers. Expansion of the sustainability agenda and bolstering of biodegradable packaging, recycling, and affiliates shall ensure Coca-Cola adheres to international environmental concerns. Furthermore, future strategies such as the development of its e-commerce platform and digitization allow for direct selling of the products and an increase in consumer interaction. Partnering with wellness organizations and bringing focused strategies to fresh markets also solidifies Coca-Cola in an evolving world. Stakeholder engagement is central for understanding and shaping systems where businesses like Coca-Cola operate and achieve strategic relevance while adhering to societal expectations. Besides, weaving innovation with sustainability and adapting to new consumer consumption tendencies, Coca-Cola enhances its market leadership and promotes well-being and sustainability worldwide, making the company's practices an example for emulation in today's historical context of businesses.

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