**Case Study: The Coca-Cola Company**

**Read the following case carefully and answer the questions below:**

We’ve seen that competitive advantage in simple terminology is what your company is best at. Why do your customers buy from you and not your competitors? What is the value that the business can create for the customer?

Coca Cola is an example of a company with sustained competitive advantage, innovation, an extensive business model and an intelligent and substantial distribution network. The best example of a company with a sustainable competitive advantage is The Coca-Cola Company. The Coca-Cola Company was incorporated in 1892 to produce the sweet fizzy drink – first developed by a pharmacist – that has become the world’s most recognized brand.

Today, almost 120 years later, The Coca-Cola Company is still going strong and is one of the most sought-after stocks on the New York Stock Exchange. Coca-Cola’s competitive advantage has proven its sustainability over the last 100 years through the following factors:

1. **Unique Packaging** The packaging itself is enough to gather the attention of the market and become the preferred one. And Coca-Cola is superior in this thing. It offers its drinks in an identically shaped bottle which is unique than everyone else in the market.
2. **The Image of “Storyteller”**

The marketing strategy of Coca-Cola isn’t like others. People acknowledge and admire it as a “World Class Storyteller” brand. Each promotional campaign of this brand comes with engaging stories. It introduced people with the concept of sharing happiness through Coke.

1. **Different Innovative Flavors**

The product portfolio of this brand is huge! Coca-Cola offers approximately 3900 soft-drinks! And it is continuously inventing and supplying new products in the market to keep pace with the trend and capture a new area.

1. **The Massive Distribution System**

Coca-Cola is currently operating in more than 200 nations globally. And it has made its substantial presence in all of those countries equally. All this became possible because of its comprehensive supply chain management. It has reached to locations where no other companies couldn’t make themselves available.

1. **One-Stop Shops** Coca-Cola has launched its “One Stop Shop” which allowed the brand to connect directly with its customers. These shops are called as Eko-centers, which will provide its own products as well as water, vaccines, meal, medicines etc.! This idea helped to contribute socially and create a more substantial market value among the customers.

Furthermore, companies such as Coca-Cola and Pepsi have a large customer base attached to their products. Arguably, this makes it difficult for consumers to purchase products from new firms. By spending large sums of money on advertising and promotion, both companies have created significant brand loyalty and made it very difficult for new competitors to enter the industry and take market share from these two giants.

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the industry and take market share away from these two giants. When new competitors do

try to enter, both companies have responded by cutting prices, thus forcing the new entrant

to curtail expansion plans.

 **Questions:**

1. Determine the Coca-Cola’s core competencies and key success factors.
2. What gives Coca-Cola a sustainable competitive advantage? Explain.
3. Coca-Cola’ company has strong barriers for a new firm to enter its industry. Discuss these barriers.