**The Coca-Cola Business Model and their Competitive Advantage**

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?

Another look at competitive advantage allows us a different perspective into its relationship with business models, innovation and information systems. A competitive advantage is attainable if the current strategy is value-creating, and not currently being implemented by present or possible future competitors. Sustaining a competitive advantage is difficult and although a competitive advantage has the ability to become sustained, this is not necessarily the case. A competing firm can enter the market with a resource that has the ability to invalidate the prior firm’s competitive advantage, which results in reduced rents. Sustainability in the context of a sustainable competitive advantage is independent with regard to the time frame. Rather, a competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have ceased. When the imitative actions have come to an end without disrupting the firm’s competitive advantage, the firm’s strategy can be called sustainable.

After extensive reading, a link I keep seeing is the connection between innovation, competitive advantage, information systems and business models. A few examples show this; Dell became really successful by exploring the web as a distribution channel. Gillette has made a fortune by establishing a continuous relationship with customers based on its disposable razors. Apple resurged based on its core capacity of bringing design to computers and electronic gadgets. Cisco became famous for its capacity of configuring activities in new and innovative supply chains. Intel thrived for its capacity to get partners to build on its processing platform. Google tapped in an innovative revenue streams by linking highly specific search results and content with text ads. Wal-Mart became dominant by its ability to slash cost throughout its business model.

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.

**Question:**

1. Discuss the company’s sustainable competitive advantage.
2. Which exit strategy did Coca-Cola use? State its advantages and disadvantages.
3. Which guerrilla marketing strategy did Coca-Cola embrace to reach a large base of target customers?