# Strategy and Positioning

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# **Strategy and Positioning**

# Slim-Away marketers have been carefully hatching a marketing plan. The marketing plan presented here helps capture information required to develop and deliver Slim-Away and the results that best meet the needs of our chosen target market while communicating to our audience why and how our offering is the best alternative in the marketplace. By following along our marketing plan we hope to set a well-constructed, clear and measurable objective for our product and organization and weight loss with higher energy needs in our target market.

# **Overview of Organization**

# Slim-Away is the newest variant of 2016 for Coca- Cola. This product is the first to combine the taste of Coca-Cola with Monster-drink energy (zero calories, no sugar, and a lot of caffeine) with the nutrition of slim fasts protein and daily fiber. Slim-Away will be available launching next month in every supermarket across America. The first product for Coca-Cola to target those that are energy depleted and need to lose weight. The combination of caffeine- sugar to help with fatigue and sleepiness and 20% protein and 100% fiber is keeping in steps with consumer demand. A drink a day will help curb appetite while providing daily nutrition. Coca-Cola and Slim-Away’s new formulation are comparable to current market price for a can of 12 oz coke.

**Description of Product/Service**

Ever wonder if there was a way to get energy while losing weight? If so, the new drink Slim-Away may be the drink for you. Slim-Away is a new drink that is being introduced by Coca-Cola. It is a combination of an energy drink and weight loss drink. This product will give people the boost of energy that they may need or want all the while losing weight. It will be like a combination of a Monster and Slim Fast. The product will contain caffeine along with vitamins that help aid with energy and weight loss. There will also be different flavors of Slim-Away available to appeal to a variety of customers. Along with the drink there will be an interactive website to support people in their weight loss. The website will have an area that has different exercises that can be done and tips on how to be more active. There would be a place for you to keep track of your activity and weight loss. There will be inspirational messages that pop up when you log in and congratulation messages whenever you record a weight loss. Everyone likes to be recognized for their accomplishments. When trying to lose weight having support of other people going through the same issues is always a good thing to have. The website would have a place where people can communicate with other people about their process. They would be able to share their setbacks and their successes along with any tips that they have found that worked well. Along with having examples of exercises that can be done there would also be a weekly exercise video that people would be able to download to any of their devices. There will be three different levels to the exercise videos easy, intermediate, and aggressive. The different levels will help people to stay engaged at varying needs, depending on the lifestyle and needs of the individual consumer.

**SWOT and competitive analysis**

Coca-Cola’s SWOT analysis for its energy weight loss drink consists on a list of the company’s strengths, weaknesses, opportunities, and threats. In addition, the firm must evaluate its competitive environment, which can be done using Porter’s five competitive forces. This analysis assumes there are five forces that determine a company’s power in a business situation (Investopedia, 2014).

The strengths and weaknesses of Coca-Cola are very easy to determine. Coca-Cola is an already established firm with an international presence. It has one direct competition, which is Pepsi, and other smaller competitors. However, for the energy weight loss drink, its main competitors are RedBull, Monster, 5 Hour Energy, SlimFast, and Nutrisystem. Although there would be many competitors for this type of products, the uniqueness of the energy drink combined with losing weight, and the name-brand, Coca-Cola, can give the company a competitive advantage with this new line. A weakness in its strategy could be that people usually look for specific brands, such as Red Bull, for energy drinks, and SlimFast for rapid weight loss, not thinking of both products together.

Opportunities and threats emerge from an examination of customers, competition and the external market environment. Coca-Cola sees people with busy work schedules who don’t have time to exercise or follow a diet plan. Overweight, or unhealthy people with busy lives that tire half-way through the day is the market who needs Slim-Away. This market is the target market, people who desire energy and improved health. Their energy weight loss drink targets this type of people, who are tired and need more energy to keep up with their day, and also who are too busy to follow a diet or exercise routine. In addition, Coca-Cola must try to avoid threats. One of the main dangers the company faces with this new product is obtaining the Food and Drug Administration’s approval. They must ensure their product is safe and keep informed of any development or ingredient that has been recalled or disapproved. Furthermore, threats include other companies developing similar products. For Slim-Away to begin, and remain a successful product, continuing research, and the introduction of different products will help maintain the product’s “one of a kind” status.

Using the Five Forces competitive analysis, Coca-Cola can determine the power of the supplier and buyer, as well as any threat of substitution, or new product entry, which can be brought together to determine its competitive rivalry. The suppliers of the ingredients needed for an energy drink and weight loss product are limited. Giving Coca-Cola suppliers power which can lead to rising prices paid for those ingredients, in turn, raising the final price of the product. The buyers, on the other hand, don’t have much power because the companies that produce similar products work as an oligopoly. One threat Coca-Cola faces is product substitution designed by competitors. If a person only needs an energy drink, it is probable that they will buy a 5-Hour energy drink or a Red Bull energy drink, rather than Coca-Cola’s weight loss energy drink. One threat Coco-Cola may not have to fear is the entry of a new company. The time it takes to produce, test, and obtain the FDA’s approval can make entering the market very costly and difficult. Finally, analyzing rivals, Coca-Cola has tremendous strength because there aren’t many other companies with similar products, especially one that combines two in one.

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| **Strengths (Internal)** | **Weaknesses (Internal)** |
| * Strong brand identity * Markets to over 200 countries worldwide. * Large scale community involvement * Consumer loyalty | * Negative publicity on the topic of energy/ weight loss drinks. * Strict focus on carbonated drinks * Exclusive competitor contracts with major retailers |
| **Opportunities (External)** | **Threats (External)** |
| * Expanding and emerging market place * Launch of different flavor offerings * Flexible product for different target markets and needs * Wide price range in weight loss/ energy drink market | * Highly competitive in both the weight loss and energy drink markets (Slim fast, Celsius, Red Bull, Monster) * Government regulations * Increased consumer awareness of side effects of energy drinks * Cheaper brands of similar products |

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In a world where the ultimate goal is to acquire and maintain a sexy body, everyone is looking for a way of removing excess fat. Burning fat does not only serve the purpose of physical appearance, but also that of good health. A healthy weight is critical in order for one to evade conditions which can lead to stroke, heart attack, or even diabetes. While there are several ways that people employ to reduce weight, such as fad diets which some people are able to follow, and two step plan which involves eating healthy and exercising regularly, the Slim-Away drink can ease the process of eliminating the annoying body fat. Coca Cola Company is known globally for production and sales of soft fizzy drinks. Therefore, the new product in the market will have an already established market structure and customer base. Also, with the ability to penetrate to almost every corner of the world, Coca Cola Company already has a customer base and identified the locations where the drink will experience the best sales (Taylor, 2000). Finally, the new drink is likely to have an upper hand in terms of sales once introduced into the market because of its rare combination. This is because consumers will not have to buy more than one drink in order to have the rare combination of Slim-Away of giving energy and burning of fat.

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|  | **Current company’s strengths and weaknesses** | **Potential Competitor’s strengths and weaknesses** | **Competitive Rival’s strengths and weaknesses** |
| **Target Market** | 16-34 | 16- 54 | Students/Working Middle Age |
| **Product** | ‘Slim-Away’ | Slim Fast/ Monster | Replacement meals support drinks |
| **Place** | North/ Latin America | North/ Latin America | Sold worldwide |
| **Promotion** | Massive Campaign Launch-TV, Print, Social Media | Special offers/ Product features | Not fresh enough to compete with hype of new competitor. |
| **Price** | $3.00 | $2.00/ $1.62 | Price is more if consumer drinks both separately. |
| **Competitive Barriers** | FDA Approval | Similar products in development | Consumer loyalty |
| **Likely responses** | Curiosity | Established | Longer market research/data. |

**Target Market Segments**

The target market for Coca-Cola’s new product, ‘Slim-Away’ will focus on specific segments of their already established wide range of consumers. These focuses will be specifically related to geographic, demographic, and also psychographic segments. The best established target market for ‘Slim-Away’ will be middle class consumers in North and Latin America who are in the age range of 16-34 years old.

**Demographic**

Demographics are a large base of how Coca-Cola determines their target market. Consumer age, gender, education, religion, and nationality are some of the main groups of consumer demographics. The already established core demographic of Coca-Cola is based on age and economic standing. Teenager/ young adults in the middle class make up the majority of Coca-Cola’s consumer base. This already established core demographic shares the same target as the successful energy and weight loss drink companies. “34% of 18 to 24-y-olds self-identify as being regular energy drink users.” (Gaille, 2015) As the age demographic for weight loss and energy drinks expands from teens and young adults to consumers in their 40’s, Coca-Cola can target ‘Slim-Away’ to a larger demographic as its popularity increases.

**Psychographic**

Psychographic segments of a target market include lifestyle, personality, and personal values. Because of its vast marketing strategies, Coca-Cola has a way to reach and market to the vast types of consumers they have acquired. Coca-Cola’s already wide-range of drinks already connects them with their different consumers. Now those health conscious consumers, who may have avoided the brand due to their sugary drinks, are now being targeted by Coca-Cola with their new product ‘Slim-Away.’

**Geographic**

As a country-wide popular product, Coca-Cola has proven to be successful in numerous Countries. “Although the U.S. represents 19 percent of the company’s worldwide unit case volume, Coca-Cola is selling most of its soda overseas.” (Wong, 2014) To be more specific, Latin Americans are becoming the growing demographic of Coca- Cola consumers. According to the market analysis report of the energy drinks Market in Latin America, “The energy drinks market in Latin America will grow at a CAGR of 11.34%, in terms of revenue, over the period 2015-2019.” (2015)With these statistics, it would be beneficial for Coca-Cola to have a target market of consumers in both Latin and North America. The brand loyalty for Coca-Cole as well as the growing popularity of drinks similar to “Slim-Away” would make for a successful geographic marketing target.

**Behavioral Factors**

The biggest push effecting behavioral factors of consumers of ‘Slim-Away’ will consist of benefits of the new product and curiosity. The benefits of weight loss and increased energy from a trusted brand will incise not only already existing consumers of Coca-Cola brands, but also new consumers who may have avoided the brand in the past.

**Positioning Statement**

Whether a Pepsi drinker or Coca-Cola drinker, brand loyalty among consumers of these two competitors is common. The Coca-Cola customers will pay a premium for their favorite product because they crave that refreshing taste the competition just cannot deliver. According to Perreault, Cannon & McCarthy, “a well-recognized brand makes shopping easier.” Because Slim-Away is a product that Coca-Cola plans to build an entire product line from, in order for the brand name to become popular, positioning will be in line with current adult Coca-Cola customers with a price-point similar to current energy drink and weight loss products available in the combined market. Slim-Away is a completely new product, marketing with similar products in the beginning is the appropriate for the product to gain popularity and recognition.

According to our research, Coca-Cola customers will invest in Coca-Cola Slim-Away rather than the multiple product offerings because Coca-Cola has always delivered a quality product. In order for customers to become familiar with Slim-Away, samples will be available at every sales counter where the product is sold for the first 90 days. Depending on the vendor, samples will range in price from 49-99 cents each. Coca-Cola has proven the ability to “connect a product with the benefits a customer can expect” (Perreault, Cannon & McCarthy, 2014). The adult Coca-Cola customer base from 18-45 is vast, making it necessary for a variety of advertising methods. Marketing will encompass the young professional trying to stay ahead of the game, the mom who is struggling to lose that last bit of baby weight, and the younger parents struggling to maintain or maybe lose a little weight while balancing work, family, and social lives. At first glance, you may not see many similarities in these groups, but all of them are struggling to meet the demands of everyday life. Many people seem to have everything under control but what is underneath, might surprise others. Each of them struggles every day to manage their demanding work/life balance. Each has demands that far outweigh the amount of current time and energy available. How will they squeeze one more activity into their hectic day? How will they grab lunch on the go without gaining more weight or raising dangerous cholesterol levels even higher? Slim-Away plans to begin with a drink to aid with energy and lack of nutrition but in time, plans for a food product line in the future will also be available for people to maintain a healthier lifestyle. The previously described, diverse customer base is in need of a product that will provide that desperately needed, healthy, boost of energy, lunch on the go without the dreaded five pounds (around the waste fast food is notorious for) from a name brand they have grown up with and trust. A name brand they can trust and rely on.

What makes us different from our competition? Coca-Cola is a strong brand with a very loyal customer base. This strength has endured for over 100 years making Coca-Cola multi-generationally recognized (Coca-Cola, 2014). The weight loss and energy drink industry is viewed as a fad but with Americans growing by the day, the weight loss industry is here to stay. Several companies in the past have claimed to have an answer to energy drain, these companies also claimed products would Slim-Away fat but failed to do so. Customers spend their money on these fad products with little results and utter disappointment. Our customers know Coca-Cola as “The Real Thing.” We have established reliability and trust with our customer base. The claim made by Slim-Away is health. The Slim-Away product combined with its healthy program designed to accompany the product will gain notoriety together. Coca-Cola will not make an empty promise, and the product will not make consumers healthy alone. Slim-Away is a weight loss aid not a weight loss miracle and advertising will maintain an honest approach when advertising the product. Consumers take a gamble with the next new weight loss and energy drink every day, why not take that leap of faith with a company that has already earned the trust of the American consumer?

**Conclusion**

Introducing yet another weight loss product into society is risky, but is a risk that this marketing team feels will lead to a new successful product line intended to direct Americans to a healthier way of life. Slim-Away is not the average energy shot. It is a nutritional supplement designed to help boost energy levels, as well as, aid in learning to live a healthier life. Dropping pounds fast, miracle diets, and magic pills produced by a multitude of companies have failed consumers. Not many weight loss products have proven successful because the impression given to consumers is not directed truthfully. Weight loss is not something that happens overnight or without effort and Coca-Cola will not make that promise. Slim-Away may provide a nutritional meal supplement if its program is not followed but will not provide weight loss without the program. False promises will not do America any good while battling the obesity epidemic, only honesty with products that work when used as directed. If Slim-Away is received and used as test markets have shown, obesity will lose, and healthy consumers will win in the end.

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