Consumer Insights in the Digital Age: Coca-Cola's Innovative Responses in the Era of Healthy Beverages

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Abstract:

Under the background of the digital age, consumers are more concerned about the health of beverages, and traditional carbonated beverages such as Coca-Cola are facing great challenges. Based on Coca-Cola's global market positioning and strategy, this paper analyzes the brand's digital transformation and innovative marketing strategies in the context of health trends. The research first Outlines the brand history and market share of Coca-Cola, and uses SWOT, PESTEL, 4C model and other tools to carry out indicator analysis. In addition, this paper discusses the initiatives Coca-Cola has taken to meet changing consumer preferences in product innovation, digital marketing, and sustainability. In addition, the key suggestions for the future development of Coca-Cola to adapt to the health trend include accelerating the market layout of health drinks.

Keywords: Digital Marketing, Beverages, Sustainability, Brand Innovation, Market Strategy, E-commerce Ecosystem

1. Introduction

Founded in 1886, the Coca-Cola Company is the world's largest beverage company headquartered in Atlanta, Georgia, USA. With its unique formula and extensive market influence, Coca-Cola has reached 48% of the global market share (2024), as well as two of the top three beverages in the world (Coca-Cola ranked first, Pepsi second, and low-calorie Coca-Cola third).

2. Brand Immersion Experience

As we all know, Coca-Cola has wide popularity and influence in the beverage industry, so I choose Coca-Cola as the brand of this project. Coca-Cola is not only a unique taste of carbonated beverage in People's Daily life, but also a symbol of friendship and celebration essential to many holiday parties.

During the Spring Festival, I went to a local supermarket to observe how Coca-Cola was displayed and sold on the shelves. Coca-Cola's red packaging is so striking that many families choose Coca-Cola as the party drink. In addition to that, I did a short survey

of five random customers, and most mentioned that its unique taste and nostalgic feel sparked their interest in buying.

3. Brand Assessment

3.1 Category

3.1.1 Competitive Landscape

As the world's leading beverage brand, Coca-Cola's glob-al reach is its greatest strength. In addition, innovative marketing and diversified products also make the brand highly competitive. However, with the increase of people's health awareness, the brand faces great challenges such as "carbonated drinks" and "high sugar content", and people are more inclined to choose low-sugar or sugar-free drinks to stay healthy. For the Coca-Cola brand, I conducted the following SWOT analysis (Renz & Vogel, 2016) :

Strengths	Weaknesses
High brand awareness, extensive distribution network.	Dependence on carbonated drinks, negative health attitudes.
Opportunities	Threats
Expansion of healthier options, global market growth.	Increased competition from alternative drinks, unstable demand.

3.1.2 Retail environment (4c model)

· Convenience: To ensure the convenience of users to buy, Coca-Cola's sales channels include supermarkets, convenience stores, restaurants, vending machines and online platforms, etc., so that customers can buy the product anytime and anywhere to improve the purchasing experience of consumers.

· Cost: By keeping the price moderate for a long time, such as 3 yuan in the Chinese market, Coca-Cola uses its huge volume to make a profit. This strategy makes it difficult for competitors to enter the market and guarantees the value of goods that consumers get in the market.

· Customer: Coca-Cola deeply understands the needs of consumers and offers multiple flavors and healthy options (such as sugar-free versions) to meet the differentiated needs of different consumer groups. Beyond that, its marketing campaigns leverage emotional connection, emphasizing social experiences and gatherings that allow consumers to have a strong emotional connection with the brand.

· Communication: Coca-Cola has adopted a multi-channel communication strategy, including advertising, social media and large-scale sports events (such as the Olympic Games), to create a happy and cheerful brand story atmosphere, generate emotional connection with consumers, and convey the brand concept of "happiness".

3.1.3 Macro and Micro Trends Analysis

· Macro Trend Analysis (PESTEL Model)

Political	Government food safety regulations (such as sugar content regulations), tax policies, and environmental government regulations, such as health taxes on sugar-sweetened beverages, directly affect Coca-Cola's pricing and product strategy.
Economic	Economic fluctuations affect consumers' disposable income and consumer demand. Economic growth usually leads to increased consumption of non-essential items such as soft drinks. On the contrary, in the economic downturn, consumer purchasing power and market demand for Coca-Cola will decline.
Social	Growing health awareness is reshaping consumer preferences with more and more people opting for low - or no-sugar drinks. To this end, the Coca-Cola Company has introduced low-sugar and sugar-free products to meet the changing needs of consumers.
Technological	Advances in e-commerce have reshaped the beverage market. As a result, Coca-Cola is leveraging technology to improve supply chain management and personalize marketing through consumer data analytics.
Environmental	Increasing environmental awareness requires companies to pay more attention to sustainability and water consumption. Coca-Cola is committed to reducing its environmental impact by focusing on recycling, water conservation and sustainable sourcing.
Legal	Legal regulations in different countries, such as advertising restrictions, play a crucial role in Coca-Cola's marketing and product development strategies and affect Coca-Cola's operations.

· Macro Trend Analysis

The rise of non-carbonated drinks

With the attention of consumers to health, Coca-Cola continues to promote the production of non-carbonated beverages, including juice, tea drinks, energy drinks, etc., to meet diverse needs.

Digital marketing

Make use of social media, short video platforms and other digital channels for brand promotion to create interaction and emotional connection with young consumer groups.

3.1.4 Innovation Analysis

Competitive Factor	Coca-Cola	Pepsi	Olipop
Product Variety	Extensive (carbonated, low-sugar, health-focused)	Comprehensive (carbonated sodas and snack brands)	Niche (functional sodas promoting gut health)
Brand Recognition	Extremely High	Extremely High	Low but rapidly growing
Health-Conscious Options	Moderately High, growing	Moderate	Very High
Pricing	Competitive	Competitive	Premium pricing for niche
Marketing Innovation	Strong and dynamic	Comparable	Emerging but niche-focused
Environmental Initiatives	Improving (global goals)	Strong	Minimal but values-driven

Blue Ocean Strategy

Coca-Cola first distinguishes itself from traditional competitors through innovative products, such as a range of healthy beverages, and creates new demand space. Second, focus on providing unique brand experiences (e.g. event sponsorship, social media interactions) to attract new customers.

3.2 Segmentation

3.2.1 Strategic Target Analysis (STP Model)

· Segmenting

By geography, it had little impact on Coke's sales. Coca-Cola is committed to making its products readily available and available for purchase in vending machines, supermarkets, restaurants and elsewhere.

According to the demographic segmentation, whether it is male or female, high income group or low-income group, can become the target customers of Coca-Cola, it is positioned as a carbonated beverage that everyone can afford, and can meet the consumption habits of different consumer groups.

· Targeting

In the global market, Coca-Cola initially focused on middle-aged and young people, but in China, to distinguish itself from Pepsi, it attracted consumers with sports and celebrations. China pays attention to auspiciousness, and red represents happiness, which is used to distinguish it from Pepsi, so the target consumer group in China is mainly teenagers.

· Positioning

Coca-Cola positions itself as a refreshing, iconic beverage brand that sells quality products at affordable prices that bring joy and connection to people's lives, emphasizing emotional and functional benefits.

3.2.2 Influential Factors Analysis (PESTEL Model)

Political	Global sugar taxes and beverage regulations encourage Coca-Cola to develop healthier product options. Environmental policies promote sustainable practices and packaging.
Economic	Rising disposable incomes in emerging markets open opportunities for new customer acquisition. Economic downturns may affect discretionary spending, impacting beverage sales.
Social	Increased consumer awareness of health issues drives demand for low-sugar beverages (e.g., Coca-Cola Zero Sugar). Cultural traditions encourage beverage consumption during celebrations and events.
Technological	AI and data analytics enhance Coca-Cola's marketing precision and supply chain optimization. Expansion of e-commerce platforms increases online purchase options.
Environmental	Rising consumer demand for sustainability pressures Coca-Cola to innovate in recyclable and eco-friendly packaging.
Legal	Compliance with advertising restrictions (e.g., children's marketing) requires product diversification toward health-focused beverages. Legal issues in intellectual property protection strengthen Coca-Cola's market position.

3.2.3 Feature Requirements Analysis (KANO Model)

Type of Need	Consumer Expectation	Coca-Cola's Approach
Must-Have (Basic)	Refreshing taste, affordable pricing, wide availability.	Consistent quality, competitive pricing, and global retail presence.
Performance (Expected)	Product variety (flavors, formats), health options, social connection.	Launches like Coca-Cola Zero Sugar and mini cans cater to health-conscious and convenient needs.
Delighters (Excitement)	Innovative packaging, limited editions, and unique brand experiences.	Limited-edition flavors, customizable bottles, and brand-sponsored events offer novelty and exclusivity.

By addressing these needs, Coca-Cola maintains consumer satisfaction and builds brand loyalty.

3.3 Product/Brand Value Proposition

3.3.1 Brand Purpose

Coca-Cola's brand purpose is to "refresh the world and make a difference." This reflects its commitment to creating moments of joy and emotional connection, while embracing innovation and sustainability to meet changing consumer needs and address global challenges.

3.3.2 . Defined and Ownable Brand Benefits

Coca-Cola has established distinct, ownable benefits within the beverage industry, ensuring its competitive edge:
· Emotional Benefits: Coca-Cola fosters happiness, nostalgia, and social bonding.
· Functional Benefits: Coca-Cola promotes happiness, nostalgia, and social connection, reinforcing its image as a vehicle for happy moments.
· Symbolic Benefits: Coca-Cola represents optimism, unity, and a timeless cultural legacy, making it a brand that transcends functional utility.

3.3.3 Relevant Reasons to Benefit

· Heritage and Legacy: With a long history of more than 130 years, it has formed global influence and popularity.
· Unique Taste Profile: Its secret recipe ensures an iconic, unmatched flavor that stands out in the category.
· Product Innovation: Influenced by health trends, Coca-Cola has developed a sugar-free version.
· Cultural Resonance: Coca-Cola continues to search for cultural connections, hosting memorable events, such as "Open Happiness" and "Share a Coke," have enhanced Coca-Cola's universal emotional appeal.

3.3.4 Brand Perception

In the minds of consumers, Coca-Cola is a symbol of happiness. More than just a drink, it evokes a sense of togetherness, both in ordinary moments and on special occasions.

3.3.5 Emotional and Performance Equity

Coca-Cola's emotional equity lies in its ability to inspire joy, build connections, and foster nostalgia, making it an integral part of consumer experiences. Its performance equity is anchored in its consistent quality, refreshing taste, and product variety. Together, these equities drive the brand's loyalty and cultural standing globally.

3.4 Consumer and Shopper Experience

3.4.1 Mass Communication: TV, Digital

Coca-Cola leverages a powerful mass communication strategy to connect emotionally with a global audience. Iconic TV commercials like "Open Happiness" and "Taste the Feeling" resonate with consumers by emphasizing universal themes of joy, unity, and togetherness. Digital channels attract consumers to buy through innovative ways such as live streaming of goods by Internet celebrities.

3.4.2 Assets: Owned, Earned, Paid

Coca-Cola maximizes its assets to drive consumer engagement:
· Owned Assets: Coca-Cola's website and brand exclusive content provide a direct touchpoint for sharing its values, brand story and sustainability efforts.
· Earned Assets: User feedback, positive reviews. Expand brand credibility through organic consumer engagement.
· Paid Assets: Heavy investment in marketing on TV, digital and outdoor advertising ensures brand influence and awareness.

3.4.3 Packaging and Product Design

Coca-Cola's packaging is the cornerstone of its brand identity. Its classic red and white color scheme and iconic contoured bottle evoke instant recognition and nostalgia,

making it stand out among many drinks. Limited-edition designs, customizable labels and environmental initiatives showcase its innovative and consumer-centric approach to packaging.

3.4.4 Public Relations

Coca-Cola uses public relations to enhance its brand image and connect with the global community. Through philanthropic activities such as water conservation programs and partnerships with non-profit organizations, Coca-Cola demonstrates its corporate social responsibility (The coca cola public relations: PR strategy and examples, 2024). In addition, partnerships with major events such as the Olympics reinforce its role as a unifying global force while maintaining its relevance in popular culture.

3.4.5 In-Store: First Moment of Truth

Coca-Cola's multi-channel purchasing and high-visibility strategic layout - supermarkets, vending machines, etc., can be seen. Conduct effective in-store marketing campaigns with retailers, restaurants and other partners, such as bundled offers and seasonal promotions, to encourage spending.

3.4.6 Product Usage: Second Moment of Truth

Coca-Cola excels at creating memorable consumer experiences. Whether it's a joyous reunion with friends at a celebration or a personal indulgence consumption as a gourmet companion, the product consistently delivers its irreplaceable promise of refreshments. The unique taste, coupled with culturally embedded happy associations, ensures consumer satisfaction and trust, fostering strong brand loyalty.

4. Brand Recommendations

To achieve Coca-Cola's growth targets over the next 2-3 years, the following core recommendations can guide its direction:

4.1 . Accelerate the market layout of health drinks

Health trends will continue to drive the shift in consumer demand, so the health beverage product line should continue to deepen, introducing more sugar-free, low-calorie, functional drinks to meet the growing demand for health and functional value. In addition, we conduct market research and produce multi-taste drinks to try our best to meet the differentiated needs of different consumer groups.

4.2 Strengthen the digital and e-commerce ecosystem

As consumers' shopping habits shift, e-commerce has become a key growth point for brands. Coca-Cola needs to deepen cooperation with large e-commerce platforms and can choose food bloggers to promote and bring goods. Drive personalized marketing through targeted digital rewards and limited-time promotions to increase brand stickiness and analyze consumer data on a regular basis to provide insight into subsequent product and marketing decisions.

4.3 Accelerate sustainable development practices and enhance brand image

In the context of increasing global environmental awareness, Coca-Cola should further promote the "World without Waste" (2021 world without waste, n.d.) program, develop more innovative environmentally friendly packaging solutions, reduce carbon footprint and conserve water resources, and encourage consumers to participate in recycling programs. For example, by rewarding consumers who participate in recycling through environmental credit programs, the brand's socially responsible image is strengthened at the market level, which not only meets consumers' green expectations of the brand, but also further enhances brand loyalty.

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