

6.6

Applying selling techniques

Development and implementation of selling techniques for a particular product — 'Coca-Cola'

The 'Coca-Cola' soft drink was released onto the Australian market in 1937, 50 years after its release in the USA. The first distinctively shaped bottles, themselves part of The Coca-Cola Company's overall promotion strategy, were produced in that year by one of Sydney's oldest soft drink factories. Australian consumption of soft drink was growing, but that did not guarantee the 'Coca-Cola' product immediate success. Early sales representatives for the company were lucky if a store owner bought a single bottle, let alone a case.

The war in the Pacific region in the early 1940s was the stimulus needed by the Australian producers of the soft drink. With the American Armed Forces now established in Australia and the region, a ready-made market was in place and production greatly increased to satisfy this demand. Conditions were right for a post-war boom in sales.

It was now time for the promotion strategies and selling techniques to be fully implemented, with advertising campaigns being the most visible promotion strategy.

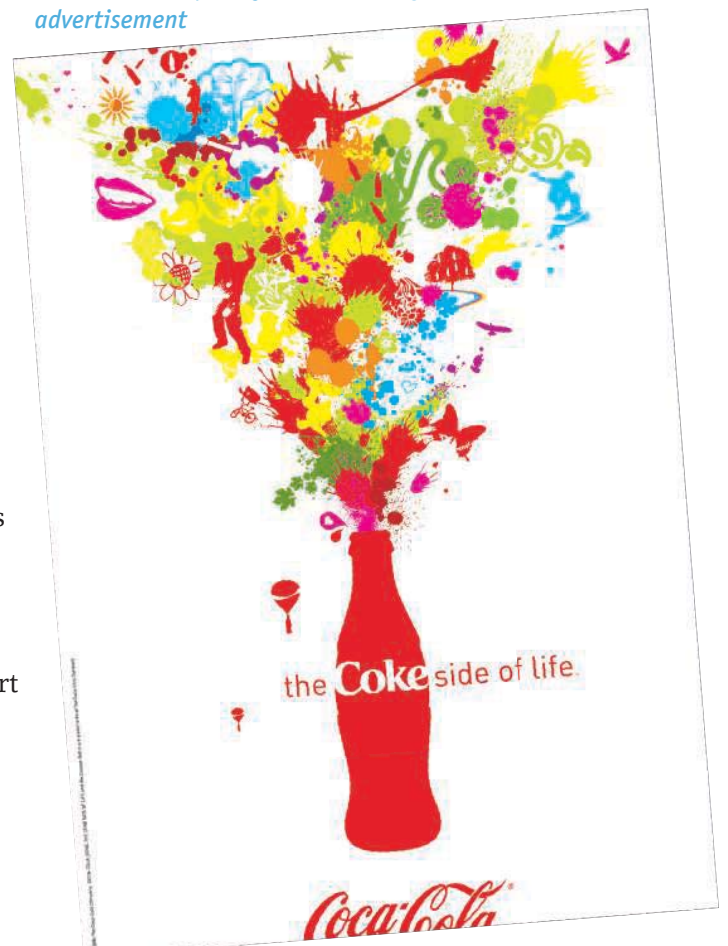
Advertisements for the 'Coca-Cola' product were initially aimed at older age groups, a reflection of the main target market selected in the USA. Over the years, the target market was modified to concentrate on teenage and young adult consumers. The company's selling technique was so successful that the product has become Australia's market leader in the soft drink market.

Since the early 1950s, teenagers and young adults have grown up believing that this product truly is a part of their lives: 'The Coke Side of Life'. Through its sophisticated promotion strategies and selling techniques, The Coca-Cola Company has built on its highly recognisable brand name by constantly implementing new promotion strategies.



Above: The Coca-Cola Company's advertising has always adopted a consistent message — that 'Coke' is a part of life, associated with fun and pleasure.

Below: Contemporary 'Coca-Cola' soft drink advertisement



Selling techniques of The Coca-Cola Company

The Coca-Cola Company uses a wide variety of selling techniques to maximise sales.

Product development

- Wide range of products including:

Coca-Cola	Neverfail Springwater
Coca-Cola Zero	Lift
Diet Coca-Cola	Fanta
Vanilla Coke	Powerade
Sprite	Peats Ridge water
Fanta	Mother
Pump	

Product promotion

- Advertising
- Sponsorship
- More distribution outlets e.g. fast food fountains, vending machines
- Sales representatives
- Interactive web page
- Competitions
- Product placement

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In its first year, about 10 servings of 'Coke' were sold per day. Today, approximately one billion servings are consumed worldwide every day. This equates to about 11 500 serves every second of every day.



Product differentiation

- Product features e.g. bottle shape
- Advertising to reinforce image
- Recognised brand name, symbol, logo and colour

Product pricing

- Reduce prices for specific promotional activities and supermarket sales
- Premium pricing for niche products
- Bulk pack pricing

Product niche focus

- Targeted promotion strategies, e.g. SMS messaging to 18–30 year old generation
- 'Mother' energy drink for 18- to 24-year-old males

Product enhancement

- Different 'Coke' products targeted at specific markets e.g. Coca-Cola and Coca-Cola Zero
- Improved packaging
 - bottles
 - cans
- New signage
- New themes e.g. It's the real thing, 'Coke' is it

Activities

Understand

- 1 What is the message The Coca-Cola Company has adopted in its advertisements?
- 2 How has Coca-Cola's target market changed over time?

Think

- 3 The successful formula for 'Coke' is not the ingredients of the drink but its superior selling techniques.' Do you agree or disagree with this statement? Give reasons for your answer.
- 4 'Any business that neglects to develop effective selling techniques will almost certainly experience low levels of sales and reduced profit levels.' Why is this so?
- 5 What are the advantages to The Coca-Cola Company in diversifying and selling water and fruit juice products?
- 6 Select three selling techniques used by The Coca-Cola Company and explain how each one helps the company increase its sales.

Investigate

- 7 Select a product or service with which you are familiar. Research and prepare a report on the selling techniques used by the business.

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- 8 A business can have a product's name or symbol registered as its trademark. The 'Dynamic Ribbon' device and the Contour Bottle are trademarks of The Coca-Cola Company.
 - (a) What is meant by the term 'trademark'?
 - (b) What icon is used to show that the name or symbol is a registered trademark?
 - (c) Why would a business want to protect its trademark?

To help you, use the **Intellectual Property Australia** weblink in your eBook PLUS.