

Marking Activity: Find the mark/level

October 2019 Paper 1 (WBS11_01) 'Analyse...'

Case-study:

Extract A

The soft drink industry is dominated by *Coca-Cola* and *PepsiCo*

Two brands of soft drinks, *Coca-Cola* and *PepsiCo*, have dominated the non-alcoholic drinks market for many years. The brands are well known and recognised around the world. *Coca-Cola* is the larger of the two companies with more than 500 brands. The companies do not have major threats from competition because they both have high levels of brand loyalty, extensive distribution networks and huge economies of scale. They spend enormous amounts of money on innovation, advertising, marketing, and strengthening their distribution channels.

5

Extract B

***Coca-Cola*: Who we are**

We are the world's largest soft drinks company. Our brands include Diet Coke, Coca-Cola Zero, Fanta, Sprite, Dasani, Powerade, Minute Maid and Gold Peak. Over 1.9 billion of our drinks are enjoyed by consumers in more than 200 countries each day.

Our market research on Diet Coke

5

We focus on the needs of our consumers by going into the market to listen to their views and collect feedback on new drinks.

One of our recent research projects focused on Diet Coke, known as Coca-Cola light in most international markets. The drink is sold in more than 110 countries. Our aim is to offer new flavours and a modern look to the product to attract new consumers as well as maintaining the brand loyalty of our current fans. As part of the research, we used face-to-face surveys to gather data from more than 10,000 people. We wanted their ideas and views on new packaging and new flavours, including Ginger Lime and Twisted Mango. These new products will be available in 2019.

10

Our rewarding work environment: benefits and rewards

15

We value our workers and understand working is not just about pay and benefits. We provide a positive working environment to enable staff to build a career and also maintain a good work-life balance. We regularly assess our benefits programs to ensure employees receive the benefits they value. The financial benefits include competitive pay, annual bonuses and performance-related pay.

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Mark scheme:

Question	Answer	Mark
1(c)	<p>Knowledge 2, Application 2, Analysis 2</p> <p>Knowledge Up to 2 marks for defining branding, e.g.</p> <ul style="list-style-type: none"> Features of a product (1) that distinguish it from competition (1). <p>OR</p> <p>For giving two benefits of strong branding, e.g.</p> <ul style="list-style-type: none"> Increased customer loyalty (1) Ability to charge higher prices (1). <p>Application Up to 2 marks for answers contextualised to <i>Coca-Cola</i>, e.g.</p> <ul style="list-style-type: none"> Over 1.9 billion servings of drinks are consumed in more than 200 countries each day (1) <i>Coca-Cola</i> along with <i>PepsiCo</i> have few rivals or threats and dominate the soft-drinks industry (1). <p>Analysis Up to 2 marks for reasons/causes/consequences for <i>Coca-Cola</i>, e.g.</p> <ul style="list-style-type: none"> This may lead to word of mouth recommendations and repeat purchase/increases sales of its new products (1). Enabling them to be the price maker and influencing the market price/increase profitability (1). 	(6)

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Exemplar:

(c) Analyse **two** benefits of strong branding for Coca-Cola.

(6)

Strong branding is when a business has a good brand image such as the logo, title, aesthetic that define the business, whilst holding a good reputation and good customer loyalty. Since Coca-Cola has rivals, especially a rival known as PepsiCo, who has high market share and growth as well as Coca-Cola, keeping a strong brand is needed to be in a competitive advantage and winning over customers from its competitor. In this case, Coca-Cola is doing better than its rivals as it owns more than 500 brands, high levels of brand loyalty, extensive distribution networks and huge economies of scale and over 1.9 billion of these drinks are enjoyed by customers in more than 200 countries.

Since they are a worldwide known company, bad press would cause many problems such as demand falling which ends in a decrease in profit. Holding a strong brand for Coca-Cola is a must as they are doing now, which is why their company is the most successful in the non-alcoholic soft drink industry.

Enter your mark in the poll