# Activating Processes in the Brand Communication of Valuable Brands on the example of Coca-Cola.



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# **Bachelor Thesis**

Activating Processes in the Brand Communication of Valuable Brands on the example of Coca-Cola.



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# **Abstract**

Everyone in the world, from the streets of Paris to the villages in Africa, knows the logo with the white letters that are written on a bright red background. Coca-Cola was introduced in 1886. In that year, only nine glasses of the soda drink were sold per day. So how did the little company from Atlanta become the world's most valuable and popular soft drink?

One of the company's secrets is its emotional and memorable advertising strategies. Therefore, this thesis explains and analyzes how Coca-Cola uses activating processes in its brand communication to achieve customer loyalty. The study illustrates how a company can become one of the most valuable brands in the world by influencing consumer buying behavior, and hence retain its power in the beverage industry.

**Keywords**: Consumer Behavior, Consumer Perception, The Coca-Cola Company, Coca-Cola, Purchase Decision Process, Activating Processes, Activation, Emotion, Motivation, Attitude, Cognitive Processes, Role of Activating Processes in Advertising, Marketing, Advertising



# Table of Content

1	Inti	roduction	1
	1.1	Motivation	1
	1.2	Purpose	3
	1.3	Research Questions	4
	1.4	Outline of the Thesis	5
2	Cor	nsumer Research	6
	2.1	Prevailing Approach to Consumer Behavior – SOR Model	6
	2.2	Psychological Determinants of Consumer Behavior	7
	2.2.	1 Activating Processes	7
	2.2.	2 Cognitive Processes	18
	2.3	Role of Activating Processes in Advertising	25
3	The	e Coca-Cola Company	28
	3.1	Historical Background of The Coca-Cola Company	28
	3.2	Culture of Coca-Cola	30
4	Car	npaigns of Coca-Cola	34
	4.1	Introducing Three Different Campaigns	34
	4.2	Analysis of the Intention of the Campaigns	39
5	Em	pirical Evidence	49
	5.1	Research Method and Strategy	49
	5.2	Data and Sample Collection	52
	5.3	Data Analysis and Results	53
	5.4	Limitations of the Research	66
6	Cor	nclusion	67
	6.1	Conclusion for Research Questions.	67
	6.2	Recommendations	71
	6.3	Direction for Future Research	72
A	ppend	ices	74
R	eferen	ces	91
Δ	ffidavi	f ·	100

# List of Figures

Figure 2.1 - Psychological Determinants of Consumer Behavior	6
Figure 2.2 - Coherence between the components of activating processes	8
Figure 2.3 – Inverted U-Hypothesis	10
Figure 2.4 - Hierarchy of Needs according to Maslow	14
Figure 2.5 – Multi-Store Model of Memory	18
Figure 3.1 - Advertising of Candler in 1889	28
Figure 4.1 - Advertising of "Always Coca-Cola" in 1993	35
Figure 4.2 - Advertising of "Share A Coke" in 2014	36
Figure 4.3 - Advertising of "Taste The Feeling" in 2016	37
Figure 4.4 - Can Design of 2016	38
Figure 4.5 – Always Coca-Cola	39
Figure 4.6 - Share a Coke	43
Figure 4.7 - Taste the Feeling	46
Figure 5.1 - Age and Gender of Respondents	54
Figure 5.2 - Level of Education	55
Figure 5.3 - Preference for Coca-Cola	56
Figure 5.4 - Consuming Coca-Cola	57
Figure 5.5 - Focus when Purchasing Beverages	59
Figure 5.6 - Knowledge of Cola Brands (supported)	60
Figure 5.7 - Association with Coca-Cola	62
Figure 5.8 - Assessment of the aim of the three campaigns	64
Figure 0.1 – Example Bus Station 1 Figure 0.2 - Example Bus Station 2	74
Figure 0.3 – Example Humboldt Box	74
Figure 0.4 –Taste The Feeling Color Usage 1	75
Figure 0.5 - Taste The Feeling Color Usage 2	75
Figure 0.6 - Taste The Feeling Color Usage 3	75
Figure 0.7 - Family Status	86
Figure 0.8 - Employment Status	86
Figure 0.9 - Consuming Coca-Cola according to Gender	87
Figure 0.10 - Knowledge of Cola Brands (unsupported)	87
Figure 0.11 - Brand Likability	88
Figure 0.12 - Criteria that makes Coke Strong	88

Figure 0.13 - Knowledge of Coke Campaigns	89
Figure 0.14 - Preference of Campaigns	89
Figure 0.15 - Most Successful Campaign	90
Figure 0.16 - Situation Analysis	90

# List of Tables

Table 3.1 - Selected Values of Coca-Cola	33
Table 5.1 - Preference for Coke in various situations	65
Table 6.1 - Results of Recognized Values	69

# List of Abbreviations

BFF Best Friends Forever

bn. billion

CEO Chief Executive Officer

cf confer (meaning: compare with)

et.al. et alii (lat.), and others

etc. et cetera ("and so on")

Ibid. Ibidem (lat.), in the same place

lat. Latein

p. Page

pp. Pages

1 Introduction | 1

## 1 Introduction

"A brand is a promise. A good promise is a promise kept."

Muhtar Kent, 2016

## 1.1 Motivation

"Make it Real", "The Coke Side of Life" and the song "Wonderful Dreams" performed by Melanie Thornton are things which make us think of Coca-Cola. With the use of activating processes in its brand communication, Coca-Cola reaches people all over the world. Consequently, the company stands not only for a soft drink, but is instead a brand.

The Coca-Cola Company has a market cap of \$192.8 billion today, and is the world's fourth most valuable brand. In addition, Coca-Cola is number one in the beverage industry and one of the world's most recognizable brands, with more than 500 varied beverage brands. The company has won various prices for its excellent advertising. In 2009, Coca-Cola won the Emmy for an Outstanding Commercial, as well as two Pencils for design and advertising. Once again, The Coca-Cola Company performed as one of the three Best Global Brands in 2016, according to the annual report from brand consultancy firm Interbrand 4

Furthermore, the company sells not only the main products such as Coca-Cola, Fanta and Sprite, but also drinks like water, juices, energy and sports drinks, as well as coffee and teas to go. <sup>5</sup> However, the most important question that arises is: how did Coca-Cola manage to grow from its modest roots as a home brewery to the international, powerful and influential soft drink company that it is today?

Nowadays there are various types of beverages for the customer to choose from. There is an aisle in the grocery store just for carbonated beverages, and then another aisle for water, juices, energy drinks and tea. Customers have over a hundred different choices to make, and several different brands to choose from.

<sup>2</sup>cf. Food Drink & Franchise (2013); World of Coca-Cola (2016)

<sup>&</sup>lt;sup>1</sup> cf. Forbes (2016)

<sup>&</sup>lt;sup>3</sup> cf. Diaz, A.-C. (2009)

<sup>&</sup>lt;sup>4</sup> cf. Interbrand (2016)

<sup>&</sup>lt;sup>5</sup> cf. Coca-Cola Journey - Produktinformationen (2016)

1 Introduction | 2

Most of these options are also around the same price point, and thus the customer chooses their favorite. Therefore, according to Aaker and Wood, the loyalty to a brand or the background of a company is critical to a customer.<sup>6</sup>

Consequently, an image can generate a positive or negative influence. An example was the campaign of the "Pepsi Refresh Project" that showed how strong the brand Coca-Cola is and positive memories and impressions influence the choice of the consumer. This project included a blind taste test in which people had to decide which brand they preferred. This should have been easy for every Coke consumer, but it was not. The test showed that tasters always preferred Pepsi, which additionally demonstrates how similar the tastes of variouos colas are and how successful Coca-Cola's marketing strategy is. Hence, this marketing survey increased Pepsi's brand awareness, which strengthened the market value of PepsiCo as well as its position amongst the competition. For The Coca-Cola Company, this was just another challenge to regain lost market share and consumers.

There are many major aspects of how powerful Coca-Cola truly is and how massive its influence is in the market and the population all around the world. One of the most important facts showing how impressive this brand's development has been is that the logo is known by 94% of the world's population.<sup>8</sup> Therefore, the brand is the second most understood expression in the world, right after the word "okay". <sup>9</sup>

Another significant and not always recognizable influence of Coca-Cola is the look of Santa Claus. The old man with the white bushy beard and big belly, wearing the red and white colors of Coca-Cola, was a creation of the American artist Haddon Sundblom in 1931. In 1809, Santa Claus was either a leprechaun or had a deep wide-brimmed hat, large knee-length pants and a long pipe. Either way, every Santa brings Christmas presents, happiness and love. Sunblom's painting stories of Santa Claus in times of war and peace not only increased and emphasized the importance of Santa Claus in Christmas celebrations from year to year, but also bear witness to a time that was constantly changing.

<sup>&</sup>lt;sup>6</sup> cf. Aaker, D. (2010, p. 21); Wood, L. (2000, pp. 664)

<sup>&</sup>lt;sup>7</sup> cf. Trommsdorff, V. (2009, p. 77) <sup>8</sup> cf. Coca-Cola Journey - Career (2016)

<sup>&</sup>lt;sup>9</sup> cf. Business Insider (2016)

<sup>&</sup>lt;sup>10</sup> cf. Journey Redaktion – Stories (2013)

Introduction | 3

From then on, the new Santa Claus represented the spirit of the winter holiday season: joy, generosity and togetherness. 11 From this example, it can be explained that Coca-Cola not only has an immense influence on the economy and the beverage industry, but also manipulates the opinion of the population all over the world. This argumentation is based on the Santa Clause example, where his characteristic Coca-Cola look is known by the most of the population.

One major challenge Coca-Cola must face is the decline of worldwide sales in the soft drink branch. Since the last years, the demand of soft drinks decreased and consumers are going for natural products with a healthy functionality. <sup>12</sup> As a result, there is no space for new customers. Therefore, to ensure the continued growth of Coca-Cola, the company must steal market shares from its competitor Pepsi or its other rivals. The main reason for the decline of soft drinks is mainly due to the population's shift to a healthier lifestyle.

#### 1.2 Purpose

The purpose of this thesis is to show the importance and usage of the role of activating processes in brand communication, as well as their impact on the consumer's attitude. On the basis of various campaigns of The Coca-Cola Company along with an empirical survey, these activating processes are analyzed.

The thesis begins with the current state of research on terms such as the prevailing approach to consumer behavior and psychological determinants of consumer behavior with a closer look at the activating and cognitive processes, as well as the role of activating processes in advertising. This information is supported and presented through the use of specialist literature.

The next step is a concrete and practically-oriented representation, along with an analysis of the design of Coca-Cola's different campaigns, focusing on activating processes. For the empirical part, a qualitative method of evaluation is used. On the basis of selected features of the activating processes, the campaigning strategies of the campaigns are summarized and evaluated.

 <sup>11</sup> cf. Conversation Staff (2012)
 12 cf. Eickmeier, H. (2009, pp. 335); Die Presse (2014)

1 Introduction | 4

# 1.3 Research Questions

In order to investigate the research problem appropriately, using the information from the previous sections, the main research question can be derived:

How does Coca-Cola assert itself against the competition and increase its market share?

To answer this complex research question, the following sub-questions are discussed:

**RQ1**: What kind of activated processes does the company use to attract consumers?

**RQ2**: Are the brand's values recognized and accepted by consumers?

In order to answer the first research question, various campaigns of The Coca-Cola Company from the last decade are investigated. This exploration provides an understanding of the company's usage of activating processes such as emotions and motivations in its advertisements, both to canvass for new customers and to keep existing ones.

The next sub-question is asked in order to uncover the intense impact of the advertising campaigns of The Coca-Cola Company on the consumer. The investigation is carried out by means of an empirical method. To investigate on the basis of scientific proof, a qualitative survey is conducted in this thesis. This illustrates whether the ideals of the company, which are used in its commercials, are recognized by consumers. Thereby, it can be determined how well Coca-Cola has analyzed consumer behavior and how the company influences the consumer's perception towards its brand.

The answers to these questions help to understand how activating processes are used in Coca-Cola's advertisements, and how these processes attract consumers to buy the company's sparkling soft drinks. Additionally, the answers illustrate how a multi-million-dollar brand is able to assert itself against the competition with this method and steadily increase its market share. Hence, with the aid of an analysis of different advertising campaigns as well as a survey, the customer's perception towards Coca-Cola is investigated.

Introduction | 5

#### 1.4 Outline of the Thesis

For the gradual process of answering the research questions, the work is structured as follows: The introduction is divided into motivation, goal guidance, explanation of the research questions, and the structure of the work.

The theoretical section consists of three chapters. Concerning the analysis of the campaigns in Chapter 4, the theoretical background of consumer research needs to be explained. Within this section, the thesis offers a closer look into the prevailing approach to consumer behavior in order to understand the process of psychological determinants within a customer's actions. Furthermore, the different types of purchase decision-making processes are explained in more detail. In the end of the theoretical part, the role of activating processes in advertising will be discussed shortly. The next chapter demonstrates the historical development of The Coca-Cola Company and its culture. In doing so, this chapter shows the growth and strength of a globally known brand through its use of a well-developed marketing concept.

The theoretical background information within the last two chapters is relevant for the analysis of the Coca-Cola campaigns that are presented in Chapter 4. Three different campaigns are introduced. One of them was released in 1993 with the slogan: "Always Coca-Cola". 13 Another campaign was called "Share A Coke", which was launched in Germany during the year 2013. 14 "Taste The Feeling" is the newest catch phrase of The Coca-Cola Company. All these advertisements are analyzed on the basis of the activated processes described in Chapter 2.

The next chapter describes the empirical method used in this thesis. Furthermore, this chapter subsequently presents the empirical data of the qualitative survey, followed by Chapter 5: an analysis of the investigated data. Chapter 6 then completes this thesis, briefly summarizing the key findings and providing an outlook on the possible future trends of Coca-Cola's development.

<sup>&</sup>lt;sup>13</sup> cf. Journey Redaktion (2013) <sup>14</sup> cf. Moye, J. (2015)

## 2 Consumer Research

"[...] marketing and customer orientations are the means to the end of ensuring that an organization survives and thrives [...]"

Belz and Peattie, 2012

# 2.1 Prevailing Approach to Consumer Behavior – SOR Model

The most important behavioral model is the stimulus-organism-response (SOR) paradigm. This model can be distinguished according to the observed and intervening variables. The observable variables are the visible ones, which are recognizable by the stimuli and the response. The Stimuli (S) can be either environmental – for instance economical, technological, social – or it can be influenced by marketing, such as the price, product, distribution etc. According to the paradigm, processes are triggered in the Organism (O) by stimuli, which can evoke or change expectations, attitudes and behavior. These processes are the above-mentioned intervening variables, which are fundamental to investigate and explain consumer behavior. Additionally, the Response (R) of consumer can be directly investigated by their buying behavior, including the chosen brand or the amount of payment, for instance. Nevertheless, the intervening variables are differentiated between two internal psychical processes: activating and cognitive processes (Figure 2.1).

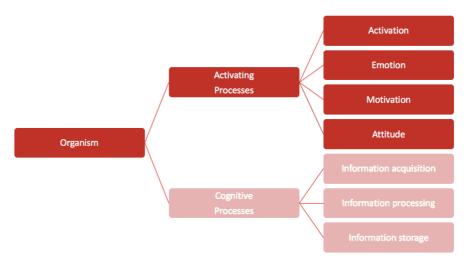


Figure 2.1 - Psychological Determinants of Consumer Behavior<sup>18</sup>

<sup>&</sup>lt;sup>15</sup> cf. Kuß, A., Tomczak, T. (2007, p. 3)

<sup>&</sup>lt;sup>16</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, pp. 29)

<sup>17</sup> Ibid

<sup>&</sup>lt;sup>18</sup> Own illustration based on Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 51); Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, pp. 30)

While activating processes are associated with internal excitements and tensions as well as the impetus of behavior, cognitive processes are those which are responsible for the information acquisition, processing and storage of the individual. Triggered by external or internal stimuli, complex processes occur due to the hardly separable, largely opaque interplay of elementary activating and cognitive processes. In this context, one speaks of complex activating processes when the activation components dominate emotions, motivation and attitudes, and of complex cognitive processes when the cognitive components predominate in perception, decision, learning and memory.

For the advertising area, as well as for buyer behavior, activating processes are relevant to this work and have a greater economic psychological importance. Consequently, these should form the focus of this work. In the further course of this thesis, cognitive processes are only discussed briefly.

# 2.2 Psychological Determinants of Consumer Behavior

## 2.2.1 Activating Processes

In order to understand how an individual feels, thinks and acts in certain situations, an understanding of the processes occurring in a person's behavior is necessary. In the following, an overview of the psychological determinants of consumer behavior is provided. Subsequently, the construct of activation is considered from a psychophysiological viewpoint, and activating processes are described with a delimitation of the concepts of emotion, motivation and attitude.

Activating processes are a combination of several components. These involve processes of internal excitements and tensions which drive the behavior of an individual.<sup>21</sup> The following elements of activating processes cannot be seen one-dimensionally because they are an interdependent construct, as visualized in Figure 2.2.

<sup>&</sup>lt;sup>19</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 51)

<sup>&</sup>lt;sup>20</sup> cf. Kuß, A., Tomczak T. (2007, p. 9)

<sup>&</sup>lt;sup>21</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 55)

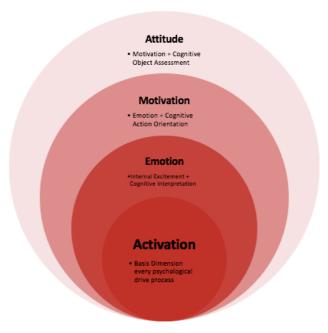


Figure 2.2 - Coherence between the components of activating processes<sup>22</sup>

All three terms – emotion, motivation and attitude – are controlled by the internal driving force of activation. Further, all components build on each other. Thus, motivation includes emotions and attitude implies motivations. Consequently, knowledge of activating processes is necessary for the analysis of the selected advertising campaigns in this work, which are presented in Chapter 4. The understanding as well as the evaluation of the empirical study are outlined in Chapter 5. The evaluation of the empirical study in Chapter 5 also requires the theoretical knowledge about activating processes described in this chapter.

## **Activation**

According to Kuß and Tomczak, activation is characterized by excitation and internal tension.<sup>23</sup> Furthermore, activation can be described as the basic dimension for all human driving processes. It supplies the organism with energy and puts it into a state of willingness to perform.<sup>24</sup> Therefore, activation is the individual's willingness to perform the processes of feeling, thinking and acting. At the same time, the construct is not subject to cognition, but is guided entirely by the subconscious.<sup>25</sup>

<sup>&</sup>lt;sup>22</sup> Own illustration according to Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 37)

<sup>&</sup>lt;sup>23</sup> cf. Kuß, A., Tomczak, T. (2007, p. 82)

<sup>&</sup>lt;sup>24</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, pp. 29); Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 60)

<sup>&</sup>lt;sup>25</sup> cf. Trommsdorff, V. (2009, p. 42)

Activation can occur nonspecifically and specifically. Nonspecific activation is understood as the basic variable that determines the alertness, efficiency and activity level of an individual. Specific activation, on the other hand, is linked to the driving forces of emotions, motivation, attitudes and individual behavior.<sup>26</sup>

There is also a distinction between tonic and phasic activation. Tonic activation is very slowly changeable, and is determined by the daily routine of an individual.<sup>27</sup> In turn, phasic activation refers to short-term changes in the overall activation level. These changes relate to internal and external stimuli, which are used in the marketing activities of companies. These stimuli can determine the consumer's willingness to perform in certain situations.<sup>28</sup>

Activation of an individual can be stimulated by internal and external stimuli. Internal stimuli may include cognitive processes, mental images or metabolic processes.<sup>29</sup> External, activating stimuli, however, are explicitly used in marketing. In order to trigger an activation of the consumer, the objects are perceived by customers via the sensory organs.<sup>30</sup> Three specific triggers are used by companies for this:

- Emotional stimulation is an activation by key stimuli (scheme of childlike characteristics or eroticism) as well as individually meaningful stimuli.<sup>31</sup>
- A physical, intense stimulus is triggered by the activation of provocation, for instance bright colors, loudness or extremely large advertising posters.
- Cognitive stimuli act through novelty. Primarily, however, this stimulus occurs in a surprise effect, for instance if something is unexpected or contradictory for the observer.

<sup>&</sup>lt;sup>26</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 53)

<sup>&</sup>lt;sup>27</sup> cf. Kuß, A., Tomczak, T. (2007, p. 83)

<sup>&</sup>lt;sup>28</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 61); Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 38)

<sup>&</sup>lt;sup>29</sup> cf. Trommsdorff, V. (2009, pp. 42)

<sup>&</sup>lt;sup>30</sup> cf. Kuß, A., Tomczak, T. (2007, pp. 83)

<sup>&</sup>lt;sup>31</sup> According to Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. this stimuli is also called "affective". (2009, p. 80)

In order to describe the direct effect between activation and the performance of an individual, the *Inverted U-Hypothesis* is often represented (Figure 2.3).

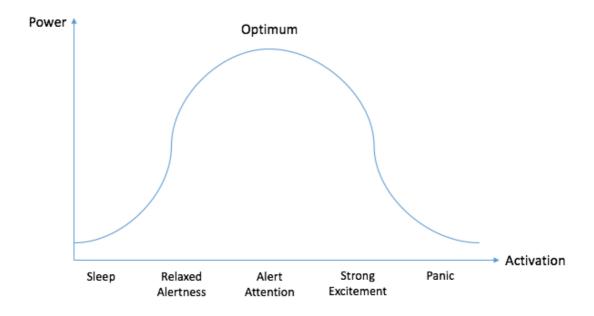


Figure 2.3 – Inverted U-Hypothesis<sup>32</sup>

The Inverted U-Hypothesis states that an individual must have a minimum degree of activation, since this is the only way to trigger the psychological processes in an individual.<sup>33</sup> The size of this minimum increases constantly to a normal dimension. If the optimum phase of alert attention is exceeded, performance drops, despite the increasing activation. This can even lead to panic. This phase is often referred to and described as "*overactivation*". However, each organism has a different degree of activation level. Knowing this information, companies focus on the optimum and, to a certain extent, on overactivation, in order to address a broad mass of consumers. Consequently, this paradigm shows only that activation can stimulate or inhibit the efficiency of a consumer's performance.

<sup>&</sup>lt;sup>32</sup> Own illustration according to Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 85); Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 38)

<sup>&</sup>lt;sup>33</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 54, 84)

<sup>&</sup>lt;sup>34</sup> cf. Kuß, A., Tomczak, T. (2007, pp. 82)

<sup>&</sup>lt;sup>35</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 39)

#### **Emotion**

Emotions and feelings are often used as synonyms in the German language. 36 Nevertheless, according to Trommsdorff, both terms can be distinguished as follows: Feelings are consciously experienced by an individual, while emotions are perceived only to a limited extent. In addition, Tromsdorff rewrites emotions as a transient, not regularly reversing, interpreted act of activation.<sup>37</sup> As a result, an individual must have a certain intensity of interest in an event so that feelings arise. At the same time, the event is evaluated within the person as to whether it can promote or threaten the desired condition of the person.<sup>38</sup>

Feelings can function as a driving force and influence human behavior in many ways. The message function, on the other hand, functions as messages which convey the meaning of signals. This function is directed inwards. Furthermore, feelings can also have a communicative function. They determine the physical expressions of an individual and, through facial expressions or gestures, show the current feelings.<sup>39</sup>

In addition, this work addresses the most frequent definition of emotions in the literature. The authors Krober-Riel, Weinberg and Gröppel-Klein define emotions as an inner excitement that can be perceived consciously or unconsciously, as well as pleasantly or unpleasantly by an individual. 40 As mentioned before, internal excitations comprise activation, but these internal excitations are triggered by external stimuli such as images or melodies, or internal neuronal processes. 41 The researchers Zimbardo and Gerring add some extended factors. They found out that more factors play a role in the development of emotions: 42

- Positive and negative alignment of excitation
- Intensity of inner excitation
- Subjective experience of the individual person

<sup>&</sup>lt;sup>36</sup> cf. Bänsch, A. (2002, p. 12)

of. Banker, Pr. (2002, p. 12)

7 cf. Trommsdorff, V. (2009, p. 47)

8 cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 105)

<sup>&</sup>lt;sup>39</sup> cf. Trommsdorff, V. (2009, p. 61)

<sup>40</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 100)

<sup>&</sup>lt;sup>41</sup> cf. Trommsdorff, V. (2009, p. 59)

<sup>&</sup>lt;sup>42</sup> cf. Zimbardo, P., Gerring, R. (1999, p. 359)

Due to weak and unconscious emotions which shape the behavior of consumers, companies try to create an emotional, adventurous experience with the help of advertising. <sup>43</sup> The goal is to achieve an *emotional product differentiation*. With this strategy, a company tries to separate its own product from the other products of its competitors in a saturated market. <sup>44</sup> Through targeted product design, advertising and the like, an emotional consumer experience can be built up to the buyer. These feelings, which the customer associates with the product, affect attitude and behavior. <sup>45</sup> According to Foscht, Swoboda and Schramm-Klein, only a few cognitive processes take place during the process of emotions. As a result, classical conditioning is a widespread strategy to intensify the bond between a brand and the customer. <sup>46</sup>

According to Izard, there are ten cross-cultural and biologically innate *fundamental emotions* such as sadness, anger, joy, shame or fear. When an individual reaches adulthood, their fundamental emotions can change through cultural-socialization and adaptation to the environment. As a result, other emotions arise from one or more overlaps of the base emotions. These overlaps are called secondary emotions. Finally, emotions can be characterized by the following dimensions: 51

- a) excitation, which is the intensity of the activation
- b) direction in which emotions are felt, either positively (pleasant) or negatively (unpleasant)
- c) quality, meaning what experience is perceived by the consumer
- d) awareness of how consciously or unconsciously the individual feels the emotions

Thus, emotions form the basis for human behavior, are an essential part of human identity, and together with the cognitive components, determine the motivation and attitudes of a consumer.<sup>52</sup>

<sup>&</sup>lt;sup>43</sup> cf. Trommsdorff, V. (2009, p. 59)

<sup>&</sup>lt;sup>44</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 50)

<sup>&</sup>lt;sup>45</sup> cf. Trommsdorff, V. (2009, p. 48)

<sup>46</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 151)

<sup>&</sup>lt;sup>47</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 48)

<sup>&</sup>lt;sup>48</sup> Further basis emotions are interest, surprise, contempt, grief and guilt.

<sup>&</sup>lt;sup>49</sup> cf. Trommsdorff, V. (2009, p. 61)

<sup>&</sup>lt;sup>50</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 109)

<sup>&</sup>lt;sup>51</sup> cf. Trommsdorff, V. (2009, p. 59)

<sup>&</sup>lt;sup>52</sup> cf. Trommsdorff, V. (2009, p. 62); Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 156)

#### **Motivation**

To find out what motivates the consumer to purchase a specific product, this section explains the element of motivation in activating processes.

According to Kroeber-Riel, Weinberg and Gröppel-Klein, motivation can be described as a complex, human and goal-oriented driving force with a large cognitive control, which tries to eliminate the perceived defect state.<sup>53</sup> Therefore, compared to emotions, motivation contains an additional cognitive process: action orientation.<sup>54</sup> For a particular strength or direction of activation, this component of activating processes is characterized by an action or behavior of the individual.<sup>55</sup> Thus, motivation is not only a source of energy, but can also be viewed as a control mechanism.<sup>56</sup> In order to trigger an emotion with the buyer, it is necessary to buy more than just the company's product.

With regard to the definition, further definitions of related terms need to be explained. On the one hand, instincts are frequently associated with motivation. Instincts are a reaction to basic human needs. These are congenital, biologically preprogrammed, physiological deficiency states which aim to be eliminated.<sup>57</sup> Incentives, on the other hand, describe the influence of the environment. They influence the behavior of the individual in such a way that the satisfaction of basic needs is ignored.<sup>58</sup>

Together with the term emotions, needs can be attributed to motivation.<sup>59</sup> In order to further delineate definitions, the individual words are defined beforehand. A motive characterizes the individual's readiness for specific behavior, and can be subdivided into primary and secondary motives.<sup>60</sup> Primary motives are the basis of all human needs. They are physical, innate impulses, and can, for example, provoke thirst, hunger and fatigue.<sup>61</sup> Secondary motives are motives acquired during the course of socialization, as well as the needs which are developed by the primary motives and which serve direct or indirect satisfaction.<sup>62</sup>

<sup>&</sup>lt;sup>53</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 168)

<sup>&</sup>lt;sup>54</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 55)

<sup>&</sup>lt;sup>55</sup> cf. Kuß, A., Tomczak, T. (2007, p. 44); Trommsdorff, V. (2009, p. 32)

<sup>&</sup>lt;sup>56</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 55)

<sup>&</sup>lt;sup>57</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 169)

<sup>&</sup>lt;sup>58</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 55)

<sup>&</sup>lt;sup>59</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 168)

<sup>&</sup>lt;sup>60</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 55)

<sup>&</sup>lt;sup>61</sup> cf. Trommsdorff, V. (2009, p. 111)

<sup>62</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 169)

The expression of needs arises from so-called motive triggers.<sup>63</sup> As soon as an individual feels a deficiency state, he or she does not necessarily have to be goal-oriented. Only through subjective feeling does the quality of a motive develop.<sup>64</sup> Thus, the term motivation can be used as an expression for the description of a persistent, latent disposition of a person, and thereby determine his or her behavior.<sup>65</sup> These dispositions can be distinguished as affective (uncontrolled and emotionally controlled) and cognitive (goal-oriented and rational) motives.<sup>66</sup>

Thus, unfulfilled needs presuppose the initial situation for motivation. To understand the different needs, these were classified by Abraham Maslow in 1943.<sup>67</sup> To this day, the most well-known theory is used in the literature: the hierarchy of needs (Figure 2.4).

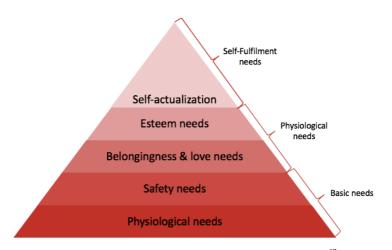


Figure 2.4 - Hierarchy of Needs according to Maslow<sup>68</sup>

The theory states that a need has a behavioral force in an individual until it is satisfied. Starting with the most basic needs, the next stage of the hierarchy of needs can only be achieved if satisfaction is secured at the lower level.<sup>69</sup> Human needs are hierarchically arranged from the most urgent to the most vulnerable, starting with physiological needs, safety needs, belongingness and love needs, esteem needs and the highest level of the hierarchy: self-actualization.<sup>70</sup> In other words, the most basic needs must first be satisfied.

<sup>63</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 55)

<sup>64</sup> cf. Kuß, A., Tomczak, T. (2007, p. 44)

<sup>65</sup> cf. Trommsdorff, V. (2009, p. 108)

<sup>&</sup>lt;sup>66</sup> cf. Trommsdorff, V. (2009, p. 33)

<sup>&</sup>lt;sup>67</sup> cf. Kuß, A., Tomczak, T. (2007, pp. 44)

<sup>&</sup>lt;sup>68</sup> Own illustration according to Maslow, cited in Blackwell, R. D. Miniard, P. W. Engel, J.F. (2006, p. 311)

<sup>&</sup>lt;sup>69</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 57)

<sup>&</sup>lt;sup>70</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 170)

Only then does the individual strive for the next level of the hierarchy. This upgrading is passed until the last stage, when individual self-actualization is reached. This level is also often interpreted as happiness.

#### **Attitude**

The construct of attitude can be described when motivation is associated with a cognitive object judgment. Attitude characterizes the subjectively perceived suitability of an object which aims at the satisfaction of a particular motivation.<sup>71</sup> In spite of the cognitive approach, the authors Kroeber-Riel, Weinberg and Gröppel-Klein recommend the attribution of attitudes to activating processes, since they are mainly characterized by the emotional attitude towards the object.<sup>72</sup>

For several years the concept of attitude has been investigated with great interest. Many different definitions have been created for this purpose. One significant descriptions of the term "attitude" was defined by Petty, Unnava and Strathman in 1991 as follows:

"global and relatively enduring (i.e. stored in the long-term memory) evaluations of objects, issues or persons [...] These evaluations can be based on behavioral, cognitive, and affective information and experiences, and they are capable of guiding behavioral, cognitive and affective responses."

This definition clarifies a close link between attitude and behavior. The authors explain that attitudes are based on experience and information processing. In addition, attitudes are often unconsciously learned and have a stable, long-term character.<sup>74</sup> Thus, an attitude is the knowledge that a consumer has about a product and its characteristics. This leads to an assessment of the product, which in turn is linked to the values and needs of the individual.<sup>75</sup>

<sup>&</sup>lt;sup>71</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 69)

<sup>&</sup>lt;sup>72</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 212, 215)

<sup>&</sup>lt;sup>73</sup> Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 211)

<sup>&</sup>lt;sup>74</sup> cf. Solomon, M. R. (2015, pp. 323)

<sup>&</sup>lt;sup>75</sup> cf. Kuß, A., Tomczak, T. (2007, pp. 49)

In order to achieve a change in consumer attitudes, companies use brand communication.<sup>76</sup> As a result, purchase attitude and attitude changes are close to each other because the existing setting dimensions are expanded by new dimensions.<sup>77</sup>

The term "image" is often equated with attitude in the literature and in market research.<sup>78</sup> This equivalence is supported by the similar features of the two concepts. As an additional fact, the measurement of an image is based on the method of attitude measurement.<sup>79</sup>

A further noteworthy definition is from the researcher Trommsdorff, who describes attitude as an inner approach, responsiveness, and the behavior in a particular situation regarding an object.<sup>80</sup> Building on the above definition, Trommsdorff integrates another important variable: the situational component.<sup>81</sup> Thus, attitudes are recalled when certain situations occur, and this helps the individual to simplify his or her behavior in certain situations.<sup>82</sup>

An influential multiattribute model which results from the above definitions is the ABC model of attitudes. The theory of reasoned action is often used to predict or influence consumer behavior, and includes the following components:<sup>83</sup>

- o affect component "feeling" subjective estimation
- o behavior component "acting" behavior tendency
- o cognition component "thinking" item evaluation

The assumption of the theory of reasoned action states that attitude is shaped by the affective and cognitive components and acts directly on the behavioral component.<sup>84</sup> These influence the action of an individual. Consequently, the attitude is influenced to a new one, everytime a consumer is acting.<sup>85</sup>

<sup>76</sup> cf. Trommsdorff, V. (2009, p. 33)
77 cf. Trommsdorff, V. (2009, p. 268)
78 cf. Trommsdorff, V. (2009, p. 33)
79 cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 210)
80 cf. Trommsdorff, V. (2009, p. 146)
81 cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 211)
82 cf. Trommsdorff, V. (2009, p. 146)
83 cf. Solomon, M. R. (2015, p. 324)
84 cf. Kuß, A., Tomczak, T. (2007, pp. 50)
85 cf. Trommsdorff, V. (2009, p. 151)

There are other approaches that explain the relationship between attitudes and behavior. These are not further described in this thesis, however, since they are irrelevant for the answer to the research questions.

Nonetheless, this hypothesis is a purely cognitive view of the decision-making process of individuals, and disregards a few disturbing factors between the three components. 86 On the one hand, an individual can have a positive attitude to several products. Due to the easy interchangeability of many products nowadays, the customer often has a variety of alternatives to choose from. But the customer will only be able to take advantage of the products which are associated with a positive attitude. 87 Which of the many products is connected to a positive attitude for the consumer, depends on individual preferences.<sup>88</sup> Furthermore, there are situational disturbance factors, which can be characterized as disturbing environmental factors during the purchase situation. These unplanned perceptions can be, for instance, a special sale of a product or discounts that will be included in the purchase decision. In addition, availability is important in the decision-making process about a product, because if the preferred product is no longer available then the less preferred brand is bought.<sup>89</sup> Another disturbing factor can be the individual's economic restrictions. In this case, an individual may have a positive attitude towards the product, but the financial requirements are missing. In this sense, luxury goods are a primary example that can be listed. 90 Expectations and values of the individual reference groups, for example family, colleagues or friends, or social norms, are the social influences that can influence the decision-making process of a consumer.<sup>91</sup>

This section illustrates the importance of companies' understanding of consumer attitudes. In this regard, the forecasts of consumer behavior are relevant, as are their influence. This knowledge is used by companies to examine marketing strategies, to clarify the market's ability to absorb information, to develop communication channels and to define sales-specific objectives. <sup>93</sup>

<sup>86</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 214)

<sup>&</sup>lt;sup>87</sup> cf. Kuß, A., Tomczak, T. (2007, p. 54)

<sup>88</sup> cf. Trommsdorff, V. (2009, p. 146)

<sup>89</sup> cf. Kuß, A., Tomczak, T. (2007, p. 55)

<sup>90</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 218)

<sup>91</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 70)

<sup>&</sup>lt;sup>92</sup> cf. Kuß, A., Tomczak, T. (2007, p. 52)

<sup>&</sup>lt;sup>93</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 210); Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 73, 85)

## 2.2.2 Cognitive Processes

Nowadays, each company faces the challenge of information overload through technological change and the development of the Internet and mobile electronic devices in the market. Due to this information overload, customers are only able to perceive limited information. The concomitant stimulus overflows leads to a short period of attention for consumers as well. <sup>94</sup> If an advertisement has managed to capture the attention of a consumer, the information can be stored in the long term. <sup>95</sup>

In the previous section, activating processes were explained in detail. These processes drive the individual and provide an active response to action. Cognitive processes, on the other hand, can be described as complex and conceptual processes which result from interaction with activating processes. These can directly affect behavior as well as internal processes. Furthermore, cognitive processes characterize the occurrence of information processing processes. <sup>97</sup>

In order to explain the elementary cognitive processes of human information processing, the multi-store model of memory is often utilized in the literature on consumer research.<sup>98</sup>

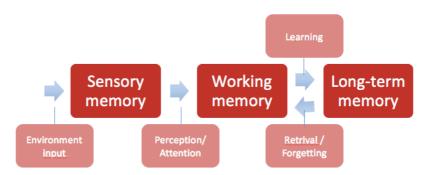


Figure 2.5 – Multi-Store Model of Memory<sup>99</sup>

In this multi-store model of memory, the individual perceives stimuli from the environment by means of the sensory organs. The impressions enter the sensory memory (information acquisition). This memory has a very low capacity and can only hold the impressions for a short moment (<0.1 seconds).<sup>100</sup>

<sup>94</sup> cf. Krober-Riel, W., Esch, F.-R. (2015, p. 20)

<sup>95</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 88)

<sup>96</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 54)

<sup>97</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 85)

<sup>98</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 274)

<sup>&</sup>lt;sup>99</sup> Own illustration according to Kuß, A., Tomczak, T. (2007, p. 30)

<sup>&</sup>lt;sup>100</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 61)

But if the stimuli are of particular interest to the buyer, they are perceived and then enter the working memory (information processing). As soon as the recording of information has been completed, the processing follows. The stimuli are processed, interpreted and converted into information. Again, there is only a limited capacity to process this information. The processing takes place in conjunction with the existing knowledge from long-term storage. Afterwards, some of the information in the working memory is transported to the long-term memory and be stored in that place (information storage). The saved information is not removed, but it can be difficult for the consumer to retrieve this information after some time. For this reason, information must be constantly updated. This can take place through different learning processes, which are explained in more detail in the section on information storage.

## **Information acquisition**

The human sensory organs have only limited efficiency. In order to protect themselves from overstimulation, a person does not perceive all the information from the environment, especially that which does not affect him in the form of products or product advertising.

The selectivity of perception ensures that only stimuli that are appropriate for the needs of the individual are received and processed. Furthermore, the boundaries between individual distribution channels and sources of information for consumers are becoming more and more blurred. Therefore, the buyer hardly distinguishes between different sources of information any longer. The significance of experiences and fulfillment of expectations, which are associated with the company's achievements, are therefore all the more important for consumers. <sup>106</sup>

This partial process of the cognitive processes encompasses all processes up to the assumption of the stimulus or information into the short-term memory.<sup>107</sup> Information is collected by an individual from the environment (external information recording) or retrieved from the memory (internal information recording).

<sup>&</sup>lt;sup>101</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 62)

<sup>102</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 51)

<sup>&</sup>lt;sup>103</sup> cf. Kuß, A., Tomczak, T. (2007. p. 33)

<sup>&</sup>lt;sup>104</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 62)

<sup>&</sup>lt;sup>105</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 88)

<sup>&</sup>lt;sup>106</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 93)

<sup>&</sup>lt;sup>107</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 299)

Furthermore, such information can be acquired unintentionally or recorded by an active search.<sup>108</sup> This section deals with external information acquisition. Internal information acquisition is briefly discussed later on in connection with information storage.

External information can be provided by stimuli, the habitual and everyday life rhythm, or according to personal interests and preferences. The main focus of stimulus acquisition is related above all to external impressions of visual information, which are frequently used by companies for advertising. As a result, if an external stimulus is applied to a consumer, the basic consideration of Foscht, Swoboda and Schramm-Klein is that this kind of information is only received by the consumer if it offers the prospect of a reward and thus promises a higher benefit for the buyer. All further information is only used successively and according to the potential benefit to the consumer. 111

Further information involves the consciously controlled, active and targeted search for information which, in contrast to external recording, serves to prepare the purchase decision. In general, information acquisition depends on different determinants: subjective perceived meaning of purchase and purchase risk, attitude to shopping, complexity of product, urgency of decision and involvement of the buyer. The subjectively perceived risk, however, can be reduced by the routine choice of brand or products. In the case of a higher purchase risk, an intensive search for information is also carried out. Therefore, the perceived risk influences the expression of the information acquisition and information search.

<sup>108</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 299)

<sup>&</sup>lt;sup>109</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 62)

<sup>&</sup>lt;sup>110</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 320)

cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 94)

<sup>&</sup>lt;sup>112</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 62)

<sup>&</sup>lt;sup>113</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 94)

<sup>&</sup>lt;sup>114</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 62)

<sup>115</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 305)

# Information processing

After the information and stimulus acquisition, the impressions filtered by the sensory memory are delivered to the working memory. In this sub-process of cognitive processes, information is processed. The stimuli are decrypted and transformed into information. Thus, the acquired stimuli receive an information content, and the individual can match, understand and evaluate the information based on existing experiences and information by accessing the long-term memory.

As previously mentioned, activating processes influence cognitive processes. If the attention <sup>119</sup> of an individual exists, the intensity of the attention determines the perception. This means that only the senses relevant to the viewer consciously perceive different sensory impressions. <sup>120</sup> As a result, scientists describe this sub-process as perception. <sup>121</sup> Perception is explained by Kuss and Tomczak as a process of interpreting sensory stimuli in a meaningful way for an individual, which allows him to develop an idea of the environment. <sup>122</sup> The perception process involves a process that is not only complex, but also subjective, selective and active. <sup>123</sup>

Thus, three main features characterize the perception process: 124

- Subjectivity (past experiences, evaluations, cognitive abilities)
- Selectivity (restriction of information processing)

<sup>126</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 92)

• Activity (active interpretation and selection of stimuli)

Perception is a decoding of stimuli and the further mental processing up to the assessment of the perceived object. <sup>125</sup> Thus, perception is of great importance for marketing activities, since it forms a central filter of purchasing behavior. <sup>126</sup>

<sup>&</sup>lt;sup>116</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 89)
<sup>117</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 320)
<sup>118</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, pp. 99, 101)
<sup>119</sup> Attention is the momentary orientation of information processing a consumer to a stimulus and arises through an increased activation. (cf. Kuß, A., Tomczak, T. (2007, p. 32))
<sup>120</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 100)
<sup>121</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 63)
<sup>122</sup> cf. Kuß, A., Tomczak, T. (2007, p. 29)
<sup>123</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 100);
cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 64)
<sup>124</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 321)
<sup>125</sup> cf. Kuß, A., Tomczak, T. (2007, p. 31)

As a result, it is important for a company to place indicating elements in its advertisements in a targeted manner. Only in this way can the advertisement capture the attention of the viewer. 127

Due to the limited ability of information acquisition of the consumer, it is important that the elements in an advertisement address the different senses in order to convey information. 128 In the design of advertising, a company must address the needs of consumers and create emotions in them (this varies according to the intensity of the involvement of a consumer). Consequently, an advertisement should always appeal to certain stimuli, because only those generate attention, are consciously perceived and can be further processed efficiently. 129 In doing so, the focus should be on the stimuli that correspond to the needs and wishes of the customers. Unpleasant stimuli are avoided and perceived badly.130

Consumers can order and rank products by using the available product information. <sup>131</sup> This product evaluation is influenced by current and stored information. On the one hand, the perception of products and product evaluation can be influenced by product performance. 132

It is not a question of whether the information from the company is objectively correct, since the consumer uses a simplified decision-making process. This means the buyer only notices some essential information, the so-called key information. This can be used to replace other information, and thus the price or brand names will be used as a key information.<sup>133</sup>

Furthermore, product environment information is also used to influence product assessment and the perception of a stimulus. <sup>134</sup> This stimulus field develops in supply situations, or in those which have no direct connection with the product presentation. 135

<sup>&</sup>lt;sup>127</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 104)

<sup>&</sup>lt;sup>128</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 320)

<sup>&</sup>lt;sup>129</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, pp. 104)

<sup>130</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 324)

<sup>&</sup>lt;sup>131</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 64)

<sup>&</sup>lt;sup>132</sup> Ibid. p. 65

<sup>&</sup>lt;sup>133</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 332)

<sup>&</sup>lt;sup>134</sup> Ibid. p. 329

<sup>&</sup>lt;sup>135</sup> Ibid. p. 336

On the one hand, the change in perceptions can be caused by a companion during the purchase, and this influence is an independent component of the product presentation. On the other hand, out of a perceived offer situation of the respective product presentation (layout, salesperson), an interpretation aid can arise. <sup>136</sup>

Another aspect that affects the perception of consumers is *product knowledge*. Product knowledge can be described as stored schema.<sup>137</sup> Information that matches a particular brand scheme or product scheme can be processed faster by retrieving reminders and experiences from the long-term memory, thus facilitating product evaluation.<sup>138</sup>

After product evaluation, the consumer decides to buy or not to buy the product. There are different types of decision-making which are influenced by the degree of involvement and cognitive control. Thus, decisions can be made with cognitive control that ranges from weak to strong. These differences, which exist in cognitive control, also apply to involvement. However, this thesis does not address the various possibilities for decision-making since these are irrelevant for answering the research questions.

## **Information storage**

Knowledge plays an important role in information storage. This is due to the fact that knowledge is information about certain facts and patterns, which is stored in the memory. Consumer knowledge, on the other hand, can be defined as a subset of the information stored in the memory that is relevant to the purchase of products. Plackwell, Miniard and Engel refer to four types of consumer knowledge:

<sup>&</sup>lt;sup>136</sup> cf. Blackwell, R. D. Miniard, P. W. Engel, J. F. (2006, p. 87)

<sup>&</sup>lt;sup>137</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 341)

<sup>&</sup>lt;sup>138</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 106)

<sup>&</sup>lt;sup>139</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 69)

<sup>&</sup>lt;sup>140</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 113)

<sup>&</sup>lt;sup>141</sup> cf. Blackwell, R. D. Miniard, P. W. Engel, J. F. (2006, pp. 332)

<sup>&</sup>lt;sup>142</sup> Ibid. p. 334, 346, 350, 351

- Product Knowledge: recall, recognition
- Purchase Knowledge: image of products and brands, knowledge of physical characteristics, performance characteristics and price of products
- Persuasion Knowledge: purchasing sources for products, purchasing time, special offers etc.
- Consumption and Usage Knowledge: purpose and use of products

In science, a distinction is made between declaratory and procedural knowledge.<sup>143</sup> Declaratory knowledge refers to circumstances, facts, events or objects. This knowledge is perceived through stimuli such as picture elements, patterns or simply the preferences of consumers.<sup>144</sup> Procedural knowledge, on the other hand, is based on declaratory knowledge.<sup>145</sup> This knowledge can be described as action knowledge, and is therefore more difficult for a company to influence with the help of advertising.<sup>146</sup> Consequently, procedural knowledge can arise through different learning processes.<sup>147</sup> These learning processes are of great importance, especially in the case of purchase decisions with low cognitive control and low involvement.<sup>148</sup>

In addition, existing knowledge plays a key role in learning. According to Foscht, Swoboda and Schramm-Klein, the learning of new knowledge is only possible if it can be related to the knowledge already stored. The concept of learning is described in consumer research as a persistent behavioral change based on experience or observations. This explanation explains that learning serves an informational and behavioral function. The informational function includes the storage of environmental contexts, as well as the consequences of their own acting on the environment. The behavioral function, however, is used to adapt the individual's behavior to the circumstances.

<sup>143</sup> cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 71)
144 cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 113);
145 kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 227)
146 cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 71)
147 cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 113)
148 lbid. p. 114
149 lbid. p. 112
150 cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 364);
151 cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 70)
152 cf. Behrens, G. (1991, p. 231)

As a result, information storage is not only important for the consumer because of the learning process, but also to keep and retrieve the information in the long term in order to react appropriately to the environment. For this reason, repetitions of advertising messages are important. In this regard, for the consumer, the information acquired during the first learning process not only provides support for the storage of information, but also counteracts its loss. 154

# 2.3 Role of Activating Processes in Advertising

With regard to the rising spread of products and brands, as well as the approximation of product qualities, consumers are experiencing a stimulus overload. For this reason, it is essential for a company to use the most important activation techniques in brand policy and, above all, in communication. These communicative measures are becoming increasingly important for the differentiation of products and brands from those of the competition.

Using the activation elements presented in Section 2.2.1, a company can succeed in shaping its brand by establishing long-term and associative communication in the consumer's mind through targeted communication.<sup>157</sup> It is necessary to recognize the associations and motivation factors of the target group in order to match the advertising accordingly.

Activation techniques cannot arouse the consumer from passivity, but instead focus the consumer's attention on the important information in the advertising (brand name, product category etc.), and thus influence the information processing process and information storage. <sup>158</sup>

<sup>&</sup>lt;sup>153</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 118)

<sup>154</sup> Ibid. p. 118

<sup>&</sup>lt;sup>155</sup> cf. Kroeber-Riel, W., Esch F.-R. (2015, p. 20)

<sup>&</sup>lt;sup>156</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 43)

<sup>157</sup> Ibid. p. 31

<sup>&</sup>lt;sup>158</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 96); A more detailed explanation of the processes can be found in chapter 2.2.2 "Cognitive Processes".

The involvement of the customer plays an important role in the use of activating stimuli in marketing. Involvement is the level of perceived personal importance or interest established by a specific stimulus. It describes an internal participation or the commitment of a customer. In the case of large involvement (high involvement), targeted activation of attention is less necessary. The reason for this is the long-term and intensive examination of the decision of a customer. In lower the involvement of the consumer (low involvement), the more important strong targeted activation is. Above all, in today's world, many low-involvement situations emerge, which are caused by information overload. Consequently, it is up to the company itself to increase the attention of passive consumers through targeted activation techniques.

It is scientifically proven that decisions are not made without emotions and feelings.<sup>164</sup> Thus, the behavior of the consumer is influenced more by emotional impression than by rational assessment.<sup>165</sup> As a result, the emotion activation element plays an important role for the company, because it can be created by specific external stimuli.<sup>166</sup> Especially in times of saturated markets and the technical and functional homogeneity of many products, the emotionalization of products and services offers an opportunity to differentiate from the competition and sustainably anchor the images associated with the brand to the customer.<sup>167</sup>

The motivation of consumers should also be taken into account in marketing and advertising. Many consumers aspire for prestige and tend to invest more money in products – for instance in clothing, cars and exotic goods – to gain a higher social status. <sup>168</sup> Similarly, recognizing the needs of consumers is key to attention. These needs are closely linked to emotions.

<sup>159</sup> cf. Blackwell, R. D. Miniard, P. W. Engel, J. F. (2006, p. 93)
160 cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 94)
161 Ibid. p. 636
162 cf. Kroeber-Riel, W., Esch F.-R. (2015, p. 259)
163 cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 93)
164 cf. Kroeber-Riel, W., Esch F.-R. (2015, pp. 58)
165 Ibid. p. 58
166 cf. Esch, F.-R., Herrmann, A., Sattler, H. (2013, p. 266)
167 cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 31)
168 Ibid p. 62

Thus, advertisements address the different feelings of an individual, such as anxiety, appreciation and sexual arousal, or basic needs like hunger or thirst, to gain the attention of the consumer. As a result, the challenge for marketing activities is to recognize these essential needs and to activate and stimulate them by means of consumer-oriented performance. <sup>169</sup>

Ultimately, behavior is influenced by the interaction between the emotional approach and the rational assessment of the inner approach (attitude). <sup>170</sup> In the end, attitude plays a further important role in the behavior of the consumer, and it is therefore essential for companies to influence this through advertising campaigns. Consumers' knowledge about objects and their properties is the basis for the buyer assessments. These assessments combine with needs a particular setting. <sup>171</sup> The result is not only the attitude towards an object, but also tendencies regarding a purchase or a non-purchase. <sup>172</sup> Consequently, it is important for companies to strengthen the positive attitude or change the negative attitude of a consumer. The attitudes of the individual are also important for moods; a positive mood triggers a better assessment of the object, and a more positive attitude and behavior consequently arise. <sup>173</sup>

If activation techniques are relinquished in the advertisements of companies, the company needs to invest more of its budget in repetition. Only then can the same effect be achieved in the consumer as with strong activation in an advertisement.<sup>174</sup>

<sup>&</sup>lt;sup>169</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 63)

<sup>&</sup>lt;sup>170</sup> cf. Kroeber-Riel, W., Esch F.-R. (2015, p. 59); The activation element attitude is explained in more detail in section 2.2.1.

<sup>&</sup>lt;sup>171</sup> Ibid. p. 59

<sup>&</sup>lt;sup>172</sup> Ibid. pp. 59

<sup>&</sup>lt;sup>173</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 54)

<sup>&</sup>lt;sup>174</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 639)

# 3 The Coca-Cola Company

"Innovation starts and ends with the consumer."

Muhtar Kent, 2016

## 3.1 Historical Background of The Coca-Cola Company

The Coca-Cola Company is an American society specialized in non-alcoholic beverages. Coca-Cola exists for more than 130 years. Created in 1886 by the pharmacist John Pemberton, Coke was first a kind of medicine to relieve tiredness and headaches. The medicine was launched after lingeing experiments called "French Wine Coca". The name is based on the Bordeaux wine and the extracts of the coca plant. Frank Robinson, the bookkeeper of John Pemberton, named the mixture Coca-Cola and wrote the name in his distinctive script. To this day, the name Coca-Cola is written the same way. In 1886 only nine glasses of the soda drink were sold per day, at a price of 5 cents.



Figure 3.1 - Advertising of Candler in 1889 <sup>180</sup>

Two years after introducing the beverage, Asa Candler became the first president of Coca-Cola and transformed the invention into a business. Candler had brilliant and innovative ideas to sell this product to the people. Coca-Cola published its product features in a daily newspaper, which are still the same today: "Delicious! Refreshing! Exhilarating! Invigorating!".

<sup>&</sup>lt;sup>175</sup> cf. Coca-Cola Journey (2016); Coca-Cola Journey - Unternehmen (2016)

<sup>&</sup>lt;sup>176</sup> cf. Biermann, D. (2011)

Until the year 1906 the Coca-Cola even contained cocaine, after which the cocaine was replaced for legal reasons. (cf. Biermann, D. (2011))

<sup>178</sup> cf. The Coca-Cola Company (2011, p. 3)

<sup>&</sup>lt;sup>179</sup> cf. Horowitz, A. (2011)

<sup>&</sup>lt;sup>180</sup> cf. Minguez, K. (2014)

<sup>&</sup>lt;sup>181</sup> cf. The Coca-Cola Company (2011, pp. 3)

<sup>&</sup>lt;sup>182</sup> Journey Redaktion (2013)

Candler also distributed coupons and gave other pharmacies watches and calendars with the Coca-Cola logo. Candler decided on a very aggressive marketing strategy, because people were confronted with the logo Coca-Cola everywhere. To make the brand even more unique and stand out from other products, a drinkable bottle was designed for the non-alcoholic beverage. The distinctive shape has persisted to the present day, and has ensured that the Coca-Cola brand has an attractive appearance and an original design to the point that every consumer could identify the glass bottle of the brand even in the dark. 184

The advertising approach changed when the brand's popularity increased. It was no longer necessary to explain the product, and from then on the message was simple: "Drink Coca-Cola". The minimized slogans quickly became the hallmark of Coca-Cola advertising. In addition to advertisements and posters, Coca-Cola's large-scale display boards were also an immense success in all states in the US. Enormous advertisements with the characteristic lettering could be seen in many large cities. Since the end of the Second World War, Coke was an American symbol for everyone. Especially during this time, Coca-Cola represented fun and a carefree America.

In the beginning there was Coca-Cola, a single core product, geographically located in the US. Over time, this single core product established itself in its home market. A few years later, Coca-Cola was sent off into foreign markets and competed at the international level. New market segments and countries were explored. <sup>187</sup> In order to remain successful in the market, Coca-Cola developed new products like Fanta in the 1950s, Sprite during the 1960s, and Diet Coke twenty years after introducing Sprite. These three goods also became core products of the Coca-Cola Company over time. <sup>188</sup> It became a brand that reflected fun, friends and good times. <sup>189</sup>

cf. The Coca-Cola Company (2011, p. 4)

<sup>184</sup> cf. The Coca-Cola Company (2011, p. 8)

<sup>&</sup>lt;sup>185</sup> cf. Journey Redaktion (2013)

<sup>186</sup> Ibid.

<sup>&</sup>lt;sup>187</sup> cf. Journey Staff - History (2016); The Coca-Cola Company (2012)

<sup>188</sup> cf. Journey Staff - Our Story (2016)

<sup>189</sup> cf. Journey Staff (2012)

Originally Coca-Cola's business was defined as one operating in the carbonated soft drinks (CSD) market, but in the beginning of the 1980s, Coca-Cola went through some changes and struggles. In 1985, the company first officially changed its recipe to recover the lost customers from its competitor Pepsi. However, the so-called "New Coke" was not accepted well on the global market. Due to massive protests, the company reverted to the old recipe after only three months. Therefore, the company recalled New Coke and launched the original Coke again as "Coca-Cola Classic". Many people then speculated that Coca-Cola was afraid of being pushed out of the competition as number one in soft drinks by its biggest competitor: Pepsi-Cola. 192

Today, Coca-Cola is firmly anchored in German society; 99% of all nationally sold Coca-Cola products are produced locally. Nearly 95% of production facilities are located in Germany. Numerous locations of Coca-Cola's European Partners Deutschland GmbH cover the needs of restaurants and trade all over Germany. One thing has remained the same: the secret recipe of Coca-Cola, which rests safely in a safe in Atlanta. It is identical throughout the world and has not changed since the beginning. <sup>193</sup>

## 3.2 Culture of Coca-Cola

The German carbonated soft drink market has gradually languished in recent years, according to data published by the online research platform Statista. There are several reasons for this development. One of the most common reason for consumers is the negative health effects that result from the soft drink. Additionally, more and more competitors are appearing on the beverage market who produce health-oriented drinks, since the consumers have become health-conscious. Another challenge that Coca-Cola needs to overcome is the environmental impact problem of transportation and packaging. To handle all the various threats, the company needed to make a change in its business culture and thinking. Therefore, the Coca-Cola Company went through some distinct alterations.

<sup>&</sup>lt;sup>190</sup> cf. Gorman, R., Gould, S. (2015)

of. Gorman, Ta, 1911 of. Biermann, D. (2011)

<sup>&</sup>lt;sup>192</sup> cf. Biermann, D. (2011)

<sup>&</sup>lt;sup>193</sup> cf. Coca-Cola Journey Unternehmen (2016)

<sup>&</sup>lt;sup>194</sup> cf. Statista (2016, p.11)

<sup>&</sup>lt;sup>195</sup> cf. Walsh, J. (2011)

Everything started with the exchange of the Chief Executive Officer (CEO) of Coca-Cola. The change goes back to the year of 2008, when Muhtar Kent became the new CEO of the company. <sup>196</sup> His intention was to lead the sparkling drink firm back to its roots. <sup>197</sup> By focusing on more than just the core products, Coca-Cola decided to expand in the beverage market. The company decided to focus on selling not only diet and low-sugar drinks, but also water, tea and coffee. The new market segment gave Coca-Cola the opportunity to spread its presence in the growing market. <sup>198</sup>

Nevertheless, Coca-Cola's international performance is successful due to effectively doing things right and efficiently doing the right thing. Through new technology and focusing on advertising, Coca-Cola perfected its refreshments as a beverage and has achieved an impressive geographic presence. In fact, the Coca-Cola Company operates in more than 200 countries.<sup>199</sup> Consumers can buy the sparkling drink almost everywhere in the world, excluding only the countries North Korea and Cuba.<sup>200</sup>

Every organization has not only a structure, but also a culture. The word "culture" describes the typical way an organization does things: how it behaves in its surrounding environment and how it distinguishes itself from other companies. The brand of Coca-Cola should inspire passion and creativity, and produce optimism and fun.<sup>201</sup>

## Vision

The vision of the Coca-Cola Company is to use its assets (brands, financial strength, distribution system etc.) to achieve long-term sustainable growth. Even if there are many challenges to overcome, such as declining sales, Coca-Cola does not give up and still tries to improve its growth by creating numerous and ever-changing advertising slogans. The most famous slogans of the brand are: "Open Happiness" (2009, USA), "Life begins here" (2011, USA) and "Share a Coke" (2013, Germany).

<sup>&</sup>lt;sup>196</sup> cf. Bryan, B. (2016)

<sup>&</sup>lt;sup>197</sup> cf. Coca-Cola Journey – Innovation (2016)

<sup>&</sup>lt;sup>198</sup> cf. Walsh, J. (2011)

<sup>&</sup>lt;sup>199</sup> cf. Business Profile (2010)

<sup>&</sup>lt;sup>200</sup> cf. Coca-Cola Journey (2016)

<sup>&</sup>lt;sup>201</sup> cf. The Coca-Cola Company – Our Company (2011)

<sup>&</sup>lt;sup>202</sup> cf. Journey Redaktion (2016)

For Coca-Cola, the support of its employees is as important as the company itself. The reason for this attitude is that if the employees have a good work-life balance, they will be motivated to give their best and to support the company.

On the one hand, Coca-Cola would like to expand its portfolio of high-quality drink brands in order to meet the needs and wishes of the people even more. On the other hand, profits should also be secured in the long term and sales should rise again. For this, a highly effective, lean and fast-paced organization is needed, which the new CEO of Coca-Cola (Muhtar Kent) would like to build up in the coming years.<sup>203</sup> Another important reason is the protection of the environment, which Coca-Cola wants to achieve through the reduction of packaging, increased efficiency of transport and saving of water in the production of syrup, the basis of soft drinks.<sup>204</sup>

## Mission

The mission of the company is "To refresh the world", "To inspire moments of optimism and happiness" and "To create value and make a difference". 205 Coca-Cola wants to bring refreshment, value, joy and fun to customers, so that they will experience the happiness and lightness of Coca-Cola. The company's advertising misleads the consumer to not think about the ingredients; they just simply enjoy life with a sip of Coca-Cola. These slogans illustrate how deeply Coca-Cola wants to satisfy customers' needs.

The vision of 2020 is to show how much Coca-Cola really cares about its consumers, based on improving the communication system. The company wants to give its customers the chance to be part of the Coca-Cola family and its brand. This is the first sign of how the Coca-Cola Company will achieve its goals.

 $<sup>^{203}</sup>$  cf. Coca-Cola Journey (2013) Ibid.

<sup>&</sup>lt;sup>205</sup> Ibid.

## **Values**

The values of Coca-Cola are the signposts, which reflect the decisions and behavior of the large company outward into the world. Both on the German and the American websites, the Coca-Cola Company is dedicated to shaping a better future with the help of the management. This is to be done in various areas and with the help of partners. The company wants to take responsibility for the environment. In order to realize this value, innovations are sought, designed and created in order to protect the environment during packaging and transportation of beverages. Additionally, production is taking care to use less water during the brewing process of the syrup and use sustainable sources of energy.<sup>206</sup>

All this is implemented without reducing the quality of the product, because this is the most important value for Coca-Cola: quality. When the soft drink is served ice cold, the taste is unique and quenches thirst, but also creates an energetic feeling of refreshment.<sup>207</sup>

Taking care of the needs of the customer is also an important keynote which Coca-Cola has integrated into its corporate philosophy.<sup>208</sup> Only through constant curiosity can a company recognize the requirements in the market.

Only with passion, optimism, creativity, sociability and fun approach to life can Coca-Cola remain true to its original values. In this thesis, the following values have been selected and used for the practical part, the survey in Section 5.4. These values describe the company Coca-Cola as best as possible:

## Values of Coca-Cola

Enjoyment of Life	Quality
Fresh	Authentic
Innovative	Sustainability
Creativity	Taste

Table 3.1 - Selected Values of Coca-Cola<sup>209</sup>

<sup>&</sup>lt;sup>206</sup> cf. Coca-Cola Journey – Mission und Werte (2016); Walsh, J. (2011)

<sup>&</sup>lt;sup>207</sup> cf. Walsh, J. (2011)

<sup>&</sup>lt;sup>208</sup> cf. Coca-Cola Journey – Mission und Werte (2016)

<sup>&</sup>lt;sup>209</sup> Own selection of values according to the company values on the Coca-Cola website.

# Campaigns of Coca-Cola

"Change the environment and you change how people perceive everthing else." Philip Gravis, 2011

# **Introducing Three Different Campaigns**

Coca-Cola always creates true classics with its advertising. Slogans, jingles, campaigns, earworms – Coca-Cola has developed many of them, and has always been on the heels of time and sometimes even ahead. The classic brand has been known for over 130 years – "Drink Coca-Cola" – and today encourages millions of people around the world to "Open Happiness" every day.

At an early stage, the company used social statements that were respected everywhere. It also can be said that Coca-Cola has had an influence on the historical development of advertising. 210 Honored with various awards over several years, the campaigns of Coca-Cola are among the most effective commercials worldwide. 211 To achieve and maintain this status, Coca-Cola invests billions of dollars annually in its advertising strategies.<sup>212</sup>

Over the years, the advertisements have reflected not only the Coca-Cola brand, but also the various time stamps. However, in every campaign throughout the decades the most important trademark is conveyed: the feeling of life, which the consumers feel when they consume the sparkling drink.

This thesis analyzes whether this feeling of life can be effectively generated by the various Coca-Cola campaigns towards the customer, doing so on the basis of three different campaigns. For this purpose, the theoretical foundations of consumer research that have previously been described are used for the analysis.

The following three campaigns from Coca-Cola were selected to allow specific and different time stages to be included in the evaluation. The title of the first campaign is "Always Coca-Cola", which originated in the early 1990s.

cf. Coca-Cola Journey – Unternehmen (2016)
 cf. An example of this statement, gives the year (2013) - Coca-Cola Journey (2013)
 cf. Business Insider (2016)

This advertisement was broadcast until the beginning of the century. The second campaign arose shortly after the change of the CEO, and responded to the younger target group. The third campaign, "Taste The Feeling", speaks primarily of Generation Z: The Millennials. The results of the analysis flow into the conclusion, in order to be able to create a better recommendation.

# **Always Coca-Cola**



Figure 4.1 - Advertising of "Always Coca-Cola" in 1993 213

This marketing campaign is probably the best known ever. It all began in the early 1990s. Germany was set in motion by the fall of the Berlin Wall, and faced new challenges. In these times of change, Coca-Cola decided for the first time to make independent changes in advertising. The company opted for an emotional advertising strategy to conquer the new market.<sup>214</sup>

The campaign began in 1993, when the company decided to go with the progress of technology. Computer-animated polar bears were designed, which became a trademark of the company through a permanent presence over several years.<sup>215</sup> A total of 27 advertising spots with the trademark were developed and designed with humor, music and Shake-speare parodies. This diversity of advertisements allowed the company to appeal to a broader range of consumers.<sup>216</sup> Nevertheless, the advertising with the polar bears in the North Pole and the Northern Lights in particular was the most successful. In this connection, the main focus was on the relationship between Coca-Cola and the polar bear, as well as the enjoyment of the Coke flavor and the refreshment that the drink offers.<sup>217</sup>

<sup>&</sup>lt;sup>213</sup> cf. Coca-Cola Commercial (2014)

<sup>&</sup>lt;sup>214</sup> cf. Journey Redaktion (2013)

<sup>&</sup>lt;sup>215</sup> cf. Horowitz, A. (2011)

<sup>&</sup>lt;sup>216</sup> Ibid.

<sup>&</sup>lt;sup>217</sup> cf. Mooney, P. (2009)

## Share A Coke



Figure 4.2 - Advertising of "Share A Coke" in 2014 218

When the company noticed that it had lost its focus, Coca-Cola began looking for new marketing campaigns.<sup>219</sup>

Thus, a test drive of the campaign "Share a Coke" started in Australia in 2011-2012, which was probably the most creative and consumer-friendly Coca-Cola advertising ever launched.<sup>220</sup> Due to the positive feedback, the campaign was launched shortly afterwards in more than 80 countries, including the USA and Germany.<sup>221</sup> David Turner, a partner of the company, explained that Coca-Cola had lost its core values and had to return to them.<sup>222</sup> This realization was promptly implemented creatively and in refreshing ways. Among other things, the campaign "Share A Coke" was created.

Coca-Cola decided to link the logo with 250 of the most common names of the 21st century. Throughout the campaign, the company personalized its own bottles and cans, so that every consumer could buy a Coca-Cola for special occasions such as Mother's Day, Father's Day, weddings, birthdays or simply to surprise a best friend or girlfriend. Thus, Coca-Cola created special events and stories for each individual who bought a bottle. Many customers published and shared these private moments on the Internet. If a customer's name was not available on the bottle, it was possible for the customer to make a request on the company's website or via an internet platform and design their own Coke label. 225

<sup>&</sup>lt;sup>218</sup> cf. Lunapark (2010); Minguez, K. (2014); Logopedia (2016)

<sup>&</sup>lt;sup>219</sup> cf. Schultz, E. J. (2016)

<sup>&</sup>lt;sup>220</sup> cf. Hegemann, L. (2014)

<sup>&</sup>lt;sup>221</sup> cf. Moye, J. (2015)

<sup>&</sup>lt;sup>222</sup> cf. D&AD (2009)

<sup>&</sup>lt;sup>223</sup> cf. Tadena, N. (2014)

<sup>&</sup>lt;sup>224</sup> cf. Moye, J. (2015)

<sup>&</sup>lt;sup>225</sup> cf. Tarver, E. (2015)

Due to the individual design of the Coca-Cola bottles, in the summer of 2015 an additional 353,000 bottles of the sparkling beverage were sold online. 226

"Share A Coke" quickly became one of the most successful marketing campaigns of Coca-Cola. Due to the success of the campaign and its launch in many other countries, additional sales were generated. "Share A Coke" was so creative that in 2012 it was awarded seven prizes at the Cannes Lions Festival.<sup>227</sup>

The aim of this campaign was to address a younger target group. This can be seen in the data analysis of the mentions on the Internet of the word "Coca-Cola" or the phrase "Share A Coke". According to the Wall Street Journal, the "Share A Coke" campaign generated more than 125,000 social media posts in the summer of 2015. This number shows how companies can create remarkable digital campaigns when they are creative and consumer-friendly.

## **Taste The Feeling**



Figure 4.3 - Advertising of "Taste The Feeling" in 2016 229

The new slogan of Coca-Cola is the continuation of a success story, which is unique in advertising. With this campaign, Coca-Cola seeks to go back to the original core values and create a global and creative "One Brand" strategy.<sup>230</sup> The slogan "Taste The Feeling" relates to the enjoyment of life, spontaneity and the simplicity of the moments in each person's life.

<sup>&</sup>lt;sup>226</sup> cf. Tadena, N. (2014)

<sup>&</sup>lt;sup>227</sup> cf. Moye, J. (2014)

<sup>&</sup>lt;sup>228</sup> cf. Hepburn, M. (2014)

<sup>&</sup>lt;sup>229</sup> cf. Moye, J. (2016b)

<sup>&</sup>lt;sup>230</sup> cf. Brandtner, M. (2016)

It addresses functional as well as emotional aspects to reflect the experiences in which Coca-Cola is consumed. Coke is in the commercials at the center of normal moments, such as a first kiss or ice skating with friends. Thus, the company succeeds to connect with consumers all over the world through universal stories and everyday moments.<sup>231</sup>

Before the introduction of the "One-Brand" strategy, the various products of Coca-Cola - such as Coca-Cola Zero, Coca-Cola Light and Coca-Cola Life - had their own advertising. However, this branding should change with the new campaign. "Taste The Feeling" is supposed to promote all Coca-Cola varieties in the same way. The focus is therefore no longer just on the brand, but on the product.<sup>232</sup> Marcos de Quinto is the Chief Marketing Officer of Coca-Cola. At a media event in Paris, he stated that all the different Coke variants "share the same values and visual iconography. People want their Coca-Cola in different ways, but whichever one they want, they want a Coca-Cola brand with great taste and refreshment."233

Thus, the One Brand strategy aims to unite a marketing personality in order to attract more consumers to the soft drink segment. As a result, this means an end for separate campaigns for the variants Coca-Cola Life, Diet Coke and Co. In this regard, the company tries to emphasize the features and advantages of the product.<sup>234</sup>



**Figure 4.4 - Can Design of 2016** 236

Not only has the advertising changed with the new slogan at Coca-Cola, but the design of the products has shifted as well. Significant changes can be seen in the European market. The upper half of the can is now only defined with the color red, and the different colors on the bottom represent varieties of Coca-

Cola: Coca-Cola, Coke Zero, Coca-Cola Light and Coca-Cola Zero Zero. 235

<sup>&</sup>lt;sup>231</sup> cf. Coca-Cola Hellenic Bottling Company (2016) <sup>232</sup> cf. Schultz, E. J. (2016)

<sup>&</sup>lt;sup>233</sup> Moye, J. (2016a)

<sup>&</sup>lt;sup>234</sup> cf. Coca-Cola Hellenic Bottling Company (2016)

<sup>&</sup>lt;sup>235</sup> cf. Schultz, E. J. (2016)

<sup>&</sup>lt;sup>236</sup> Ibid.

## 4.2 Analysis of the Intention of the Campaigns

Three different Coca-Cola campaigns from the past 25 years have been presented. These were carefully selected to outline the development of Coca-Cola's advertising strategies. For the analysis of the individual campaigns, the theoretical foundations of the activating processes from Section 2.2.1 are applied.

An advertisement should always produce an efficient activation in the customer. Based on this, emotions are another factor in maintaining the consumer's attention. The fundamental emotions are primarily used in advertising. These emotions form the basis for the motivation to buy a product. All these pre-eminent elements of an activating process affect an individual's attitude towards a product or brand.

## **Always Coca-Cola**

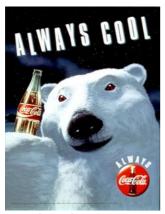


Figure 4.5 – Always Coca-Cola <sup>237</sup>

With its marketing strategies, Coca-Cola is one of the most powerful companies in the world. The marketing campaigns of Coca-Cola are characterized by creativity and a cosmopolitan attitude. This is also reflected in the "Always Coca-Cola" campaign. Figure 4.5 on the left was chosen as the basis of this campaign analysis. This image was also used in the survey.

## **Activation**

The basis for all human drive processes is activation. By using different stimuli, a company can trigger an activation in the targeted consumer. Using a polar bear as an advertising figure for a campaign is an extraordinary strategy choice by Coca-Cola. Never before has Coca-Cola used any living being other than humans in its campaigns. The polar bear is usually seen as a wild and aggressive creature. With its friendly smile, good-natured eyes and the toast, Coca-Cola manages to depict the animal as adorable and tame. The activation in this campaign is stimulated by the human features of the polar bear.

<sup>&</sup>lt;sup>237</sup> cf. Journey Redaktion (2016)

This selected motive is well received by respondents from all age groups. <sup>238</sup> In addition to the polar bears, the Northern Lights are an important part of the Coca-Cola campaign. On the motif background the consumer sees the natural spectacle of the Northern Lights. These represent something extraordinary, because polar lights are electrometeoric luminous phenomena which appear in the sky primarily in the extreme north of the earth. Unfortunately, this process lasts only a short time. <sup>239</sup> Due to this fact, this natural spectacle is impressive. Coca-Cola put the two rare components together in perfect harmony: the polar bear, which is rarely found in the wild, and the rare polar lights, which people can only enjoy for a short time. Thus, the company seeks to visualize that this exact wonderful feeling can be produced by consuming the Coca-Cola beverage.

When looking at the motif, it becomes clear that Coca-Cola uses a purposeful color selection. Colors are important indicators for influencing purchase decisions. Through the dark night sky in the background and the bright white polar bear, a strict contrast develops. The polar bear with its friendly, human features and Coca-Cola bottle therefore comes to the foreground. Furthermore, the colors are refined and draw attention, especially because colors arouse associations and emotions in every individual. The white color covers two-thirds of the total motif. In psychology, white is connected with clean-liness and truth. The use of this color is positively perceived by customers, and is associated with innocence and perfection. Thus, the company presents itself with its product as trustworthy and honest. The whiteness of the white also has the property of radiating coolness. This attribute applies to product use as well: a Coca-Cola is best enjoyed cold. In addition, the color of the background reflects trustworthiness.

With the shade of blue, the customer is given the impression of trustworthiness, seriousness and practicality.<sup>245</sup> The blue tone is almost so dark that some consumers might perceive it as black. But the color black can also be perceived as factual, strong and modern.<sup>246</sup> This dark background is perfect for the white slogan "Always Cool".

<sup>&</sup>lt;sup>238</sup> cf. Appendix 3 – Results of the survey - Figure 0.14

<sup>&</sup>lt;sup>239</sup> cf. Vulkane.net (2016)

<sup>&</sup>lt;sup>240</sup> cf. Graack, C. (2015)

<sup>&</sup>lt;sup>241</sup> cf. GründerSzene (2015)

<sup>&</sup>lt;sup>242</sup> cf. Graack, C. (2015)

<sup>&</sup>lt;sup>243</sup> cf. Imoos, F. (2009, p. 53)

<sup>&</sup>lt;sup>244</sup> cf. Bohn, J. (2009)

<sup>&</sup>lt;sup>245</sup> cf. Nufer, G., Wenk. V. (2017, p. 4)

<sup>&</sup>lt;sup>246</sup> cf. Graack, C. (2015)

At this point, the color combination of white and dark blue stands for noble and modern products, and symbolizes strength and stability.<sup>247</sup> By minimizing the colors in the advertisement, the bottle with the brown soda drink and red Coca-Cola logo comes into focus.

The brown hue represents both the external appearance of the cola beverage as well as warmth, enjoyment and security. It can continue to radiate a sociable and cozy atmosphere, thus supporting the welcoming gesture of the polar bear to enjoy a Coca-Cola.<sup>248</sup>

On the white coat of the polar bear, the red of the company logo appears particularly prominent. Thus, this color combination can cause an activation of the intensely physical stimuli in the viewer. In addition to the signal effect, the color also represents warmth, joy of life and passion.<sup>249</sup> On closer inspection, it can be seen that the hue was used specifically for the polar bear. In the eyes of the bear, the viewer can perceive a reddish glow. This gives the animal a cordiality and warmth, and makes him feel tame and friendly. Furthermore, it is assumed in science that red has an appetizing effect on the buyer, which creates a great advantage in influencing buyer behavior.<sup>250</sup>

During the observation of the motif, it can be noted that only a few color shades are used. The advertisement mainly uses the colors of the red and white company logo, and is supported by effective, discreet colors. The color combination of the company logo, which was already chosen in 1886, indirectly influences the perception of the consumer in two ways: first when buying, and then when remembering the brand.<sup>251</sup>

This advertising campaign can still be found today in different and important key points in cities. 252 By different sizes of posters, the consumers are influenced permanent and sometimes by a physically intense stimulus. Therefore, this advertising strategy can lead to influence the buyer behavior.

<sup>&</sup>lt;sup>247</sup> cf. Graack, C. (2015) <sup>248</sup> cf. Ibid.

<sup>&</sup>lt;sup>249</sup> cf. Imoos, F. (2009, p. 29)

<sup>&</sup>lt;sup>250</sup> cf. Imoos, F. (2009, p. 53); Graack, C. (2015)

<sup>&</sup>lt;sup>251</sup> cf. Nufer, G., Wenk. V. (2017, p. 3, 16)

<sup>&</sup>lt;sup>252</sup> cf. Appendix 1 - Campaigns

For the perception of this advertising campaign, the company also paid attention to the effect of cognitive stimuli. In 1993, computer technology was only somewhat developed. The Internet and the World Wide Web were still relatively new, and animations in advertising were a rarity, but became more and more popular at this time. <sup>253</sup>

## **Emotion**

The aim of Coca-Cola was probably to create an emotional product differentiation with this campaign. Product differentiation creates an emotional consumer experience for the buyer. In advertising "Always Coca-Cola", the excitement of the fundamental emotion "joy" is generated. The animation figure radiates satisfaction by drinking a bottle of Coca-Cola. Thus, it shows consumers that a Coca-Cola can make them happy and satisfied.

Another primary emotion addressed by this campaign is that of "surprise". This feeling is triggered by a traditional product suddenly appearing in a new and unusual advertising design. This effect not only inspires existing customers, but also attracts new ones.

#### **Motivation**

Motivation causes a person to buy a particular product. This part of activating processes is influenced by emotions and activation. As previously analyzed, the motif causes certain feelings among the consumer. Here the hierarchy of needs by Abraham Maslow can be used to analyze motivation. On the one hand, the belonging and love needs are activated. This is evident from the gesture of the polar bear. It can be assumed that he wants to invite the customer to drink a Coca-Cola. Therefore, this advertising encourages the consumer to buy a Coke and enjoy it with their friends. It also motivates others to spend time with each other and to invite them to have a Coke.

In addition, this campaign indirectly addresses the needs of self-actualization: the consumer should feel the cola as a reward, and should feel comfortable. The product should give the feeling of taking a break from everyday life and simply enjoying life with a Coca-Cola. Due to a subjectively perceived attitude, the empirical part of this work is discussed in more detail later.<sup>254</sup>

<sup>&</sup>lt;sup>253</sup> cf. Vincent, T. (2013)

<sup>&</sup>lt;sup>254</sup> cf. chapter 5.3 - Data Analysis and Results

#### Lessons learned

This campaign has been one of Coca-Cola's most innovative commercials to this day. The step of combining the natural spectacle of the Northern Lights and the polar bears with animation had great long-term success. The decision of the company to join new technology with the company's own creative ideas was original. According to the survey results, this campaign left a lasting impression among respondents.<sup>255</sup> This classic Coke campaign is an example that companies should try out new things in order to market their own products effectively.

#### **Share A Coke**



Figure 4.6 - Share a Coke <sup>256</sup>

In order to increase the sales of Coca-Cola, a new advertising campaign was launched from 2011 onwards. In this campaign, the consumer is addressed directly with the help of individually designed name inscriptions on the Coke bottles.

#### **Activation**

The campaign design of "Share A Coke" was kept very discreet. An emotional stimulus is hardly present. As before in the campaign "Always Coca-Cola", the color combination emerges from the product again. The brand colors, which have existed since the company's establishment, are deliberately chosen. The coloring can lead to activation in consumers. The white background of "Share A Coke" is once again an important basis. The whiteness of white is perceived by individuals as clean, pure and positive.<sup>257</sup>

In addition, this color also creates an important foundation for presenting the new slogan of Coca-Cola and the beverage in a noticeable manner.

The color black is only used within the slogan. This color selection is again based on the chosen strategy and derives from the brand logo. Black not only looks intense on a white background, but it is also perceived by consumers as noble, functional and modern.<sup>258</sup>

<sup>&</sup>lt;sup>255</sup> cf. chapter 5.4 - Data Analysis and Results. Around 70 per cent could remember this advertising campaign.

<sup>&</sup>lt;sup>256</sup> cf. Savvy, A. (2013)

<sup>&</sup>lt;sup>257</sup> cf. Graack, C. (2015)

<sup>&</sup>lt;sup>258</sup> cf. Graack, C. (2015)

As a second striking color, the traditional red of Coca-Cola was used in the "Share a Coke" campaign. The color red is again used not only on the typical bottle label in the advertisement, but also in the advertising slogan. Alongside the noble black and the discreet white, the color red is perceived directly by the consumer.

The colors chosen in this campaign are notable for their effective combination of colors, because Coca-Cola has once again matched the colors. The chosen combination reflects the company logo. Through this conscious color selection, the customer is influenced indirectly in terms of perception and buying behavior.

Furthermore, Coca-Cola uses for this campaign once again a permanent indirect influence of the consumer perception by different sizes of posters on key point in various cities.<sup>259</sup>

In "Share a Coke", the company has hardly used the cognitive stimulus. The most surprising thing about this motif is the individuality, which is reflected in the bottle labels by persons' first names. The customer's own name, instead of the company logo on the bottles, is perceived cognitively as a surprise. As an alternative to first names, customers were also able to design drinks individually with nicknames such as "Beast", "Star" or "BFF". This innovative concept created an additional, individual touch for consumers. Thus, the consumer felt directly connected to the product due to his own name. According to the results of the survey, this led consumers to buy a Coke. <sup>260</sup>

#### **Emotion**

Personalization of products are no longer just a fashion phenomenon in the 21st century but allows customers a unique and individual way of lifestyle. Consumers attach great importance to self-expression, individual storytelling, and attachment to friends.<sup>261</sup> The "Share a Coke" campaign addresses all of these parameters while also promoting the image of the company Coca-Cola. Consequently, the intention of Coca-Cola was to create an emotional product differentiation with this advertisement.

 <sup>259</sup> cf. Appendix 1 – Campaigns - Figure 0.3
 260 cf. Appendix 3 – Results of the survey - Figure 0.15

<sup>&</sup>lt;sup>261</sup> cf. Halepete, J. (2006, p. 17)

However, the fundamental emotions were not addressed, as in the "Always Coca-Cola" campaign, but primarily secondary emotions instead. These arise through cultural socialization and are the result of the mixing of primary emotions.

Coca-Cola wanted to strengthen not only individuality, but also the bonds between people themselves. This communication strategy initiated the consumer's idea of making another person happy. Thus, people around the world not only felt like individuals, but also strengthened their attachment to others.

The clinking of glasses with another person can be found in almost every culture around the world. 262 Thus, this campaign speaks to people around the world not only through their individuality, but also through the gesture with the bottles. This gesture was already common in the 15th century. At that time, however, the rulers lived in constant fear of being poisoned. Therefore, it was customary first to clink glasses with one's own court counselor. He was responsible for the drinks at the princely courts. Hence, he could taste the wine first. If the drink was in order, the wine was drunk by everyone along with music. 263 This feeling of familiarity and intimacy when clinking glasses has remained to this day. Furthermore, the two bottles in the advertisement could embody the pleasure of consuming drinks together and enjoying the moment with someone.

#### **Motivation**

The "Share a Coke" campaign is a great call-to-action phrase. This slogan encourages consumers to drink a Coca-Cola together with other people. Furthermore, consumers were asked to share their personal Coca-Cola stories online on social networks. The slogan is catchy and easy to remember, and calls for action. In addition, the title not only conveys the call to buy the drink, but also to share with others, giving joy and spending time with them.

<sup>&</sup>lt;sup>262</sup> cf. Kindt, M. (2003) <sup>263</sup> Ibid.

## Lessons learned

For the advertising campaigns of companies, it is increasingly important to address consumers at the individual level. In summary, it can be said that the advertising campaign was perceived by the consumers not through their activating processes and visual stimuli, but through the digital campaign structure. Through this consideration and the integration of social and digital media, this advertising campaign from Coca-Cola became one of the world's most prominent on the Internet. 264 By directly appealing to individual consumers, this campaign was highly successful. With the lack of the brand name and the replacement with the buyer's first names, consumer perception was stimulated.

## **Taste The Feeling**



Figure 4.7 - Taste the Feeling <sup>265</sup>

Based on the market-changing processes of conscious healthy eating habits among consumers, Coca-Cola must adapt its product portfolio appropriately. Accordingly, its own brands should not be further diversified. In the advertising campaign analyzed below, different products from the Coca-Cola product range are presented simultaneously.

#### Activation

The "Taste the Feeling" campaign is intended to tell universal stories and to put the product in the foreground. Both the functional as well as the emotional aspects of the Coca-Cola experience are reflected here. As in campaigns before, the company also takes special care in "Taste The Feeling" to reflect the brand colors in the different sceneries. In Figure 4.7, which was also used in the survey, the white color comes to the fore. This hue is used in the clothing of dark-skinned people. Through the contrast of white and brown, it is possible for the white to be perceived more intensively by consumers. Also noticeable is the red earring of the woman, which could become the focus as soon as the customer looks at the advertisement more closely.

 <sup>&</sup>lt;sup>264</sup> cf. chapter 4.1 – Introduction Three Different Campaigns
 <sup>265</sup> cf. Schultz, E. J. (2016)

These thought-out design elements of advertising and the large red-and-white logo at the bottom of the motif indirectly influence the perception and buying behavior of the consumer. The campaign features more examples of this selected color combination. <sup>266</sup>

Coca-Cola stages various life situations and combines them with the familiar Coca-Cola symbols. Not only is the choice of color cleverly chosen, but the traditional glass bottle is also perfectly presented with the new round logo design.

The advertisement "Taste the Feeling" is brought to life. It implies that drinking a Coca-Cola is a pleasure and makes every day special. Here, the company employs the emotional stimulus. In the laughter of the female person on the advertising poster, the picture embodies the joy that every consumer can feel when drinking a Coca-Cola. Furthermore, the two people present a feeling of familiarity with their intensive eye contact. This gesture seeks to reflect Coca-Cola's normal everyday situations and to make these moments into something special by drinking the cola with friends.

## **Emotion**

In this campaign of Coca-Cola, emotional stimuli are repeatedly used to activate the consumer. This section explains in detail which emotions are activated in the customer and which stimulate him to act.

Figure 4.7 shows two people who spend time together, have fun, laugh together and drink a Coca-Cola for refreshment. This situation conveys a sense of life and captures an authentic, contemporary and random moment. Coca-Cola also addresses the secondary emotions of the consumer in this motif. This moment of the motif is supposed to represent a feeling of harmony and satisfaction. The smile of the woman and the intense looks of the people radiate familiarity. With this feeling, Coca-Cola is possibly trying to transfer the perception of the buyer to the product and the brand.

The other motifs of the campaign<sup>267</sup> show authentic interpersonal snapshots. These motifs show people from all over the world in everyday situations, and how they enjoy a Coca-Cola. These people from different origins could radiate a feeling of belonging together.

 $<sup>^{266}</sup>$  cf. Appendix 1 – Campaigns - Figure 0.4, Figure 0.5, Figure 0.6  $^{267}$  Thid

With this campaign, Coca-Cola may want to point out that people around the world can enjoy the drink equally. Although the origin and thus the cultures are different, there is a similarity between the differences: Coca-Cola.

#### **Motivation**

Again, this campaign addresses the highest level (self-actualization) of the hierarchy of needs by Abraham Maslow. Coca-Cola developed a slogan that encourages customers to act. It asks consumers to buy the product to taste it and enjoy the unique taste of Coca-Cola. However, the motivation of the consumer is not only activated by the slogan, because the drink itself also creates a good mood. This is caused by the different productions of the Coca-Cola bottle, which is always the focus of attention. The campaign of Coca-Cola suggests that everyday situations can become an extraordinary experience.

## Lessons learned

Economically, the consolidation of different brands of Coca-Cola is the logical consequence in order to prevent a strong product differentiation. This enables synergies to be exploited and savings achieved. In the future, Coca-Cola will no longer have parallel product positioning. For example, the Coca-Cola advertising campaigns have been designed specifically for a target group, such as Coca-Cola Light as a low-calorie drink for women and Coke Zero for men. By combining product presentations, the company not only saves on budgetary resources during branding, but also reduces the risk that the individual Coke products will compete with each other. To use its own brand history as an advantage is another advantageous measure of Coca-Cola. With the bundling of the brand's strengths and the use of the brand's positioning with all the available products, a clear, positive differentiation from the competitors can be created and communicated. Furthermore, the brand can be strengthened if traditional brand values are revived. Coca-Cola aims to do just this in the current campaign with the new slogan "Taste the Feeling". This deliberately puts on a certain retro style, reminiscent of the former slogan "You Can't Beat the Feeling" from 1988.

# 5 Empirical Evidence

"Inspire Moments of Optimism and Happiness."

Neville Isdell, 2004

## 5.1 Research Method and Strategy

In the following part of the thesis, the research objective and the methodology of this empirical research are explained. In addition, the strategy and the research design are presented in the estimation methodology.

## **Research Objective**

The main question of this work was how Coca-Cola can defend itself against the competition and increase its market share. Since this question is very complex, the thesis focuses on two sub-questions. The first sub-question of which targeted implementations of activating processes Coca-Cola uses in its advertising in order to influence buyer behavior, was partly answered in the previous Chapter 4. Here, the theoretical view will help to answer the question, along with the aid of the performed empiricism.

The further sub-questions should be answered using the data obtained. Within the scope of empirical research, it is examined whether and to what extent the three previously analyzed advertising campaigns influence the customer's willingness to buy. This study also examines the extent to which branding, which Coca-Cola wants to convey, is also recognized and accepted by consumers. Consequently, it is possible to find out how well Coca-Cola analyzes consumer behavior and how the company seeks to influence consumers' perception of its brand.

Firstly, the fundamentals and approach of the investigation as well as the nature and methodology of the data collection are discussed, and then the data obtained in the survey are presented and analyzed.

## **Research Method**

For this thesis, a primary research approach was chosen. This is due to the lack of current surveys based on the transfer of the value of a company through advertising, and the attitude of consumers towards Coca-Cola. On the basis of the most widely used form of knowledge and attitude measurement, quantitative research (survey) was also used in this thesis. <sup>268</sup> With this method, attitudes, purchase intentions and knowledge can be measured economically and validly. <sup>269</sup> Further measurements of adjustment can be obtained by examining physiological reactions. These are determined, for example, by pulse frequency or skin resistance. However, only the degree of activation is measured. Consequently, the physiological measuring method for the determination of settings is not suitable for this thesis. Observations can also be used for attitude measurement. This method is used to observe the behavior of a person in order to draw conclusions about attitudes. This approach is critical as well, because of the limited relationship between attitudes and behavior; therefore, this method is inappropriate for this thesis. Both observation and physiological measurement are seldom used in practice. <sup>270</sup>

This survey was carried out with the help of a descriptive investigation. It aims to find the connection between the influence of advertising and the attitude of the participants towards Coca-Cola. All study results refer to the date of the survey. Thus, the survey can also be called a cross-sectional survey.<sup>271</sup>

A standardized and online-based questionnaire was designed for data collection.<sup>272</sup> The choice of the standardization of the questionnaire was decided on the basis of the rapid survey flow and a high range. In addition, this type of quantitative research allows for a quick response from different target groups. Furthermore, this method provides the respondents' answers quickly and with a reduced human error source.<sup>273</sup>

The questionnaire was divided into four sub-areas. The first part sought to determine sub-jects' attitudes towards the soft drink Coca-Cola. In this area the preference for the drink and the frequency of consumption were determined.

<sup>&</sup>lt;sup>268</sup> cf. Hüttner, M. Schwarting, U. (2002, p. 67, 413)

<sup>&</sup>lt;sup>269</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 364)

<sup>&</sup>lt;sup>270</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p.182 - 193)

<sup>&</sup>lt;sup>271</sup> cf. Saunders, M., Lewis, P., Thornhill, A. (2016, p. 200)

<sup>&</sup>lt;sup>272</sup> cf. Appendix 2 – Questionnaire

<sup>&</sup>lt;sup>273</sup> cf. Hüttner, M. Schwarting, U. (2002, pp. 68)

Closed questions were asked in order to facilitate the introduction into the topic as well as the evaluation of the answers. At the end of this section, an unsupported question was asked about the brand knowledge of cola drinks. The aim was to examine the extent to which different brands and their associations had a decisive influence on consumer awareness. Thus, the question raised did not serve to influence the participants in the beginning, since otherwise remembrance values could be created and thus the result could be distorted. The second part of this questionnaire dealt with the brand awareness of the participants. This section identified brands with the greatest impact on consumers. With the help of this section, participants' preferences for the different Cola brands were determined. The following section of the questionnaire was the main component. In this section, respondents demonstrated their values and attitudes towards the company Coca-Cola. These questions were essential for answering the second research question. Afterwards, the three chosen and analyzed campaigns of Coca-Cola were presented. These questions were also important for answering the first research questions posed in the beginning of this thesis. With the help of the following questions, it was possible to reconstruct a situation analysis and discover the respondents' motives for purchasing Coca-Cola. The questionnaire ended with personal questions about the individual participants.

The questionnaire contained 30 questions. These questions were designed in such a way that the participant should not get bored by so many questions. Thus, rating scales along with multiple-choice, closed and open questions were presented to the participants. Partially, in some closed questions, an alternative response option was made available in order not to restrict the answers completely by the given terms, and to preserve the possibility of discovering new aspects.<sup>274</sup> In some closed questions, the responses were given in various grades using four- or ten-step rating scales. This model was chosen to measure the intensity of expression at the ordinal scale level, and to compare the different independent variables by means of a mean value.<sup>275</sup>

 <sup>&</sup>lt;sup>274</sup> cf. Hüttner, M. Schwarting, U. (2002, pp. 105)
 <sup>275</sup> cf. Hüttner, M. Schwarting, U. (2002, pp. 108, 115)

The closed questions consisted, for the most part, of direct as well as indirect attitude and association questions. For this purpose, the Likert scale was chosen as a display option. Due to the different response possibilities of the Likert scale, differentiated statements can be derived from the views of the consumers. In addition, the totals of all statements can be summarized as percentages. Therefore, conclusions regarding the general attitude of consumers towards Coca-Cola could be drawn on the basis of the four selected areas of screening, brand awareness, opinion on the Coca-Cola campaigns and social-demographic parameters.

## 5.2 Data and Sample Collection

In order to answer the research question as to whether the brand values of Coca-Cola were recognized and accepted, a web-based survey was conducted with the help of the online survey software *Umfrageonline*. This online service provider was chosen because of its wide range of additional services. *Umfrageonline* offers a cost-free service especially for students, with an unlimited number of participants and questionnaire length. In addition, it offered different sets of questions, as well as help for various types of analyses (graphical, PDF, Excel format etc.).

The questionnaire was strengthened by the social network *Facebook*, but the Internet platform *Xing* also helped to obtain considerable feedback from participants. A large number of student groups were able to acquire respondents. For example, the survey was posted in the groups *HWR Berlin*, *University of Humboldt* and *HTW Berlin*. In addition, the survey was also disseminated in larger location-specific groups, such as *NETT-WERK Berlin* and *Neu in Berlin*. Thus, not only could a large number of participants be gathered, but a geographic restriction to Berlin could also be applied. Furthermore, the possibility of sending emails was also included. Therefore, a distribution of the subjects in the selected district was considered.

The participants had access to this survey for three weeks. A total number of 267 participants took part in the survey. Of these, 201 persons completed the survey completely.

<sup>&</sup>lt;sup>276</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, pp. 242)

For reasons of simplification, only the complete data sets are used for the evaluation. Coca-Cola has no specific target and age group. <sup>277</sup> On this basis, the analysis of the survey of this thesis refers to the age class between 17 and 55 years. This audience was selected for reasons of accessibility and on the basis of a study by Produkt + Markt (P+M).<sup>278</sup> According to the study of P+M, the beverage Coca-Cola is predominantly consumed by an age group between 16 and 55 years. The group of disengagement consisted of a population from Berlin and the students of the capital, who had an age range of 17 to 55 years.

In addition, a wide range of participants could have been generated by the online questionnaire. Additionally, due to the anonymity, the truthfulness of the answers can be given. In order to ensure the validity and relevance of the answers of the participants, the survey investigated their age and gender.

It should be noted that the proportion of respondents is too small to make a representative statement for the total population of Germany. For this reason, it is pointed out that all of the following insights are to be interpreted as possible, but not statistically certain, overall trends. The detailed results of the survey are shown in the next section of this thesis.

# Data Analysis and Results

In this section, the empirical results of the investigation are presented and explained. In order to structure the results appropriately, the survey is analyzed according to the structure of the questionnaire. Thus, at the beginning of the chapter, the social-demographic parameters of the respondents are presented. Afterwards, the sub-areas of the questionnaire are discussed more intensively. Different significant contexts can therefore be described for the research questions.

<sup>&</sup>lt;sup>277</sup> cf. Hillebrand, K. (2001) <sup>278</sup> cf. P+M (2016)

## **Demographics**

Although the last part of the questionnaire was concerned with the personal characteristics of the respondents, this part is analyzed at the outset. This information is used to select the examination group. This screening provides the basis for the analysis. To this end, the focus of the selection was placed on the age of the respondents.

According to a study by the company Produkt + Markt, consumer at the age 16 to 55 consuming one or more soft drinks in Germany per month. As a result, from a total of 268 participants, only 201 fit into the predefined study group of this Bachelor thesis. Of the 201 respondents, 81% were between 17 and 30 years, 12% between 31 and 40 years, and 5% between 41 and 55 years of age. Details on gender and employment, as well as data on family status were also collected. Figure 5.1 illustrates that women were primarily willing to participate in this study. As a result, 133 women responded to the survey, while only one-third of respondents were male. Furthermore, the graphic illustrates greater participation from the younger age group (17 to 30 years). The other two age groups, on the other hand, are underrepresented, but are still included in the analysis.

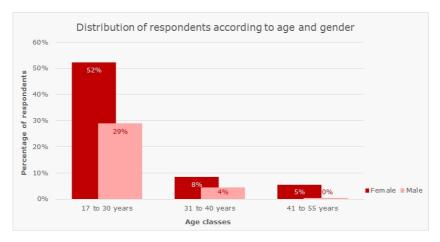


Figure 5.1 - Age and Gender of Respondents

Figure 5.2 shows that the participants in the lower education levels, such as GCSE or no qualifications, are underrepresentative. At 48%, The subjects with an A-Level graduation are as equally represented as the higher education levels, such as universities or technical colleges with 49%. For this reason, those with GCSE and no qualifications were not used in further evaluation.

<sup>&</sup>lt;sup>279</sup> cf. P+M (2016)

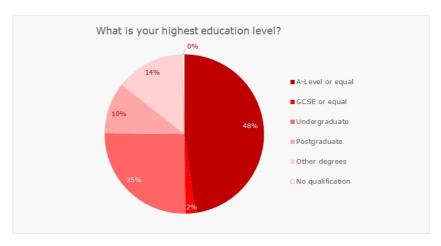


Figure 5.2 - Level of Education

More than half of the respondents interviewed were in a relationship; 12% of the participants were married, and twice as many described themselves as single. Finally, data on the profession of the participants were collected. Figure 0.8 illustrates that the majority of respondents were students, with a share of around 60%. Just less than half of the number of students were full-time employees. The remaining 14% consisted of part-time employees at 7%, a further 5% for the occupational designation self-employed, and only 2% unemployed.

## **Screening and Ice-Breaker**

The first part of the questionnaire aimed to provide information on the preferences of the participants towards soft drinks and the consumption of cola. The Likert scale was used for answering the first question. This had only four selection criteria, in order to recognize a tendency of the total participants towards the product. The participants could choose between 1 (I love it) to 4 (I do not like cola at all). All in all, the majority of the participants had a very positive attitude about the product cola. Nevertheless, there were some notable differences. As soon as the statements of the participants' gender are considered separately, a change emerges. Figure 5.3 illustrates that the male proportion of the participants was significantly more positive than the female. One out of every four female respondents indicated that she had an aversion to the sugary beverage. Only 6% of all 68 men who participated did not like the soft drink cola.

<sup>&</sup>lt;sup>280</sup> cf. Appendix 3 – Results of the survey - Figure 0.7 - Family Status

<sup>&</sup>lt;sup>281</sup> cf. Appendix 3 – Results of the survey - Figure 0.8 - Employment Status

The top men's opinion is in the upper mid-range, and demonstrates that men consume the sugary drink more than women. In the case of women, the attitudes towards cola are similar on all four levels.

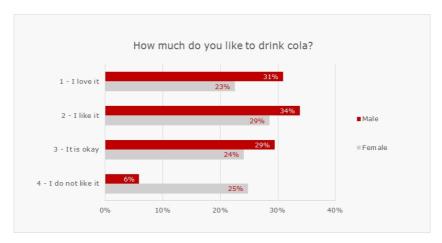


Figure 5.3 - Preference for Coca-Cola

In this manner, Figure 5.3 illustrates that women like cola less than men. Therefore, it can only be an advantage for Coca-Cola become integrated into other areas of the beverage industry, in order to address this target group and thus continue to achieve an increase in sales.

Afterwards, this thesis examined how often participants buy the product cola for themselves or other persons. <sup>282</sup> The purpose of this question is to find out how frequently the participants come into contact with this product and are exposed to various marketing activities. According to Figure 5.4, cola is acquired monthly by almost every second respondent. The frequency of purchases of this product, however, fluctuates. The daily requirement, as well as the multiple, weekly purchase of cola is underrepresented in this survey. The percentage of subjects who buy the product more than once a month is about the same as the number of subjects who purchase it less than once a month; 15% of the respondents even said that they do not buy the soft drink anymore for themselves or for others. The evaluated values and inferred results can be considered representative, since parallels can be seen in the survey results of the VuMa (consumption and media analysis) statistics. <sup>283</sup>

<sup>&</sup>lt;sup>282</sup> In addition, the analysis on the frequency of consumption of softdrinks have been seperated by gender. The results will be shown in Appendix 3 - Figure 0.9 - Consuming Coca-Cola according to Gender.
<sup>283</sup> cf. VuMA (2016, p. 16)

With the help of this figure it can be assumed that the first 9% is a habitualized (routine) or impulsive purchase decision. Habitual decisions are usually triggered by reactive processes. These decisions are therefore difficult to influence through product environmental information. Consequently, an advertisement has little effect on the attitude of a consumer. Impulsive buying decisions, on the other hand, can very well be influenced by various sales campaigns, due to the weak cognitive and strong emotional involvement of the buyer. This category includes people who purchase the product cola several times a month.

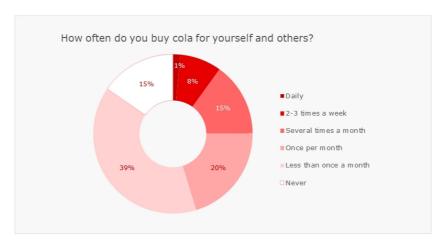


Figure 5.4 - Consuming Coca-Cola

At the end of this sub-section, an open and thus an unsupported question was used to determine which cola brands the participants know. For the answer, it was possible for the participants to enumerate several brand names. The questionnaire should ensure that the interviewees react impartially. In addition, it should determine which of the numerous cola brands available on the market spontaneously comes to mind for the respondents. Consequently, this should indicate which of the brands are firmly anchored in the participants' memory. A clear result can be defined when evaluating this question. Figure 0.10 shows that the brand Coca-Cola was mentioned 144 times by the subjects, followed closely by Pepsi. Both brands were counted over 100 times in the survey. The brands Fritz Kola, Vita-Cola and Afri Cola are far behind, with an average of around 25 votes each.

According to Kroeber-Riel, Weinberg and Gröppel-Klein, the reactive processes are reflected by an automatic reaction in an action situation. (Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 411))

p. 411))
 A detailed explanation of product environment information can be read in the chapter 2.2.2 – Kognitive Prozesse – Informationsverarbeitung.

<sup>&</sup>lt;sup>286</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 414)

<sup>&</sup>lt;sup>287</sup> The Figure 0.10 will be illustrated in the Appendix 3 – Results oft he survey.

The data in the figure show that Coca-Cola is firmly established in the minds of the respondents. While competitors are strongly represented, Coca-Cola remains number one. When evaluating this question, it was noticeable that some subjects had misinterpreted the question, giving product brands from different companies. These, however, had nothing to do with the product cola, but often with the company Coca-Cola. Notable examples were the frequent entries of Fanta, Sprite and MezzoMix. This resulted in a multiplicity of responses, which is characterized by ever narrower ranges in Figure 0.4. This led to a distortion of the results in the evaluation of the response possibilities. In the end it can be said that, as regards the high visibility of the brand Coca-Cola, it was easier for the participants to answer the following questions in the survey.

#### **Brand Awareness**

In the second part of the questionnaire, priority was given to the brand awareness of the participants. Different criteria for the purchase of the soft drink as well as the knowledge about different cola brands were considered more closely.

A rating scale was used for this first section of the question block. Here, the participants decided which of the individual predefined criteria were relevant for the beverage purchase. Figure 5.5 shows that taste was by far the most frequently selected at almost 100%, making it one of the most important criteria for buying beverages. Crucial criteria for the choice of a particular brand in the beverage trade are availability at 83%, and the price of the products at 78%. Less than half of the participants agreed that the sustainability of the product was a criterion for purchase (44% important to very important). A closer look at Figure 5.8 shows that, according to the respondents, regionality (49% unimportant) and brand awareness (38% unimportant) are the most insignificant criteria for buying beverages.

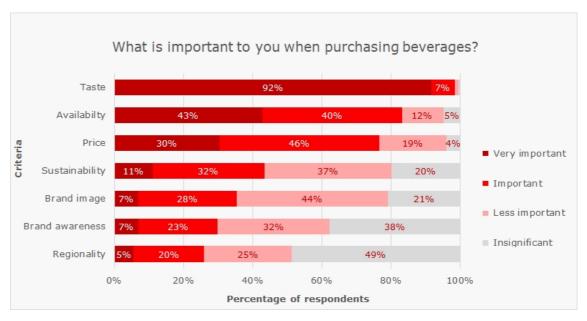


Figure 5.5 - Focus when Purchasing Beverages

Consequently, the company Coca-Cola does everything right. On the one hand, the company keeps the formula for the ingredients of the syrup secret. With this, Coca-Cola would like to retain the unique taste it has been providing to consumers for more than 130 years. On the other hand, the company always manages to represent itself in the most diverse and remote locations. This is a mastery of the company's logistics, and thus offers the availability of many products from Coca-Cola, above all the soft drink Coke. In addition, price plays an important role in the purchase decision. In the last few years, the German market has seen major competition for the corporate giants Coca-Cola and Pepsi. Even though these companies have majority share of the soft drink market, they have lost some ground to smaller companies such as Fritz Kola and Afri-Cola in recent years. As a result, Coca-Cola was able to adjust the profit margins of the products to the market conditions. In addition, Coca-Cola provides special offers at various retail outlets in order to encourage consumers to buy more Coca-Cola Company products.

After answering the unsupported question about brand knowledge, the current knowledge of the entire sample was examined. As the results of the survey showed in figure 0.10, the cola drinks of the companies Coca-Cola and Pepsi were mentioned most frequently. In this supported and closed question, it is noticeable that each of the participants knew the two major conglomerates Coca-Cola and Pepsi (cf. Figure 5.6).

<sup>&</sup>lt;sup>288</sup> cf. Agitano (2014)

<sup>&</sup>lt;sup>289</sup> cf. Hegemann, L. (2015)

<sup>&</sup>lt;sup>290</sup> cf. Hamburger Abendblatt (2013)

More than half of the participants also knew the cola brands of the additionally listed companies. The answer alternatives were chosen by the author. As mentioned above, some cola brands have increased their popularity in Germany in the last few years.<sup>291</sup> As a result, the competition for large companies is growing on the German market.

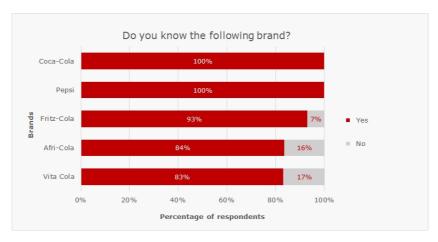


Figure 5.6 - Knowledge of Cola Brands (supported)

Based on the previous questions and the understanding of the brand awareness for different brands, the subjects were asked about their attitudes towards the previously selected cola company. The participants were allowed to rank the indicated brands according to their sympathy. With the help of this question, it was possible to find out the attitude of the individual subjects towards the respective company. Figure 0.11 illustrates that some companies were rated very similarly. Coca-Cola continues to be the largest positive consumer choice. Surprisingly, the brand Fritz Kola closely follows, and the rival of Coca-Cola Company – PepsiCo – takes third place. Not far from Pepsi Cola is the brand Afri-Cola. However, far behind and in last place in the rankings is the cola brand Vita Cola. In Figure 0.11 it becomes clear that most consumers still have a positive attitude towards Coca-Cola. However, the company Fritz Kola is putting pressure on the main players in the German market, and can thus reduce the market shares of Coca-Cola.

<sup>&</sup>lt;sup>291</sup> cf. VuMA (2016, p. 17); Dietz, C. (2015)

## **Analysis of Coca-Cola campaigns**

This questionnaire was the main part of the survey. This section provides the opportunity to answer the examination questions. In the first part of the questionnaire, the subjects were asked about different criteria when purchasing beverages. Afterwards, the focus was on the company Coca-Cola and the three selected advertising campaigns. Furthermore, the possible situations for purchasing a Coke were also considered in more detail.

For the first question of the main block, a rating scale was used repeatedly. Each of the six criteria was determined in a ten-step graphical evaluation scale. In order to obtain a more accurate overview of the response possibilities, the mean value was calculated for each criterion. The subjects were asked decide what they believe makes the Coca-Cola brand permanently solid in the market. From Figure 0.12 it can be seen that with an average value of around 83.5, omnipresence (availability in many shops) allows the Coca-Cola brand to assert itself in the market. Trustworthiness follows closely behind. This means that the brand has been known by the respondents for a long time. Every consumer knows if they buy a Coke, they know what they will get and how it will taste. With a low average of less than 70, most participants find the criteria of price-performance ratio and identification with the brand as irrelevant to the strength of the brand Coca-Cola.

Subsequently, the survey aimed to determine whether the values of Coca-Cola are also perceived among consumers. The company values from Section 3.2 were supplemented with values presented by the company on its website. Thus, the various response possibilities were established. The subjects were able to select several answers for this question. Three of the nine criteria are distinguished by the importance of more than 65% than the other values (cf. Figure 5.7). Familiarity (76%) was by far the most important feature of the brand Coca-Cola that was mentioned by the respondents. The fact that this characteristic was so frequently chosen is not surprising, as the company has been marketing its product on the market for more than 130 years. Therefore, all of the subjects have known the company since childhood. They have also always been confronted with the brand's advertisements, and thus have built up a feeling of trust towards Coke. Next, the freshness feature was chosen by consumers at 69%.

Once again, this choice of subjects is not surprising, as the company has been presenting its advertisements and slogans with the refreshment of a Coke ever since it began.<sup>292</sup> The next characteristic of Coca-Cola is also very typical for the company, and leads back to its long-lasting stock in the market. At 67%, the feature "traditional" was chosen as one of the most important characteristics. In contrast, only 38% of the participants perceived the company as innovative, and only 42% agreed that Coke could be bought for a specific occasion. Only half of all subjects would describe the company as creative and the product as high quality.

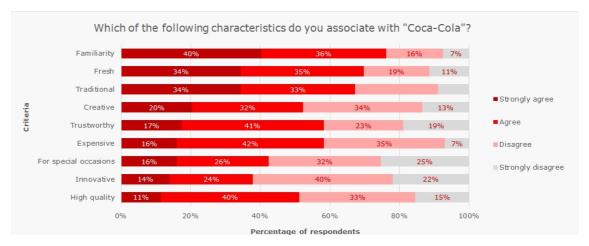


Figure 5.7 - Association with Coca-Cola

Now the theoretical part, the analysis of the three selected advertising campaigns, was integrated into the practical part of the survey. To avoid confusion for the participants, questions were asked about the individual campaigns one after the other. Responding to the current state of knowledge of each campaign, a survey campaign image was added. Consequently, respondents saw the campaign image and were asked whether they remembered the motif. The campaign for "Always Coca-Cola" was recognized by two-thirds of the participants (cf. Figure 0.13). A total of 84% were able to remember the "Share A Coke" advertisement, and not even one in two respondents knew the current "Taste The Feeling" advertising campaign (45%). One reason for this may be the fact that the campaign was launched just last year in Germany. Another reason for the non-recognition could be the campaign picture presented in the survey, since the author had to decide on one out of the nearly 100 different motifs that have been launched for this campaign. 293

<sup>&</sup>lt;sup>292</sup> A list of the various campaigns and slogans since the year 1886 can be found under the reference - Journey Redaktion (2016)

<sup>&</sup>lt;sup>293</sup> Coca-Cola Deutschland (2016)

After the participants looked at the campaign images, they were asked to assess them. A Likert scale was repeatedly used for the answers. If the testimony of the test subjects is compared across the different campaigns, there is a consistent positive resonance for all three campaigns. Only a very small proportion of participants found the selected motifs to be poor. There was a single significant contrast between each campaign, between "Always Coca-Cola" (22%) and "Taste The Feeling" (9%), which was chosen by the participants as extraordinary (cf. Figure 0.14).

Once the participants expressed their opinion on the individual motifs, they then assessed what Coca-Cola attempted to pursue in the individual campaigns. All three campaigns of Coca-Cola served to appeal to people around the world, according to the majority of the respondents (cf. Figure 5.8). Therefore, none of the advertisements focused on a single target group or culture. The campaign "Always Coca-Cola" was also rated by the participants as creative (20%) and entertaining (16%). All in all, 13% of the interviewees saw that Coca-Cola's intention behind this advertisement was to present itself as a cool company in the market. If the viewer looks more closely at Figure 5.8, it can be seen that, with a few exceptions, the percentage distributions of "Always Coca-Cola" and "The Taste" are opposite to one another. Thus, only 4% of the participants perceived Coca-Cola's latest campaign as creative, and only 7% as entertaining. The company is also trying not to present itself as *cool* company, but as a *young* one. In addition, "Taste The Feeling" is at the core of the times and can be declared as modern, according to 15% of the participants. The participants perceived mostly any given criteria for the "Share A Coke" campaign as relevant. The non-relevant features for the participants were the information content (<1%) and the authentic aspect (7%). The low proportion for authenticity is due to the simplification of the motifs. In this campaign, no relationship with the company Coca-Cola can be established because only the product Coca-Cola was decidedly simple, with regard to activating processes. Consequently, it can be assumed that the company Coca-Cola always tries to adapt to the trend of the time.

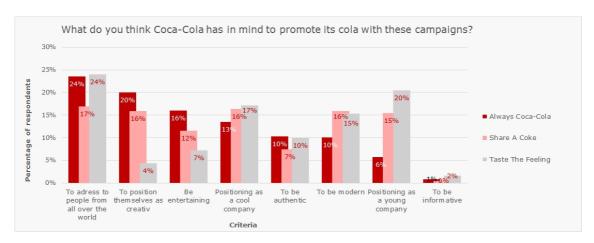


Figure 5.8 - Assessment of the aim of the three campaigns

By this time, the participants were able to express their opinions and impressions towards the campaigns. Now it was time to find out which of these campaigns attracted the most attention. To this end, the participants were questioned based on which campaigns could increase the company's turnover. With a majority of 67% rating it outstanding, the subjects felt the "Share A Coke" advertising was the most profitable campaign of Coca-Cola. The other two campaigns shared the remaining votes evenly. According to the respondents in this study, "Share A Coke" is Coca-Cola's top-selling campaign.

At the end of this main component of the survey, a situation analysis took place. At first, the subjects were questioned regarding the situations in which they felt like having a Coke. This was initially an open and unsupported question. It turned out that most of the participants enjoyed a Coca-Cola in situations with friends and at a party.

In order to provide an accurate and detailed analysis, the subjects were then asked to move into certain situations. Based on a Likert scale, they had to decide how strongly they felt the need to consume a Coke. If the total number of participants is considered, subjects are most likely drink a Coke at a party. According to the participants, they also like to drink Coca-Cola if they feel like having something sweet or if they are annoyed. There were also a number of participants who simply consume the sugary beverage without a specific reason. In the lower middle range, there are other important situations in which the consumer likes to drink a Coke.

<sup>&</sup>lt;sup>294</sup> cf. Appendix 3 – Results of the survey - Figure 0.15 - Most Successful Campaign

<sup>&</sup>lt;sup>295</sup> cf. Appendix 3 – Results of the survey - Figure 0.16 - Situation Analysis

These situations arise when the respondent wants to reward him- or herself, when the participant is happy or when watching TV. Some of the subjects accidentally discover the product at the checkout and buy it in those situations. Thus, it is often the emotional moment which causes the participants to consume a Coke.

However, if the situations are considered gender-separated, differences in the respective moments come to light. In view of this, Table 5.1 illustrates preferences in the respective situations between the female and male proportion of respondents. It can be stated that one in four women often like to drink Coke at parties. Likewise, the majority of the male respondents said that they drink the sugary drink mainly at parties as well. In general, it can be said that about a third of the female respondents, regardless of the situations described, do not like Coca-Cola (see the selection "Never"). Astonishingly, moments in which the female respondents would never consume a Coke are primarily negative situations. For example, every other woman would never consume the soft drink when she is annoyed (50%) or sad (46%). One in three women said that in stressful situations she never consumes Coca-Cola. Among the male subjects, on the other hand, the number of "never drink Coke" situations are rather low. For one thing, the men never drink Coke when they are annoyed (23%) or sad (20%). Consequently, it can be said that in a negative situation, the demand for a sugary beverage hardly ever arises. Therefore, companies should always focus on the positive experiences in life when designing their advertising. Furthermore, similarities in consumption can be seen between the sexes. Nevertheless, companies should pay attention to unisex advertising, which includes the needs of both men and women

			In wl	nich situa	tions do	you like	to drink Co	oca-Cola?	•		
Superio	or Elements					Pr	obability				
Gender	Frequency	In stress situations	To reward myself	When I'm annoyed	When I'm happy	When I'm sad	When watching TV	Want something sweet	In the supermarket	At a party	For no reason
Female	Often	0,05	0,12	-	0,05	0,01	0,05	0,12	0,05	0,25	0,06
Male	Oiteii	0,01	0,03	-	0,02	-	0,04	0,06	0,01	0,16	0,04
Female	Sometimes	0,11	0,09	0,03	0,16	0,05	0,18	0,17	0,14	0,21	0,18
Male	Sometimes	0,09	0,12	0,02	0,10	0,03	0,08	0,11	0,05	0,10	0,09
Female	Rarely	0,13	0,13	0,13	0,14	0,14	0,09	0,14	0,13	0,08	0,13
Male	Rarely	0,09	0,07	0,08	0,10	0,10	0,09	0,08	0,10	0,04	0,11
Female	Never	0,36	0,31	0,50	0,30	0,46	0,33	0,22	0,34	0,12	0,28
Male	146761	0,14	0,11	0,23	0,11	0,20	0,12	0,08	0,16	0,04	0,08

**Table 5.1 - Preference for Coke in various situations** 

#### Limitations of the Research

No study can be conducted without limitations. In studies based on a survey, there are always some limitations which should be discussed. In these cases, the results can serve as an orientation rather than a trend or a direction. Nevertheless, this thesis provides a starting point for further research.

In this online survey, a representative study cannot be considered due to the low number of participants. Rather, the survey is referred to as convenience sampling. This describes a statistical method in which non-representative data is obtained by simple and fast availability of participants.<sup>296</sup> The disadvantage of this method is that the sample does not cover all demographic groups of the population. Thus, the results cannot be transferred to the whole population of Germany.<sup>297</sup>

A further restriction of the research is determined by the mood of the respective respondents. According to Trommsdorff, this can have a relevant influence on information processing; this is because mood can affect human perception, storage of information and even the recall of memories.<sup>298</sup> Through anonymization, participants can give dishonest answers or so-called "fun responses", which can lead to distortions in the data collection. Furthermore, possible disturbance variables can occur during the performance of the empirical investigation. These could include the social desirability of the answers, or the uncertainty about possible motives or feelings.

Another critical fact is the evaluation of the data. The author interprets the collected data and thus influences the focus by means of certain extractions or shortening of results. For this reason, different values could lead to a different views from the author of this thesis in comparison to those of other researchers.

<sup>&</sup>lt;sup>296</sup> cf. Bryman, B., Bell, E. (2015, pp. 200) cf. Bryman, B., Bell, E. (2015, p. 198)

<sup>&</sup>lt;sup>298</sup> cf. Trommsdorff, V. (2009, p. 64)

# **Conclusion**

"If you don't get noticed, you don't have anything." Leo Brunett, 2001

#### **Conclusion for Research Questions**

The Coca-Cola Company has successfully operated in the carbonated soft drink market for over 130 years. The company serves 1.8 billion people in over 200 countries, and is therefore the largest beverage company in the world.<sup>299</sup> Coca-Cola's key determinants of probability are cost management, product differentiation and marketing. The company's effectiveness and profitability is obviously well supported by its strong competitive position and market shares in its primary product: Coca-Cola. Due to its long existence in the market, the company is well-known and therefore offered a good basis for a survey. With the help of these results, the research questions were answered in a timely manner.

In order to answer the complex research question: "How does Coca-Cola assert itself against the competition and increase its market share?", the sub-questions are first answered with the aid of the analysis and the survey that have been carried out previously.

**RQ1**: What kind of activated processes does the company use to attract consumers?

It is scientifically proven that consumers are primarily activated through emotional advertising. This means they can record more information and process it better. As a result, information is stored in the long-term memory. All in all, effective activation can lead to increased cognitive performance.<sup>300</sup> Thus, emotionally acting stimuli belong to the classical instruments of advertising, in order to attract the attention of the customers and keep them in suspense. Key stimuli are often used to trigger pre-programmed responses. These key stimuli are internal excitations, and often cannot be controlled by the individual. The stimuli can be triggered by the child's pattern, erotic images of women and men, or images of facial expressions and eyes.<sup>301</sup>

<sup>299</sup> cf. Coca-Cola Journey (2016) <sup>300</sup> cf. Foscht, T., Swoboda, B., Schramm-Klein, H. (2015, p. 49)

<sup>301</sup> cf. Kroeber-Riel, W., Weinberg, P., Gröppel-Klein, A. (2009, p. 80)

Cognitive stimuli, on the other hand, should lead to intellectual conflicts which are triggered by contradictions, such as the "Always Coca-Cola" campaign with the polar bear. These stimuli stimulate the information processing of the consumer and increase his memory performance, due to the intensive examination of the commercial.

In addition to emotional and cognitive stimuli, the advertising of Coca-Cola also relies on physically intense stimuli, such as color (intense red of the brand logo) and sounds in the TV spots (hissing from the coke when opening).

The company supports the emotional stimuli by applying different basic emotions in its advertising campaigns. For example, the primary emotions of love, joy and optimism are recognizable in every advertisement. By using the activating color of the brand logo, the company Coca-Cola can create an activation in the viewer with the advertising design. As a result, the campaign analysis in Chapter 4 illustrates that Coca-Cola tries to get the attention of consumers through targeted emotional stimuli.

Additionally, most of the advertising campaigns are mainly arranged in key points in large cities and influences the buyer behavior by means of extremely large posters and smaller posters at main locations in large cities.<sup>302</sup>

**RQ2**: Are the brand's values recognized and accepted by consumers?

With the help of a survey, the second research question could be answered. At the beginning, the company's core values with respect to Coca-Cola were researched and summarized. Some of these values were selected as a guide for the survey, and then integrated into the survey (cf. Table 3.1). On the basis of the evaluation of the survey, Figures 5.5 and 5.7 show that not all corporate values of Coca-Cola were transmitted to consumers through advertising. Nevertheless, the most important criteria, such as quality, freshness and authenticity, are perceived by the majority of respondents.

<sup>302</sup> cf. chapter 4.2 – Analysis of the intention of the campaigns; cf. Appendix 1 - Campaign

This selection of company values is limited to the values selected and listed by the author from chapter 3.2 - Culture of Coca-Cola.

The taste and high quality of the products, as well as the creativity of the advertisements and campaigns, were mentioned as some of the most significant features by half of the participants. From the situation analysis, it can be noted that most of the respondents prefer to consume Coke at a party, with friends, family members and relatives. On the basis of the results, it can be said that the participants feel joy and fun in situations with other people. In conclusion, it could be argued that the participants also unconsciously associate the company value of *joie de vivre* with the drink Coke.

However, sustainability was indicated as a relatively unimportant criterion for the respondents when buying drinks (cf. Figure 5.5). Although the participants classify this criterion as mediocre, it is an important criterion for the company and its reputation in today's market. Sustainability helps the company to be able to assert itself in the market against competitors. Another feature of the company Coca-Cola is innovation. However, according to the survey, none of the participants found any of the advertising campaigns innovative (cf. Figure 5.8). This company value was only related to the advertisements released by Coca-Cola, and not to the company itself.

Values of Co	oca-Cola
Enjoyment of Life	Quality
Fresh	Authentic
<del>Innovative</del>	Sustainability
Creativity	Taste

Table 6.1 - Results of Recognized Values

In the end, almost every company value selected by the author was perceived and recognized by the participants. Consequently, the company represents itself authentically and according to its corporate values.

How does Coca-Cola assert itself against the competition and increase its market share?

The analysis of the different campaigns shows that consumer behavior is an uncontrollable element which can affect the Coca-Cola Company. The company has carefully analyzed its external environment and moves in order to devise strategy and remain strong in the competition through an effective international marketing strategy and tactical implementations. The execution of the company's advertising strategy over many years plays an especially central role in Coca-Cola's current position in the soft drink market. In the time of differentiation, Coca-Cola attempted to be different from its rivals by adding something special to its products, providing unique value to customers. Aa a result, Coca-Cola became such a strong brand through a well-structured, designed and operated market activities. Moreover, the high quality of the products are perceived by the costumers, which in the end shows that Coca-Cola has a high level of brand image and acknowledgement.

The success of The Coca-Cola Company is based on global strategies and five main factors. The factors include the brand, which is the most recognized trademark worldwide, and the high quality of the product offered to consumers. Additionally, the company's marketing has very innovative and creative concepts all around the world. One of the most important facts is that Coca-Cola engages in ongoing innovation of its products.

As a result, the reason why Coca-Cola is so successful with its decisions is because the company is effective (doing things right) and efficient (doing the right thing) at the right time. The company is a good example how a completely through-out strategy can work successfully. But this also shows that a strategy is not only one concept; instead, it is much more like a process which must overcome current situations. Furthermore, a good basis, like that found in Coca-Cola's experience, can help to overcome various challenges. In addition, three facts about the strength of Coca-Cola can be summarized. On the one hand, the Group creates new economic structures in order to enable the availability of its products in the whole world, even in the most hidden areas. Coca-Cola also conducts a permanent analysis of its sales in order to be able to counter any failures as quickly as possible. In the end, the brand Coca-Cola stands for certain events in the lives of people, happiness, joy of life and celebrating with friends.

#### 6.2 Recommendations

Starting from the above results, the survey gives some indications regarding the overall view on the future development of the company Coca-Cola and its marketing. On the basis of the evaluations, many recommendations can be made which should help the company. The aim of the suggestions is to increase the stagnating sales of recent years, to recognize marketing-related opportunities and thus to improve the image of this corporate entity in the long term.

Based on the evaluation of the survey, Figure 5.4 shows that fewer and fewer consumers consume the soft drink Coca-Cola daily or even weekly. This suggests that a large proportion of the respondents may live a conscious and healthy lifestyle.

As a result, it is the right decision for the company to branch out into other branches of the beverage industry such as mineral water, tea, coffee or energy drinks. This means that an increase in turnover can be achieved, along the potential to attract new consumers. Coca-Cola even aims to enter the dairy industry in the next few years.<sup>304</sup>

Another point to increase the attractiveness potential of Coke for consumers is to adjust the size of the Coke bottle to the needs of consumers. On the basis of the situation analysis from the survey, most participants allow themselves a Coke when they are in a positive mood. Once the participant has reached this moment, this person will not consume a 1-liter bottle of Coca-Cola. Small portions of the soft drink would be beneficial, in order to integrate into the new, health-conscious lifestyle of consumers and to turn the moment of consumption into a special experience.

The most important point for the company to consider in its marketing strategies is to establish a link with the younger population. This can be done, for example, through additional marketing strategies such as content and social media marketing, since the Internet is one of the two main media. A prime example of this was the advertising campaign "Share A Coke". This campaign not only increased the sales of Coca-Cola, but also established a connection with younger people. As a result, Coca-Cola's classic TV advertising should not be abandoned entirely, but it should be expanded by advertising via digital and social channels.

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<sup>&</sup>lt;sup>304</sup> cf. Netzfrauen (2015)

<sup>&</sup>lt;sup>305</sup> cf. Krober-Riel, W., Esch, F.-R. (2015, p. 31)

In the end, Coca-Cola should concentrate on the development of technology and remain faithful to its corporate values. Emotional advertisement strategies can be very helpful in the promotion of products. Nevertheless, the point here is to use social networks to build up a personal bond to consumers. In addition, the company could respond to the preferences of the younger population, for instance by decorating cities with the help of graffiti artists.

Coca-Cola is often seen today as the original. 306 And it is precisely this perception that could strengthen Coca-Cola with the slogan "It's the Real Thing". In addition, this slogan as a branding move would show that there is only one original, but this can be sweetened with sugar or also sweetener with stevia. And one thing is clear: people value originals more than copies, whether in art, music or even cola drinks.

This should also be considered at Coca-Cola, instead of regularly seeking new inventions. In the past 130 years, Coca-Cola has had more than 40 claims or taglines; from now on, they should focus on a slogan for the next 130 years – because Coke is and remains "The Real Thing". 307

#### **Direction for Future Research**

In order to analyze the research questions of this thesis in more detail, deeper and more detailed studies would have to be carried out. These should integrate both opinion research and behavioral research as well as other measurement methods. Thus, by measuring pulse rate or skin resistance, unconscious psychological responses could be explored more precisely by activating consumers towards the different advertising campaigns. Even with the help of observations, future studies could be guided by the behavioral conclusions on attitude. This would ensure that even the non-specific factors, which are measured by non-verbal communication and unconscious control, are measured.

In addition, a more intensive study would be advisable, as not only activation, but also the phenomenon of the Internet and digital marketing can influence the attitudes and behavior of consumers.

<sup>&</sup>lt;sup>306</sup> cf. Brandtner, M. (2016) <sup>307</sup> Ibid.

Furthermore, the survey could be designed differently in order to better illustrate and underpin misunderstandings and correlations. Questions should be formulated more specifically and directly. Also, respondents could may misunderstand the meaning of some questions. In addition, the demographic features of age and gender should show a similar distribution corresponding to the population of Germany.

# **Appendices**

# Appendix 1 – Campaigns

# Always Coca-Cola – Example of physically, intensive stilumi





Figure 0.1 – Example Bus Station 1  $^{308}$ 



Figure 0.2 - Example Bus Station 2  $^{309}$ 

# Share A Coke – Example of physically, intensive stimuli

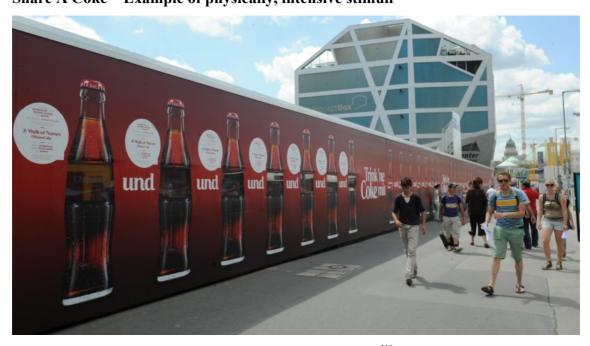


Figure 0.3 – Example Humboldt Box <sup>310</sup>

Flickr Hive Mind (2016)
 Flickr Hive Mind (2016)
 Bourdeau, J. P. (2014)

| 75 Appendices

# Taste the Feeling – Examples of the color usage



Figure 0.4 –Taste The Feeling Color Usage 1  $^{311}$ 



Figure 0.5 - Taste The Feeling Color Usage 2  $^{312}$ 



Figure 0.6 - Taste The Feeling Color Usage 3  $^{313}$ 

<sup>&</sup>lt;sup>311</sup> Moye, J. (2016b) <sup>312</sup> Moye, J. (2016b) <sup>313</sup> Moye, J. (2016b)

# Appendix 2 – Questionnaire

The impact of advert	tising campaigns o	n consumer behavior	0 %	
	un idioma. / Por favor escolh	ioisir une langue. / Please choose a l a um idioma. / Kies een taal. / Välj et		
Page 1				
Welcome to my survey,				
I look forward to your support my on the decision making process of		analysis that investigates the impact	of advertising of a worldwide know	n company
This survey does not take long –	approximately 5 minutes!			
Please click to the end, because	there will be a chance to win	little prices to compensate your time	e and effort.	
Let's get started and have fun.				
Page 2				
How much do you like to dri	ink cola? *			
Please rate on a scale from 1 to 4	, where 1 means "I like to dri	nk cola" and 4 "I do not like to drink c	ola".	
	I like to drink cola		I do not like to at all	
How much do you like to drink cola?	$\bigcirc$	$\bigcirc$	0 0	
How often do you buy cola f	or yourself and others?	*		
Daily				
2-3 times a week				
Once per month				
Several times a month				
Less than once a month	1			
Never				

Which cola brand do you	know? *			
You can enter up to 3 different l	brands in the open field.			
D 0				
Page 3				
What is important to you wh	en purchasing beverag	ges? *		
Please assess the criteria on a sc	ale from 1 to 4, where 1 me	ans "very important" and 4 "i	nsignificant".	
	very important			insignificant
Regionality		$\bigcirc$		
Sustainability				
Price	O	O		0 0
Brand image	$\circ$	$\bigcirc$		
Brand awareness	$\bigcirc$	$\bigcirc$	$\bigcirc$	
Availabilty		$\bigcirc$		
Taste				
Do you know the following	huand? *			
Do you know the following	brand r			
		Yes		No
Coca-Cola				
Pepsi				
Afri-Cola				
Fritz-Cola				
Vita Cola				
How attractive are the follow	ving brands? *			
Please rank the following brands of	on a scale from 1 to 5.			
♦ Coca-Cola				
♦ Pepsi				
Afri-Cola				
♦ ♦ Fritz-Cola				
♦ 🚺 Vita Cola				

Page 4	
The survey focuses on the Coca-Cola brand.	
What makes your opinion a brand so strong?	
Trustworthiness - known for a long time *	
Please drag the bar on the scale in the respective direction.	
Unimportant for a brand	Important for a brand
High quality products *	
Unimportant for a brand	Important for a brand
Omnipresence - available in many shops *	
Unimportant for a brand	Important for a brand
Promising advertising - sufficient awareness *	
Unimportant for a brand	Important for a brand
Good value for money *	
Unimportant for a brand	Important for a brand
Identification with a brand *	
Unimportant for a brand	Important for a brand

#### Page 5

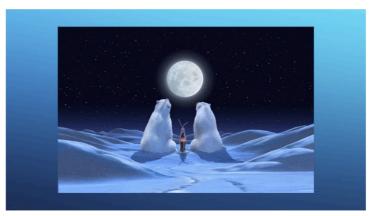
Which of the following characteristics do you associate with "Coca-Cola"? \*

Please judge on a scale from 1 to 4, where 1 means "this attribute applies completely" to 4 "this attribute does not apply at all". In between, you can graduate.

	applies completely		does not apply at all
Fresh	$\bigcirc$		
Innovative	$\bigcirc$		$\bigcirc$
Expensive	$\bigcirc$		
Creative	$\bigcirc$		
For special occasions	$\bigcirc$		
High quality	$\bigcirc$		
Joy of life	$\bigcirc$		
Familiarity	$\bigcirc$		
Traditional	$\bigcirc$		$\bigcirc$
Trustworthy	$\bigcirc$	$\bigcirc$	$\bigcirc$

Page 6

Please take a look at the following campaign picture.



#Always Coca-Cola

Do you	know	this	advertising? *	
	yes			

no

How do you like this campaign picture of Coca-Cola? \*

Great				Bad

What de	o you think Coca-Cola has in mind to promote its cola with this ad? *
Multipli C	hoices
	Positioning as a young company
	Positioning as a cool company
	Be entertaining
	To be informative
	To position themselves as creativ
	To be modern
	To adress to people from all over the world
	To be authentic
Page 7	
Please t	ake a look at the following campaign picture.



#Share a Coke

Do you know this advertising? \*

yes

How do you	like this camp	paign picture	of Coca-Co	la? *				
Great		$\circ$	$\circ$	0	0	0	0	Bad
What do you	ı think Coca-C	Cola has in m	ind to prom	ote its cola w	ith this ad? *			
_								
Posit	ioning as a your	ng company						
Posit	ioning as a cool	company						
Be e	ntertaining							
To be	informative							
То ро	sition themselve	es as creativ						
To be	modern							
To ac	fress to people t	from all over th	e world					
To be	authentic							

#### Page 8

Please take a look at the following campaign picture.



#Taste The Feeling

Do you	know this advertising? *	
	yes	
	no	
How do	you like this campaign picture of Coca-Cola? *	
Grea	t Bi	ad
What d	o you think Coca-Cola has in mind to promote its cola with this ad? *	
Multipli (	Choices	
	Positioning as a young company	
	Positioning as a cool company	
	Be entertaining	
	To be informative	
	To position themselves as creativ	
	To be modern	
	To adress to people from all over the world	
	To be authentic	

Page 9

Which of these campaigns did	you think, leaded	people to buy more coke	?*	
Always Coca-Cola (polar b	pears)			
Share a Coke (names on t	bottle labels)			
Taste The Feeling				
In which situations do you like	to drink Coca-Col	la?		
1.)				
2.)				
3.)				
Page 10				
Please put yourself in the follow	wing situations.			
Please put yourself in the follow	_			
	_	Sometimes	Rarely	Never
	Coca-Cola? *	Sometimes	Rarely	Never
How often do you feel to drink	Coca-Cola? *	Sometimes	Rarely	Never
How often do you feel to drink In stress situations	Coca-Cola? *	Sometimes	Rarely	Never
How often do you feel to drink  In stress situations  If I want to reward myself	Coca-Cola? *	Sometimes	Rarely	Never
How often do you feel to drink  In stress situations  If I want to reward myself  When I'm annoyed	Coca-Cola? * Often	Sometimes	0	Never
How often do you feel to drink  In stress situations  If I want to reward myself  When I'm annoyed  When I'm happy	Coca-Cola? *	Sometimes	0	Never
In stress situations If I want to reward myself When I'm annoyed When I'm bappy When I'm sad When watching TV at	Coca-Cola? * Often	Sometimes	0	Never
In stress situations If I want to reward myself When I'm annoyed When I'm happy When I'm sad When watching TV at home When I feel like	Coca-Cola? * Often	Sometimes	0	Never
In stress situations If I want to reward myself When I'm annoyed When I'm happy When I'm sad When watching TV at home When I feel like something sweet In the supermarket at the	Coca-Cola? * Often	Sometimes	0	Never
In stress situations If I want to reward myself When I'm annoyed When I'm happy When I'm sad When watching TV at home When I feel like something sweet In the supermarket at the checkout	Coca-Cola? * Often	Sometimes	0	Never

Page '	11			
How old are you? *				
	<b>\$</b>			
What is	s you gender? *			
$\bigcirc$	Female			
	Male			
What is	s your highest level of study?*			
	•			
What is your current employment status? *				
$\bigcirc$	Student			
	Unemployed			
$\bigcirc$	Self-employed			
$\bigcirc$	Employed (full time)			
	Employed (part time)			
$\bigcirc$	Retired			
What is	you marital status? *			
$\bigcirc$	Single			
$\bigcirc$	Married			
	In a relationship			

#### Page 12

Now you have the opportunity to participate in a raffle.

Among all participants the following prizes will be awarded:

- 1 x 10 Euro-CineStar voucher
- 4 x 5 Euro-Amazon vouchers

If you wish to participate in a raffle of this survey, please enter your e-mail address in the open field.

Unless you do not want to participate in the raffle, please click "Next".

I advert explicitly that all personal data of the participant will not be passed to third parties or those allowed to be used (without consent).

Page 13

Thank you for your participation in my survey.



I thank you a lot and I wish you good luck in the raffle. You will be notified via email in May 2017, if you won one of five prizes.

Please still click the button "DONE" to ensure that the survey can be completed.

I wish you a good start in the coming spring.

# Appendix 3 – Results of the survey

# Demographics - Family Status

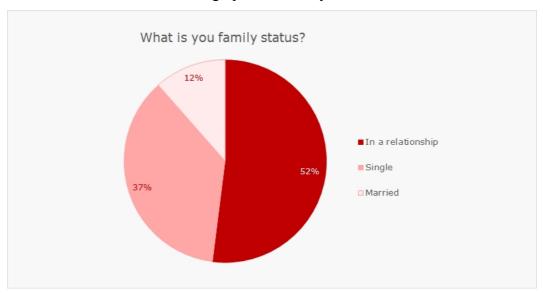


Figure 0.7 - Family Status  $^{314}$ 

# Demographics – Employment Status

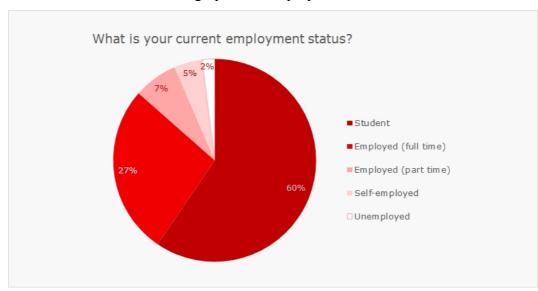


Figure 0.8 - Employment Status <sup>315</sup>

<sup>314</sup> Own illustration according to the results of the survey.315 Own illustration according to the results of the survey.

## Screening and Ice-Breaker - Consuming Coca-Cola according to Gender

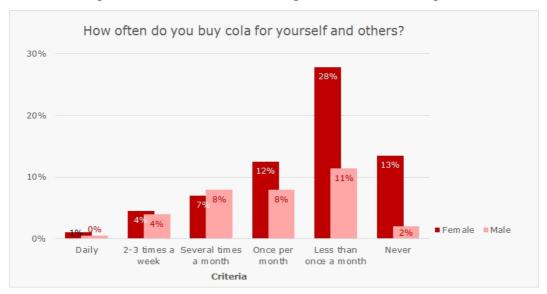


Figure 0.9 - Consuming Coca-Cola according to Gender  $^{316}$ 

## Screening and Ice-Breaker – Knowledge of Brands

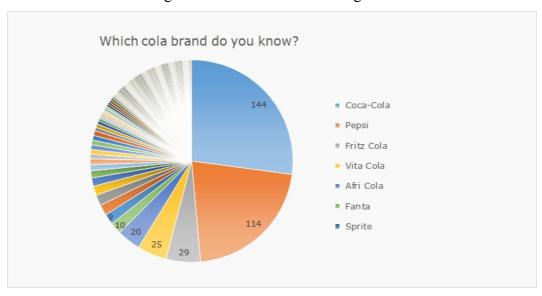


Figure 0.10 - Knowledge of Cola Brands (unsupported) 317

Own illustration according to the results of the survey.Own illustration according to the results of the survey.

#### Brand Awareness – Ranking Brands according to their likability

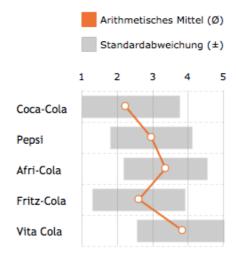


Figure 0.11 - Brand Likability 318

## Analysis of Coca-Cola Campaigns – What makes Coke strong

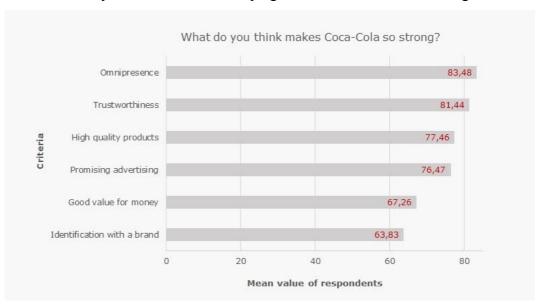


Figure 0.12 - Criteria that makes Coke Strong  $^{319}$ 

<sup>318</sup> Own illustration according to the results of the survey.319 Own illustration according to the results of the survey.

## Analysis of Coca-Cola Campaigns - Knowledge of Campaigns

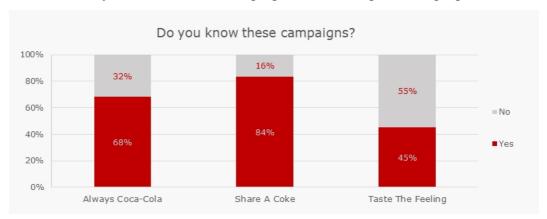


Figure 0.13 - Knowledge of Coke Campaigns 320

## Analysis of Coca-Cola Campaigns – Preference of Campaigns

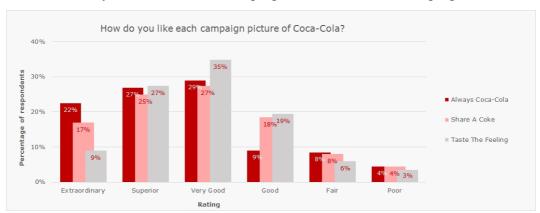


Figure 0.14 - Preference of Campaigns  $^{321}$ 

 $<sup>^{320}</sup>$  Own illustration according to the results of the survey.  $^{321}$  Own illustration according to the results of the survey.

| 90 Appendices

## Analysis of Coca-Cola Campaigns - Most Successful Campaign

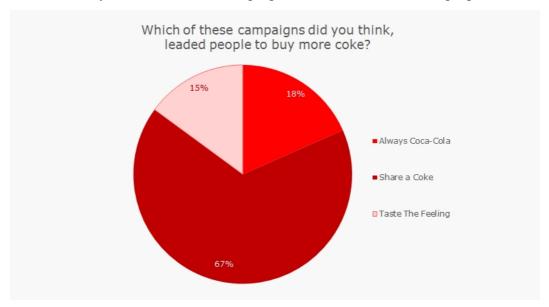


Figure 0.15 - Most Successful Campaign 322

### Analysis of Coca-Cola Campaigns – Situation Analysis

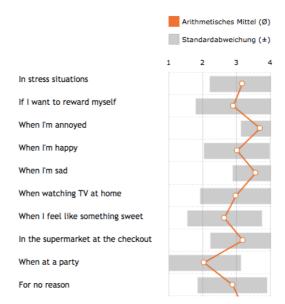


Figure 0.16 - Situation Analysis 323

Own illustration according to the results of the survey.Own illustration according to the results of the survey.

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Affidavit | 100

# **Affidavit**

I declare that I wrote this thesis independently and on my own. I clearly marked any language or ideas borrowed from other sources as not my own and documented their sources. The thesis does not contain any work that I have handed in or have had graded as a Prüfungsleistung earlier on.

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