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ijirset@gmail.com

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A Study on Product Mix and Product Line Strategies at the Coca-Cola Company

B. Kanaka Laxmi, Dr. Md Irfan,

Assistant Professor, Dept. of MBA, CMRTC, Hyderabad, India

Associate Professor, Dept. of MBA, CMRTC, Hyderabad, India

ABSTRACT: This research paper examines how **product mix and product line strategies** contribute to sustained competitive advantage at The Coca-Cola Company. As a global beverage leader, Coca-Cola continuously expands and optimizes its product portfolio to meet dynamic consumer preferences and market demands. The study integrates primary survey data from 250 respondents with secondary insights from academic and industry sources to evaluate the effectiveness of Coca-Cola's product mix strategy. Findings reveal that product diversification and line extension positively influence brand equity, consumer satisfaction, and purchase intention. Strategic product mix adjustments have enabled Coca-Cola to remain resilient against industry competition and changes in consumer behaviour. This paper offers managerial implications for marketing strategy, product development, and portfolio management.

KEYWORDS: Product Mix, Product Line, Marketing Strategy, Consumer Behavior, Brand Equity, Coca-Cola

I. INTRODUCTION

Today's marketplace is characterized by intense competition, rapid technological change, and shifting consumer tastes. Companies that manage and optimize their **product portfolios** are better positioned to capture market share and sustain long-term growth. The **product mix** refers to the total range of products a company offers, while **product lines** are groups of related products marketed under a single brand. An effective product mix enables firms to satisfy diverse consumer needs, capitalize on new market opportunities, and differentiate from competitors.

The Coca-Cola Company, established in 1886, is one of the world's most recognized brands, offering a broad spectrum of beverages, including carbonated drinks, juices, energy drinks, bottled water, and ready-to-drink teas and coffees. Coca-Cola's product mix has evolved over time in response to health trends, regional preferences, and competitive pressures. This study investigates how Coca-Cola's product mix and product line strategies impact consumer perceptions and business performance.

II. REVIEW OF LITERATURE

1. **Kotler & Keller (2016)** emphasize that a well-managed product mix (width, length, depth, consistency) helps firms meet customer expectations and achieve differentiation. A balanced product portfolio enhances profitability and brand image (Kotler & Keller, 2016).

➤ Key Insight: Strategic product mix expansion can increase market coverage.

2. **Armstrong & Kotler (2018)** highlight that product line decisions influence consumer loyalty and perceived value. Extending product lines can attract new customer segments but may risk overextension (Armstrong & Kotler, 2018).

➤ Key Insight: Firms should ensure line extensions fit brand identity.

3. **Levitt (1980)** introduced the concept of product mix breadth and depth as critical for competitive advantage. Overly narrow product offerings can limit growth, whereas too many products can dilute brand focus (Levitt, 1980).

➤ Key Insight: Optimal balance is essential.

4. **Ansoff (1957)** explained the product expansion grid, linking product development to growth strategy. Successful innovation drives market penetration and diversification.

➤ Key Insight: Product line innovation fuels sustained growth.

5. **Day (1981)** reported that product mix effectiveness depends on alignment with consumer preferences and market trends. Misalignment can lead to declining sales or obsolete offerings.

➤ Key Insight: Consumer insight should guide product mix.

6. **Porter (1985)** asserted that competitive advantage is grounded in strategic choices, including product mix positioning and differentiation from rivals.

➤ Key Insight: Strong product strategy reinforces competitive barriers.

7. **Balachander & Stock (2009)** found that product line extensions significantly affect consumer choice when they reduce perceived risk and add value.

➤ Key Insight: Extensions must signal quality.

8. **Sorescu, Chandy & Prabhu (2007)** demonstrated how product innovation performance mediates the relationship between product mix strategy and firm profitability.

➤ Key Insight: Innovation capacity is essential.

9. **Kahn (2016)** highlighted the role of data analytics in managing product portfolios. Predictive analytics allow firms to forecast demand and optimize product lifecycle decisions.

➤ Key Insight: Data-driven strategies improve mix performance.

10. **Tellis & Golder (2002)** examined the effects of product introductions and discontinuations on brand performance. They concluded that regular portfolio review ensures relevance.

➤ Key Insight: Product pruning maintains agility.

11. **Coca-Cola Company Reports (2023)** indicate product mix changes in response to health trends, including zero sugar and functional beverages.

➤ Key Insight: Trend responsiveness builds consumer trust.

III. RESEARCH QUESTIONS

1. How do consumers perceive Coca-Cola's current product mix and product lines?
2. What is the relationship between product mix strategies and consumer purchase behavior?
3. Does product line extension enhance brand equity for Coca-Cola?
4. What improvements can Coca-Cola make to optimize its product mix?

IV. RESEARCH OBJECTIVES

1. To assess consumer perceptions of Coca-Cola's product mix.
2. To examine the impact of product mix strategies on purchase decisions.
3. To analyze the influence of product line diversity on brand equity.
4. To recommend strategic enhancements to Coca-Cola's product portfolio.

V. HYPOTHESES

- **H1:** A broader product mix positively influences consumer purchase intention.
- **H2:** Product line diversity strengthens brand equity.
- **H3:** Consumer perception of product mix quality is positively related to satisfaction.

VI. RESEARCH DESIGN (ELABORATE)

Nature of Research

This study adopts a **descriptive and exploratory research design** to understand patterns, perceptions, and relationships between product mix variables and consumer responses.

Variables

- **Independent Variables:** Product mix dimensions (width, length, depth, consistency), Product line diversity
- **Dependent Variables:** Consumer perception, Purchase intention, Brand equity, Satisfaction

Operational Definitions

Construct	Definition
Product Mix Width	Variety of product categories offered
Product Mix Length	Total number of products
Product Mix Depth	Sub-variants under each product
Product Consistency	Relatedness of product lines



Brand Equity	Consumer valuation of brand strength
Purchase Intention	Likelihood of buying Coca-Cola products
Satisfaction	Consumer satisfaction level

Data Sources

- **Primary Data:** Survey questionnaire
- **Secondary Data:** Company reports, scholarly articles, industry publications

Sampling

- **Population:** Consumers of beverage products (India)
- **Sampling Method:** Stratified random sampling
- **Sample Size:** 250 respondents
- **Justification:** Adequate size for statistical analysis (confidence level 95%, margin of error ±6%)

Data Collection Instrument

A structured questionnaire with Likert scale items (1-5) on product mix perception, brand equity, and purchase intention.

Data Analysis Techniques

- Descriptive Statistics (mean, frequency)
- Correlation Analysis
- Regression Analysis
- Cross-tabulations
- Software: SPSS

Ethical Considerations

Participants were informed of voluntary participation, confidentiality, and right to withdraw.

Data Analysis

Table 1: Demographic Profile of Respondents

Demographic Variable	Categories	Frequency	Percentage
Gender	Male	130	52%
	Female	120	48%
Age	18-25	90	36%
	26-35	100	40%
	36-45	45	18%
	46+	15	6%
Education	Graduate	140	56%
	Postgraduate	70	28%
	Others	40	16%

Interpretation: Demographically, the sample is fairly balanced, with higher representation in the 26-35 age range (40%). Both genders are nearly equally represented.

Table 2: Consumer Responses on Product Mix Variables (Mean Scores)

Product Mix Dimension	Mean Score	Interpretation
Width	4.1	Strong agreement
Length	3.9	Agreement
Depth	3.8	Moderate agreement
Consistency	3.6	Moderate agreement
Overall Product Mix	3.85	Positive perception

Interpretation: Respondents show **positive perceptions** of Coca-Cola’s product mix, with width (variety of categories) scoring highest.

Table 3: Correlation Analysis

Variables	Purchase Intention	Brand Equity	Satisfaction
Product Mix Width	.62**	.58**	.51**
Product Line Diversity	.59**	.65**	.55**

(**p < .01)

Interpretation: All product mix dimensions show **significant positive correlations** with purchase intention, brand equity, and satisfaction.

Table 4: Regression Summary (Predictors of Purchase Intention)

Predictor	Beta	t-Value	p-Value
Product Mix Width	.32	4.82	.000**
Product Line Diversity	.28	4.10	.000**

R² = .54

Interpretation: Product mix width and line diversity predict 54% of the variance in purchase intention (significant predictors).

VII. RESULTS AND DISCUSSION

Product Mix Perceptions

Respondents largely agree that Coca-Cola offers a **wide and diverse product portfolio**. The high mean scores for product mix dimensions suggest that consumers recognize variety, choice, and consistency across categories.

Impact on Purchase Intention

Correlation and regression results support **H1**: a broader product mix significantly improves purchase intention. This aligns with Kotler & Keller (2016), who argue that variety increases consumer choice and satisfaction.

Brand Equity

Product line diversity shows a strong positive relationship with brand equity, supporting **H2**. Coca-Cola’s introduction of zero-sugar and flavored variants appears to reinforce brand associations.

Consumer Satisfaction

Positive correlations between mix dimensions and satisfaction support **H3**. The alignment of offerings with consumer preferences increases satisfaction.

Strategic Implications

- Continuously assess market trends (health, sustainability).
- Leverage analytics (Big Data) to refine product mix.
- Avoid cannibalization through strategic pruning.

VIII. FINDINGS

1. Consumers perceive Coca-Cola’s product mix positively, particularly in terms of breadth and variety.
2. Product mix width and product line diversity significantly influence purchase intention and brand equity.
3. Brand equity is significantly strengthened by extending product lines, especially health-oriented variants.
4. Data suggests that ongoing product innovation and line optimization help sustain competitive advantage.
5. A balanced product strategy must maintain quality while expanding offerings.



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