

A Coca-Cola tap in every house?

Coca-Cola has considered channelling Coke through taps in customers' homes. The business created a system, fitted inside a customer's house, to mix carbonated water with Coke's secret syrup and pipe it around houses. The company does not see Pepsi as its only main competitor and a former chief executive stated that he would only be happy if customers turned on taps in their homes to drink Coke rather than water. The syrup could be sold directly by Coca-Cola over the Internet as a concentrate in sealed containers.

'You would have water mixing automatically with the concentrate and then when you turn on your tap you have Coke at home. There's a lot more to it than that to ensure quality and it has to be a sealed unit so people can't alter the syrup formula to destroy the value of the brand,' the company said. Cafés and branches of McDonald's have stored the Coca Cola syrup and produced Coke on the spot for years. This idea could be taken a step further when the time is right. 'There's not a market yet,' the former chief executive said. 'People still like to physically go and buy things, but one day, yes, this will be a reality.'

[25 marks, 35 minutes]

- 1 Explain the importance of the Coca-Cola brand name to the company. [6]
- 2 This is an example of direct selling from the manufacturer to the consumer. Discuss the advantages and disadvantages of this channel of distributing Coca-Cola from the point of view of both the company and consumers. [10]
- 3 Outline **three** other methods Coca-Cola could use to 'place' or distribute their product to more consumers more often. [9]