A comparison of route-to-market strategies as a means to improve customer service

Suréne Ludick

12567183

Mini-dissertation submitted in partial fulfilment of the requirements for the

Degree ***Master of Business Administration***

at the, Potchefstroom Campus of the North-West University

Supervisor: J.A Jordaan

November 2011

CERTIFICATION

I hereby certify that the content of this assignment is my own original work and that this document has not previously been submitted in its entirety or in part at any educational establishment.

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to the following people for their support and assistance while I researched and wrote this report:

- To my Mother, Hettie Weber, who has continually driven me and pushed me to give one hundred per cent right to the end. This has been a life-changing experience that I owe to her.

- To my Family (Dad, Marizelle and Coenraad), whose encouragement and support, particularly during the latter part of my MBA, gave me the courage, inspiration and strength to finish it. You are truly the motivation behind this all.

- To the love of life, Nicky Fourie, for his patience, love and support. I value his understanding of my emotions under pressure and of the hours I have beencompelled to spend completing this course. Furthermore, an immense thank you for the financial support when times were tough.

- To Eddie Du Plessis, the current General Manager of ABI Central Region, for the financial support and interest shown while I have been studying and completing the final stages of my MBA.

- To my Line Manager, Clifford Hutton, for his complete patience, his invaluable insights and vital guidance during the stages of this course.

- To my study leader, Johan Jordaan, for his insight and guidance in assisting me with structuring this report.

- And finally, to all my friends, for pushing me every day to better myself.

EXECUTIVE SUMMARY

This study has been commissioned to compare different route-to-market (RTM) strategies and models within Coca-Cola endeavours in South Africa, Mexico and India. The Coca-Cola RTM model has been explained and the implementation outcomes in all three counties examined and illustrated.

The research indicates how important it is to classify customers into segments according to their retail interests. Furthermore, it elucidates the importance of a strong customer base and alliance with the company's operational supply chain. It also examines challenges in terms of customer satisfaction and the effect the model has on customer satisfaction.

This study has covered an analysis of the RTM strategies for Coca-Cola South Africa, Mexico and India in detail and used this to provide a foundation for formulating a first-class RTM model. It offers insight into the implementation process in the different markets, highlighting the importance of tailoring the RTM model to specific markets. Comparative studies emphasise the remarkable difference it can make when the process is altered to suite an explicit channel within a market.

The overall conclusion is that an effective RTM model, which has a well-established customer base at its centre, will significantly improve the satisfaction of customers in terms of quality and respect for services rendered.

TABLE OF CONTENTS

Table of Figures

Index of Tables

Chapter One: Nature and Scope of the Study

"Management must think of itself not as producing products but as providing customer value. It must push this idea into every nook and cranny of the organisation."
Theodore Levitt, "Marketing Myopia", Harvard Business Review 1960

1.1 Introduction

You could have the best product or service in the world, but if you don't put it in front of the right customers at the right time and place you might lose out on an opportunity. Whoever you are selling to, whether it is a consumer or a business customer, you should appreciate the needs of the individual buyers in their specific trade channels and ensure that you are able to cater for them (Anon7., 2011). Having the right route-to-market (RTM) approach is critical to the success of any business, large or small. However many companies have never systematically assessed the options and choices for getting their products or services into the hands of consumers. Those who have do not review their approach on a regular basis (Anon7., 2011).

A 'route-to-market' (RTM) is the distinct process through which a product or service can be selected, purchased, ordered, and received by a customer, thus the method by which the product is delivered Each route is a package of different levels of service outputs, search convenience and costs. An RTM assessment is a holistic approach that covers many aspects of the commercialisation process such as outlet segmentation, account development and business building activity, ordering and delivering modes, third party relationships, depot networks and drop size by segment. The ultimate objective of an effective RTM approach is to have the right product, at the right place, at the right time, for the right occasion and at the right price (Garret, 2005:13).

The question that comes to mind is why firms choose distribution strategies that appear irrational, disorderly, or even worse - cannibalistic? What are the driving factors behind this diversity? Empirical evidence indicates that more and more firms are adopting an increasingly broad variety of RTMs (Garret, 2005:13). This can be linked to a growing customer demand for wider availability, greater purchase convenience, more variety in service outputs at the point of purchase, customisation

of service outputs and post-purchase support (Garret, 2005:13). This has been discussed in more detail in Chapter Two.

Evidence also shows that channel decisions are rising in importance on corporate agendas when it comes to planning an effective RTM model (Garrett, 2005:13). These decisions can be categorised into two broad areas - channel structure and channel management - whereas the majority of the early research in this field focused on channel management. Research on channel structure did not emerge until the 1980s (Garret, 2005:13). Research in channel management has mostly examined issues in the sphere of firm–intermediary relationships. In contrast, research in channel structure has examined various facets related to establishing a distribution system in the market, such as the optimal number of total outlets in a territory, the types of intermediaries in the channel and the level of integration in the channel. Relatively small changes in marketing channel costs can therefore significantly affect supplier profits (Garret, 2005:13).

Before deciding which sales channels to invest in, firms need to understand their customers. Sales channels are usually divided into direct channels such as sales reps, retail outlets, websites, mail order and exhibitions; and indirect channels such as sales agents, distributors and franchisees. Different customers in different sectors may have very different buying habits and expectations (Anon3., 2011). At the same time, a company's delivery channels are also likely to form an important and integral part of their overall customer value proposition (Garret, 2005:15). According to Alex Garrett it is important to know why certain types of structures surface before you can turn to an in-depth analysis of channel member relations, because these relations take place within a specific structure, not apart from it.

The channel structure of a firm has two dimensions: the number of 'diverse' channels, or RTM models (i.e., the variety dimension) and the number of members in each route (i.e., the intensity dimension) (Garret, 2005:15). The variety dimension is concerned with offering new formats for customers to obtain a product or service, whereas the intensity dimension focuses on achieving a specific level of market coverage through a particular format after it has been adopted (Wayne Hoyer, Rupinder, Werner & Manfred, 2007:17).

Researchers have recognised this development. “The key question appears to be not whether a multiple channel structure should be utilised, but rather how many and what types or dimensions of channels should be established by the firm,” (Wayne *et al.*, 2007). We still understand very little about issues related to these structures and implications of the simultaneous use of a variety of routes. These unexplored issues include why some firms offer a broader variety of options to their customers and which firms excel by doing so. It also includes how broad a variety they should offer, with what factors they should calibrate this variety, how they should manage the expanded distribution structure and what the consequences of such a strategy are for firm–intermediary and firm–customer relationships (Wayne *et al*., 2007:17).

A firm needs answers to these questions in order to optimise the match between the given business conditions and its distribution structure. This will enable the firm to maximise its distribution efficiency and effectiveness. Because a firm, irrespective of its power as a manufacturer or service provider, must make its products and services available where, when, and how customers want them, the role of the customer should be brought centre stage in channel research (Wayne *et al*., 2007:20).

An RTM is more than just the distribution of products and services; “it is a way of thinking, a way of making new connections with customers to exploit new commercial opportunities (Wayne *et al*., 2007:20). This firm–customer interaction suggests two broad factors that may influence the distribution structure:

1. From a firm's perspective, what kind of customers and trade channel it is targeting and to what level it is committed to delivering customer satisfaction (i.e. its customer orientation);
2. From the customers' perspective, to what extent customers are likely to search for the product and the price in the market (i.e. search behaviour).

Because the RTM provides such diverse customer contact formats for how a firm delivers customer satisfaction, it is likely to base its variety of routes on its knowledge of customer needs and its desire to fulfil them (Wayne *et al*., 2007:20). For example, a firm that believes it needs cooperation from its intermediaries for the satisfactory delivery of its product or service will more likely use a narrow variety of routes to avoid increasing intra-brand competition (Wayne *et al*., 2007:20).

In recent years, with the arrival of sophisticated internet search engines and increased competition from direct marketers, companies have begun to question the validity of their long-established channel structures and RTM models. Furthermore, the distinction between communication and distribution channels is increasingly becoming unclear. Companies are recognising that delivery channels are also a mechanism for acquiring knowledge about end-user needs and preferences. The need to gain access to this end-user information and to use it as a basis for customer relationship management (CRM) programmes has become a key issue (Garret, 2005: 15).

RTM starts with an external perspective, looking at the market in which a company competes or could compete in, before shifting the focus internally to consider the company and its capabilities. It is important to begin with the external picture, particularly of consumer trends and customer developments, although this is a step many companies fail to take. The first output of an RTM review should be, as previously explained, a channel strategy which identifies the company's priority areas of focus. Once the channel strategy has been decided on, the next step is to look at all possible RTM options which can deliver the strategy. The choice of RTM at the sales/commercial level will require the company to review its supply logistics approach and determine if the present system is the best to deliver the plans.

For most companies the main focus of an RTM review is on driving effectiveness (better sales and market share) as opposed to efficiency (cost savings) (Wayne *et al*., 2007). However, a proper RTM implementation and a suitable supply approach may help deliver key growth objectives and achieve cost savings, since most companies' supply operations are less than efficient. Having defined the RTM from a commercial and supply perspective, the next step is to create the right conditions for the plans to be successful (The Coca-Cola company, 2009).

We will look at Coca-Cola's global customer service and RTM model by comparing the implementation of the model in different countries namely South Africa, Mexico and India. The effectiveness of the model will be measured according to pre- and post-implementation on fundamentals such as margin percentage, volume in cases, obtainable integrated technology and execution methods.

1.2 Background

It began as a nameless drink, and became an experience, flowing over time and continents, linked by a memory to the meal on the table and the company at hand. For more than a hundred years it came to be a constant amid change, a rock standing against the tide (Vrontis, 2008:290).

The Coca-Cola Company is the world's leading soft drink producer. It operates in more than 200 countries and sells more than 400 brands of non-alcoholic beverages (Vrontis, 2008:290).

In the beginning, this product was included in a totally different category, namely pharmaceutical. The beverage was immediately recognised and appreciated for its quality to cure depression, headaches, impotence and neurasthenia (The Coca-Cola company, 2009). A prevailing belief of the time was that carbonated water was good for the health. For this reason, a doctor called John Pemberton (considered Coca-Cola's inventor) developed the drink as a non-alcoholic version of the French Wine Cola (The Coca-Cola company, 2011). This new wonder of the world was sold at soda fountains for five cents a cup and after that, when the company was founded by Asa Griggs Candler, it represented, step by step, the fundament for each popular soda beverage (Vrontis, 2008:290).

From a historical point of view, Pepsi has been invented in 1898 by Caleb Bradham, a druggist from New Bern, North Carolina. The original trademark application for Pepsi was made in June 1903, and the second registration integrated this brand into the same area as Coca-Cola, based on its qualities. This drink became popular by 1920, at the beginning of its career, when the company reached bankruptcy (Moraru 2010). The company was liquidated incredibly fast, in 1931, but Pepsi's formula was bought by Charles Guth, president of the Loft candy-store chain. He sold the drinks at Loft for only one year, while he ordered that all his soda fountains serve only Pepsi-Cola, which was promoted as the best 5 cent drink in America.

According to Pendergrast's classification, Coca-Cola went through a number of developmental stages, characterising the brand's successes as well as failures.

- ***The Beginning (1886-1889)*** - when the market was empty and easy to be taken over by this new product. Referring back to Dupont's positioning, everything was based on the product's naming, courtesy of Frank Robinson. He justified his choice using the musicality and the American style of naming. Robinson later wrote that he created the name "Coca-Cola" not only to indicate the key ingredients, but "because it was euphonious, and account of my familiarity with names such as: S.S.S. and B.B.B." (Moraru, 2010:49).

According to Trout's classification we may speak here of positioning through a product's qualities and name. It is not necessary to remind that the competition did not even exist until 1898, when Pepsi appeared, and as it was expected, used the same positioning. Walter S. Mack, the president of the Pepsi-Cola Company, tasted the product in his labs and reached an interesting conclusion, which was already spoken about as the comparative positioning: Coke is spicy; Pepsi is citricy (Moraru, 2010:49). Beginning with this statement of differentiation, the fight was on.

- The next step was called ***Heretics and True Believers (1900-1922)*** and this time outruns the first position. The reason for this is that everyone already knew the product (Moraru, 2010:51). The attention was driven to the image, and this is why the company invested a lot of money in advertising.

- ***The Golden Age (1923 and 1943)*** received its name due to the fact that the brand brought out a lot of innovations which are still on the market. One of them is the symbol positioning, for which a very familiar and popular character was chosen - no other than Santa Claus. Since 1931 Santa became the image of every Christmas campaign, due to the association of colours, inspired by the logotype.

  World War II promoted Coca-Cola as an international drink. It became an American symbol for the army, with slogans like "*Congratulations*. *You're the 100th soldier who has posed with the bottle of Coca-Cola, You can drink it".* These events transformed Coca-Cola into the leader of the market in spite of any competitor (Moraru, 2010:49).

- ***Trouble in the Promised Land (1950-1979).*** Coca-Cola was now focusing on positioning itself as a high-status product, using association with the most important stars from the political, social and cultural stage. Despite earning the glory and enjoying the celebrity, Coca-Cola was in trouble because Pepsi did not give up fighting for a place in the market, and reclaimed the customer through 'below the line strategy', which increased its profit and decreased the competition's credibility. The problem was that Coke was positioned in the mind of the consumer as a high or expensive brand, while Pepsi was its more affordable relative.

- ***The Corporate Era (1980-1999)*** for Coke represented the opportunity to find diversity (Big Coke, New Coke and Diet Coke), developing the brand and awakening an interest in its tradition (The Coca-Cola Company, 2011).

A century ago the first Coca-Cola bottling operations outside North America started in Cuba and Panama. Eighty years ago Tampico and Monterrey became the first bottling operations in Mexico; and 70 years ago Coca-Cola first reached Peru (Kaye, 2004). The end of the Spanish-American War in 1898 led to increased travelling to the Caribbean by Americans who had recently discovered the tropical beauty of the region, making the area a popular tourist destination. Inspired by this development and by his brother's personal experience as a missionary in the Caribbean, Asa Candler decided to explore bottling operations in the region. Simultaneously, with the building of the Panama Canal and the great influx of workers to the country, Candler was approached by two employees of the Panama Canal construction team, A.C. King and W.E. Black. In their desperate efforts to alleviate the suffocating tropical heat, they gained permission to import, distribute and sell Coca-Cola in 1906. They distributed Coca-Cola in wooden barrels, which they attached to manually operated wagons that circulated through the construction zone. All these efforts culminated as Coca-Cola established the first official bottling operations in Panama, Cuba and Canada in 1906. Puerto Rico quickly followed in 1909, and a period of rapid expansion throughout Latin America took place from 1906 to 1938. By the end of the 1920's Coca-Cola was bottled in 27 countries throughout the world and available in 51 more. Despite this reach, volume was low, quality inconsistent and effective advertising a challenge with language, culture, and government regulation all serving as barriers.

Coca-Cola quickly learned that developing a local market was essential for its success, a challenging task considering that there were many local and global factors that influenced the business (Bailor, 2006).

1.3. Definition of the Research Problem

1.3.1 Problem statement

The purpose of this research study is to determine whether or not the Coca-Cola RTM framework has contributed towards a more effective business strategy for Mexico, India and South Africa as a result of better customer service and profitable margin growth.

Research on this topic is extremely limited as this concept covers a holistic strategy of the company. Thus, a RTM can also refer to the Go-to-Market strategy, the supply chain, channel management, sales, distribution and manufacturing. These concepts have been individually investigated in order to gain insights on the entire RTM.

To better understand how to implement an RTM strategy, the global Coca-Cola RTM strategy will be discussed and evaluated in Chapter Two in order to better understand how each country has tailored this model to fit unique markets and national cultures.

A sample analysis has been performed on South Africa to explore whether variables such as sales quantities, net revenue and margin contribution have improved after the introduction of the model to South Africa and if these effects had an influence on customer service. Customer service will be measured through customer satisfaction. The results have been discussed in Chapter Three, together with the implementation outcomes from Mexico and India. The recommendations have been based on the outcome of the study.

1.3.2 Delimitation of the study area

The study will primarily focus on three countries: South Africa, Mexico and India. Mexico is the number one consumer of carbonated soft drinks (per capita) in the

world while India, as a developing country, sets out an analogous market platform for retail benchmarking.

In addition, research and analysis will be conducted on performance indicators such as margin contribution, volume growth and customer service. It will also be done on the rationalisation of brands and packs and pre- and post-implementation of the framework in South Africa. Due to limited access to Mexico's and India's key performance indicators, a sample test will be performed in South Africa.

1.4. Definition of Concepts and Terms

1.4.1 Route-to-market (RTM)

RTM - the supply chain that a product follows to get to the final consumer.

1.4.2 Coca-Cola's RTM Model

It is a model that describes the way Coca-Cola interacts with its customers through sales, logistics and execution, in a sustainable way. The model is aligned with the Coca-Cola Company's 2020 vision that addresses intentions to manage a total portfolio of Coca-Cola products, excel in the relationship with customers and to generate profitable growth.

1.4.3 Coca-Cola

Coca-Cola is the trademarked name for a popular soft drink sold in stores, restaurants and vending machines around the world. It is popularly known as 'Coke' - a name which the company also claims as a trademark. For this study it also refers to the Coca-Cola System, which consists of The Coca-Cola Company, independent bottling plants, local distributors, and all others who are involved in the manufacturing, production and distribution of beverages under the Coca-Cola brand.

1.4.4 Sales channels

Customers are categorised into sales channels according to their trading method with Coca-Cola's requirements to a total service offering package. They can be divided into three tiers:

- *Direct:* Refers to high volume customers who require face-to-face interaction on a weekly basis from a Coca-Cola representative.
- *Indirect:* Make use of a third-party distributor or wholesaler but still requires face-to-face interaction on a monthly basis from a Coca-Cola representative.
- *Tel sell:* Refers to a customer interaction centre that phones smaller customers and assists with customer queries. It also requires face-to-face interaction with a Coca-Cola representative on a bi-monthly basis.

1.4.5 Trade channel

Trade channel is the categorisation of outlets according to their retail specifications. The reason for this is to tailor the service and products according to the different needs within a specific trade channel. Examples of Coca-Cola's trade channels are:

- *Grocery Channel:* Includes all supermarkets, national chain stores and superettes.
- *Petroleum and Fuel Management (PFM) and Convenience:* Includes all service stations with convenience stores.
- *Local and Traditional (L&T):* Refers to main market outlets that sell a general product range of basic foodstuff.

1.4.6 Channel management

This is the way in which a company reaches and satisfies its customers. Channel management involves more than just distribution, having been described as the management of how and where a product is used and of how the customer and the product interact. Channel management covers processes for identifying key customers, communicating with them, and continuing to create value after the first contact.

1.4.7 Channel structure

Channel structure scrutinises various elements within the distribution functionality to facilitate the optimisation of resources. These elements relate to the optimal number of total outlets in a territory, the types of intermediaries in the trade channel, and the level of integration.

1.4.8 Customer

Custimer refers to businesses or individuals, within the context, that purchase and stock Coca-Cola products with a commitment to sell them to shoppers and consumers.

1.4.9 Per capita

A Latin prepositional phrase: ‘Per’ is a preposition, taking the accusative case, meaning ‘by/by means of’. ‘Capita’ is the accusative plural of the noun caput, ‘head’. The phrase thus means ‘by heads’ or ‘for each head’, i.e. per individual or per person (The Coca-Cola company, 2011). For the means of this study, we will measure the consumption of 200ml of beverage per capita.

1.4.10 Longitudinal study

Longitudinal study is a correlation research study that involves repeated observations of the same variables over an extended period of time. Because longitudinal studies track the same measuring instrument, the differences observed are less likely to be incorrect. Thus, longitudinal studies make observing changes more accurate.

1.4.11 Year-to-date (YTD)

YTD - a period, starting from the beginning of the current financial year and continuing up to the present day. The year can also refer to a calendar year, depending on the purpose of the usage. YTD is often provided in financial reports, detailing the performance of a business entity. Providing current YTD results, as well as YTD results for one or more previous years as of the same date, allows owners, managers, investors, and other stakeholders to compare the company's current performance to that of past periods.

1.4.12 Consumers

It is individuals, of any age, who consume, either a still or carbonated soft drink in outlets that cater for on-premise consumption or purchase soft drinks from off-premise outlets to consume at home.

1.4.13 Margin contribution

The difference between total sales revenue and total variable costs is called margin contribution. The term can be applied to a product or product lines and is generally expressed as a percentage.

For our purpose, the ‘gross margin percent’ will be recognised as the ‘contribution margin percent’. The contribution margin information can be used to rationalise products and product lines according to the specific trade channel. This element will also feature as a variable measurement in the empirical study.

1.4.14 Rationalisation

The process where an increasing number of specific actions become based on considerations of efficiency or calculation rather than on motivations derived from morality, emotion, custom, or tradition is referred to as rationalisation. In this context, rationalisation will refer to the elimination of specific brands and packs according to the behaviour driven within the specific trade channel.

1.4.15 Go-to-market

Go-to-market defines the ‘who’, ‘what’, ‘where’ and ‘when’ of a product or service introduction. Furthermore, it refers to the channels a company uses to connect with its customers or business and the organisational processes it develops to guide customer interactions from initial contact through to fulfilment.

1.4.16 Look of Success

For the purpose of this study, the look of success will refer to a picture that has been compiled, to identify how each outlet in a specific channel should look like. For example, a spaza outlet’s look of success includes a cooler at the entrance of the outlet as well as a combo like a coke and a burger.

1.4.17 RED – Right Execution Daily

Red is the measurement of how an outlet should be executed according to the look of success. It measures how Coca-Cola products are displayed to capture the consumer's attention.

1.5. Objectives

1.5.1 Primary objective

The main aim of this study is to determine whether the Coca-Cola RTM framework has made a statistically significant contribution to profitable growth (increased margin contribution) and improved customer service.

1.5.2 Secondary objectives

1.5.2.1 To compare the RTM strategies of the three different countries.

1.5.2.2 To investigate the correlation between RTM strategy and operating margins.

1.5.2.3 To investigate the correlation between RTM strategy and customer service.

1.3.2.4 To recommend how a RTM framework could be used to improve margins and customer service.

1.6 Hypothesis

$H0_1$: Implementation of the RTM framework does not have a significant influence on the sales quantity.

$H0_2$: Implementation of the RTM framework does not have a significant influence on the net revenue.

$H0_3$: Implementation of the RTM framework does not have a significant influence on margin costs.

$H0_4$: Implementation of the RTM framework does not have a significant influence on the number of buying customers.

$H0_5$: Implementation of the RTM framework does not have a significant influence on customer satisfaction.

$H1_1$: Implementation of the RTM framework makes a statistically significant contribution towards an increase in sales quantities.

$H1_2$: Implementation of the RTM framework makes a statistically significant contribution towards an increase in net revenue.

$H1_3$: Implementation of the RTM framework makes a statistically significant contribution towards an increase in margin costs.

$H1_4$: Implementation of the RTM framework makes a statistically significant contribution towards an increase in the number of buying customers.

$H1_5$: Implementation of the RTM framework makes a statistically significant contribution towards an increase in customer satisfaction.

1.7. Research Design and Methodology

The research study consists of a literature study on RTM strategy implementation, supply chain management and the efficient practice of channel management. The intention is to gain insight around advantages and disadvantages for companies who have successfully implemented their models but also, to learn from those who experienced difficulties with their implementations and the way forward.

Information for the research study has been acquired through the use of watershed works, as limited research has been done on RTM processes.

For the relevance of a statistical study, only South Africa has been used as the determining country by means of a longitudal study.

Further research has been assembled through resources such as:

- Books.
- Articles.

- Internal sources such as the intranet.

Presentations regarding the implementation of the Coca-Cola model in each country has been studied and analysed. All research objectives have been met.

1.8. Data and the Treatment of the Data

Data for the study takes the form of primary and secondary data.

- Primary data has been sourced through various internal and external records, where relevant strategies have been implemented for key learning's.
- Secondary data has been sourced via the Coca-Cola intranet website on the following:
  - YTD margin contribution figures - pre- and post-implementation,
  - YTD volume/sales figures per case,
  - Customer satisfaction percentages.

Collectable data on volume trends, market share, customers and consumer expectations and margin performance has provided valuable data for evaluating performance and substantiating final recommendations.

A statistical analysis of the secondary data has been conducted in cooperation with the statistical consultation services of the North-West University.

1.9. Summary

The chapter outlines the background of the research, the problem statement and its objectives, framework of the study, methodology and layout of the study.

The next chapter outlines the literature studied to identify the gap between existing research and the empirical study of this dissertation.

Chapter Two: Literature Review

Dynamics of an Effective RTM System

"Management must think of itself not as producing products but as providing customer value. It must push this idea into every nook and cranny of the organisation."
Theodore Levitt, 'Marketing Myopia', Harvard Business Review 1960

2.1 Introduction

Emerging economies involve significant institutional transitions and are characterised by highly uncertain and dynamic markets (Haiyang Li, 2005). Shoppers have changed and customers have evolved, creating new retail formats. Competitors have improved their selling processes and costs are rising inevitably. With changes taking place on all levels of business, it is possible to fall behind without a RTM strategy tailor made for a company (Gupta & Kohli, 2006).

There is tremendous pressure on companies to lower costs, enlarge product assortment, improve product quality, and provide reliable delivery through effective and efficient coordination of production and distribution activities. To achieve these conflicting goals, companies must constantly re-engineer or change their business practices and employ information systems (Kohlib & Guptaa, 2006). It is necessary for companies to evolve ways to keep operational efficiency at its peak, i.e. in terms of high levels of flexibility, dependability and quality (Gupta & Kohli, 2006).

It is widely recognised that today's managers face an environment characterised by rapid changes in technology and customer demand. To cope with such challenges, both researchers and economists have suggested that entrepreneurial strategy making will be critical for future organisational success (Haiyang & Tsang-Sing, 2005).

Newspaper, economic reports and books continue to emphasise the fact that markets are changing rapidly and that consumers globally are exposed to factors responsible for these changes. While specialists can comment and offer suggestions

on how best to embark upon these changes, it is essential for every company to recognise the centre cause in his own business.

For Peng, transformation towards liberalisation and marketization in countries such as China, meant introducing fundamental and comprehensive changes to 'the formal and informal rules of the game that affect organisations as players', which encourage effective implementation of strategies (Haiyang & Tsang-Sing, 2005).

Today's dynamic business environment requires companies to internally monitor and make decisions in response to changes in the marketplace. To effectively compete in the international business world, companies must position themselves to be able to quickly access both internal and external market information and make prudent business decisions (Gupta & Kohli, 2006).

Decision-making processes require different time frames around geographical distributions. Decisions require quick changes regarding product developments, material flows, production planning, and scheduling. It is necessary for companies to develop ways of keeping operational efficiency at its peak, i.e. in terms of high levels of flexibility, dependability and quality. Historically, companies have maintained different information systems for different business functions such as accounting, production, marketing, purchasing, etc. Information systems have their own methods of collecting and storing information based upon their needs. Although these systems enable managers to improve decision-making within a specific functional area, they lack functional integration, making communication and cooperation among business functions difficult. Consequently, a company as a whole may lose its competitive edge because it is unable to realise its full potential.

ERP systems have been used to improve internal operations. For example, Coca-Cola has extended its ERP system to its bottlers and has further plans to extend its system not only upstream to suppliers but downstream to major customers such as McDonald's and Wal-Mart. With this forward extension, Coca-Cola and its partners will be able to gather data from customers on various trends across the industry, e.g. changes in tastes and preferences, sales data for improved forecasting and inventory management to better serve their customers (Gupta & Kohli, 2006).

The aim of this chapter is to explore the different approaches towards RTM strategy implementations as well as the internal and external factors influencing the efficiency of the process. The literature review clarifies essential dynamics of a RTM model. Lastly, the Coca-Cola RTM model has been explained for the purpose of the study.

2.2. Managing Channel Strategies and Systems

Theory suggests that a firm should adopt only a limited variety of RTM because of the concept of 'channel conflict'. This theory recommends that providing a customer with an extensive variety of purchase options escalates intra-brand competition in the marketplace (Coughlan, Anderson, Stern, & El-Ansary, 2006). This competition however puts pressure on prices, ultimately leading to the isolation of intermediaries. To compensate for reduced margin, intermediaries are tempted to reduce their level of service (Wayne *et al*., 2007:28)

Mexico has moved from a single pre-seller model to several models based on segmenting customers and providing differentiated levels of service (Anon., 2009). Mexico's implementation of the new model did not only turn around the Coca-Cola system, but stimulated the entire market, helping to increase volume and decrease costs at the same time. By reinventing the RTM and increasing the number of channels, sales has improved by 5% (Anon., 2009). "There is no cookie-cutter approach that works in every channel or with every product," says Rivera Garcia, General Manager, Sparkling Beverage and Franchise Leadership. "We are constantly going back to the framework and the simulation tools to make sure we are optimising our RTM in every way, in every outlet" (The Coca-Cola company, 2009).

2.2.1 Market orientation

Market orientation is the extent to which a firm focuses on the needs and preferences of end customers, as well as focusing on competitor initiatives. While receiving considerable attention in general marketing literature, market orientation has been ignored in some channels. They found that the market orientation of the supplier is positively related to the market orientation of the distributor and distributor commitment to the dynamic exchange relationship.

How distribution channels are organised and managed, are likely to influence the market orientation of entire industries as well as individual firms therein. Therefore, additional research on market orientation in a channel's context is critical. Day (1994: 13) argues that channel bonding capabilities are valuable to market-driven organisations as they promote market identifying and intelligence sharing within the channel system.

2.3. The Role of the Customer

The evolving role of customers in a firm's distribution strategy is a major force for the adoption of a broader variety of routes. Leading arguments refer to growing customer demands for wider availability, greater convenience of purchase, more variety in service outputs at the point of purchase, customisation of service outputs and post purchase support.

Different RTMs provide different levels of service outputs, e.g. product information, range of assortment, level of social interaction, hours of business, order size, ease of negotiation, credit availability, payment options, transaction security, delivery time, return policy and post purchase support. Firms therefore adopt a broader variety of routes to fulfil the varying customer needs. Instead of designing a distribution structure to address the concerns of the intermediaries, firms seem to be responding to customer demands (Gupta & Kohli, 2006). Because a firm, irrespective of its power as a manufacturer or service provider, must make its products and services available where, when, and how customers want them, the role of the customer should be brought to the centre stage of channel research (Gupta & Kohli, 2006). This firm–customer interaction suggests two broad factors that may influence the distribution structure:

- From a firm's perspective - what kind of customers it is targeting and to what level it is committed to delivering customer satisfaction (i.e. its customer orientation) and
- From the customers' perspective - to what extent they are likely to search for the product and the price in the market (i.e. search behaviour).

Because the RTM provides distinct formats for how a firm delivers customer satisfaction, it is likely to base its variety of routes on its knowledge of customer needs and its desire to fulfil them (Wayne *et al.,* 2007). The results have shown that a firm following a low-cost strategy tends to use an extensive variety of routes to make its products and services widely available and thereby achieve operating efficiencies in manufacturing, lower prices through intra-brand competition and a larger market share. In contrast, a firm that employs a differentiation strategy will tend to use a limited variety of routes (Wayne *et al.*, 2007). One possible explanation for this finding may be differences in the intensity with which each route is used.

A firm that aims to differentiate its product or service may maintain a very small presence in each of its routes - in other words, it uses an extensive variety of routes but in a limited manner skimming the 'cream' of the customer crop from each route (Wayne *et al.*, 2007). These results support the fact that a firm with an organisational philosophy, oriented toward delivering customer satisfaction, tends to use a limited variety of routes - like traditional retailers which show a number of traits that prevent intimacy with their customers, forming internal and external barriers in growth and long-term loyalty. To truly service developing customer demand, retailers need to remove these barriers and allow customers to choose the right channel for the right product at the right time based on each and every shopping mission. (Hampshire, 2006:25).

Where a firm needs the support of intermediaries to deliver customer service, it should be very careful about intra-brand competition in the market and avoid making any moves which might escalate intra-brand competition and lead to channel conflict. If the customer base of a firm has relatively higher levels of expertise, the firm can afford to use a limited variety of routes, because these customers are less likely to search around for a better price for a brand or be influenced by the visibility of competing brands. Furthermore, if the customer base of a firm is relatively more price sensitive, the firm tends to use an extensive variety of routes (Wayne *et al.*, 2007).

Existing research has indicated that increasing customer fragmentation is the main driver behind the use of an increasing variety of RTM. However, customer fragmentation is an endless process.

Does this mean that a firm should adopt all the routes possible in its industry? It comes down to one single answer: there is no single best distribution structure. A firm should rather originate its optimal distribution structure by considering the appropriate fit between its overall strategy and the characteristics of the environment in which it operates.

The distribution structure depends on the type of customers the firm addresses. It should recognise both the importance of the fit between the organisational strategy and the specific environment in which the firm operates, as well as the fact that different firms develop different structures in response to this relationship (Wayne *et al.*, 2007).

It is now increasingly accepted that 'one size does not fit all' when it comes to designing supply chain strategies to support a wide range of products with different characteristics sold in a diversity of markets (Christopher *et al.*, 2005:227).

2.4 Customer Satisfaction

Customer satisfaction is the positive emotional state reached by a customer after purchasing a product or service. Customers are satisfied when they feel that they have received at least as much from a buying experience as the effort they put in, and when they reach the conclusion that their buying experience has been as good as they believed it would be (Carson, 2007:4).

Customers complain when they're unhappy - how much they complain, and who they complain to vary by product, price and industry. For packaged goods and other small ticket items (everyday purchases such as food, office supplies and a cup of coffee), 96% of unsatisfied customers do not complain. If they decide to voice their dissatisfaction, it is typically done to the retailer where the item has been purchased and not to the manufacturer. Even for big ticket items like computers and cars, half of customers complain to a frontline staff person such as a cashier or salesperson and only 5 – 10% of those unsatisfied customers escalate their complaint to local management or corporate headquarters (Carson, 2007:4).

2.5. Supply Chain Management (SCM)

It can be argued that sourcing strategy, operations strategy and RTM need to be appropriate to specific product or market conditions (Christopher *et al.*, 2005:227). As introduced earlier, today's marketplace is characterised by heightened global competition, often against a backdrop of an excess of supply over demand.

In such situations there is a danger, due to the continual pressure to reduce costs, that sub-optimal supply chain decisions may be taken. For example, the introduction of 'just-in-time' delivery may reduce inventory in the factory but increase it at the supplier, whilst also increasing transport costs. What might look like a cost saving to one firm could mean increased costs to the supply chain as a whole. To avoid this type of sub-optimisation, a holistic approach to supply chain management (SCM) should be adopted (Christopher *et al.*, 2005:227). By definition, SCM demands a high level of 'joined-up thinking'. In other words the selection of suppliers, location of facilities and choice of distribution channels, should all be driven by the goal of enabling the marketing objectives of the organisation to be achieved.

One such solution is to utilise lean principles when designing supply chains for predictable standard products and agile principles for unpredictable or special products. Or again it may be that total demand for a product can be separated as 'base' and 'surge' demand. Base demand is more predictable and less risky, so that lean principles can be applied, using agile approaches to cope with surge demand (Christopher *et al.*, 2005:228).

2.6. The Coca-Cola RTM Model and Customer Service Framework in South Africa.

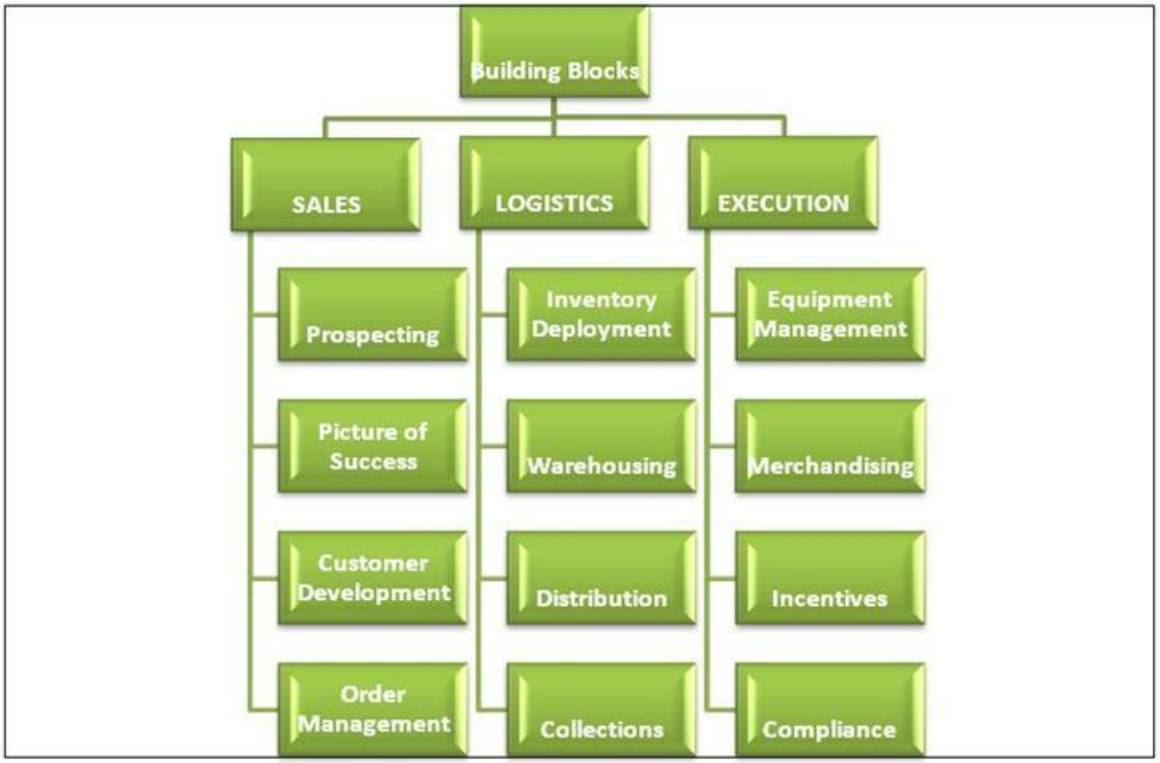
Customers should be the one core element at the centre of everything in sales and commercial planning. As a system, the key objective and strategy for serving customers in a diverse market should be segmenting customers into different channels, sizes, locations and profitability.

In this section, we will look at the Coca-Cola RTM model and the limitations of a single model in addressing the unique requirements of every customer. This model has served as a blueprint for Mexico, South Africa and India as well as all other

leading Coca-Cola counties to use and tailor to their retail platform. (The Coca-Cola company, 2009). The implementation process from each country has been discussed later in this chapter.

In order to better understand the Coca-Cola RTM model, we will focus on the components of sales, logistics and execution. Coca-Cola has developed 12 building blocks that were tailored by each country to address the specific need of each customer channel (The Coca-Cola company, 2009). In Figure 1, the sales building blocks include prospecting, picture of success, customer development and order management.

Figure 1: The Coca-Cola Building Blocks



(Adopted: BOYLE, 2010:18)

The sales elements include those building blocks that sales people perform to generate revenue in the market. Logistics provide the physical and financial connections between the bottlers and customers in a sustainable way, including inventory deployment, warehousing, distribution and collections. The execution area includes all commercial activities at the point-of-sale such as equipment management, merchandising, incentives and compliance. Execution includes all in-out activities that allow the Coca-Cola System to profitably grow with every customer

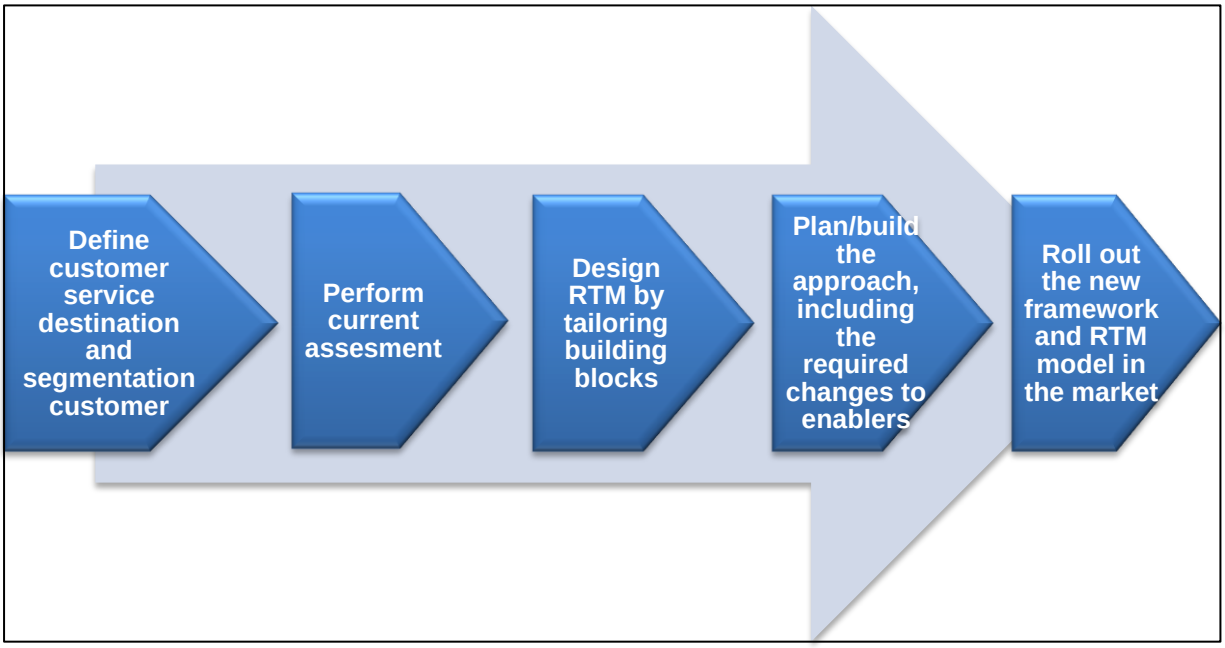
(The Coca-Cola Company, 2009). Tailoring these 12 building blocks to fit each country's market has been a complex endeavour to support the implementation (The Coca-Cola Company, 2009).

Four factors have been identified to support the effective implementation of the building blocks:

1. ***Information***, ***tools and technology***: For a demand-driven customer model, information is critical if a system wishes to differentiate its value proposition to multiple customer segments. With the effective use of relevant information and the necessary tools and technology required to gain this information, the implementation process can be supported with key research and knowledge.
2. ***Integrated supply chain processes*****:** The entire supply chain should be integrated to ensure proper demand forecasting, inventory deployment, warehousing and distribution.
3. ***Human talent and organisation structure:*** Systems and processes rely on human talent to design and execute differentiated service models by country. This is probably the most important factor as it controls the outcome of the implementation.
4. ***Performance measures***: This factor must be tracked throughout the entire implementation to ensure continuous improvement. Measuring performance also states how competitive differentiation in the marketplace is reached (Anon. 2009).

A five-step methodology process has been identified by Coca-Cola based on previous Coca-Cola customer service methodology. This step-by-step process has been developed to support the implementation of the model into differentiated markets as seen in Figure 2.

Figure 2: Five-Step Methodology Process



(Adopted: BOYLE, 2010:11)

The first step, destination and segmentation, defines the overall vision for customer service and identifies customer channels that need similar service models.

Assessment is the second step and evaluates current performance on service indicators.

The third step is the design of a new service model that will improve the ability to meet customer needs and profitable growth. This step is typically undertaken in a modular manner by applying the 12 building blocks from Figure 1 and determining how to best satisfy each building block's specific need.

The fourth step is planning and building, followed by the actual roll out of the process in the market. Planning requirements have a direct impact on the factors mentioned earlier. This is a dynamic process that, given the complexity of some of the factors, may require a certain amount of refinement of the building block approach.

Before the model can be determined, the following key questions need to be considered within each step of the formulation of the methodology:

- What is the local business's goal? Such as volume, revenue, profit, shares.

- What are the key strategies? OBPPC - occasion, brand, pack, price, channel and picture of success.
- What is the profile of customers and their operating characteristics?
- What are the customer's service needs?
- What is the universe of available outlets and how many are served?

2.7. The Coca-Cola Customer Service System

In 1997, the Coca-Cola System conceptualised a new model to develop and implement customer service plans in the market place (Anon. 2009). This model, shown in Figure 3, is known as the customer service system (CSS) and has generally been successful in improving bottler operations in sales, distribution and activation globally (Boyle, 2010:21).

The purpose of the model has been to combine decades of learning and studies to design a simple framework of elements with the power to engage every market in every country, tailored to its culture.

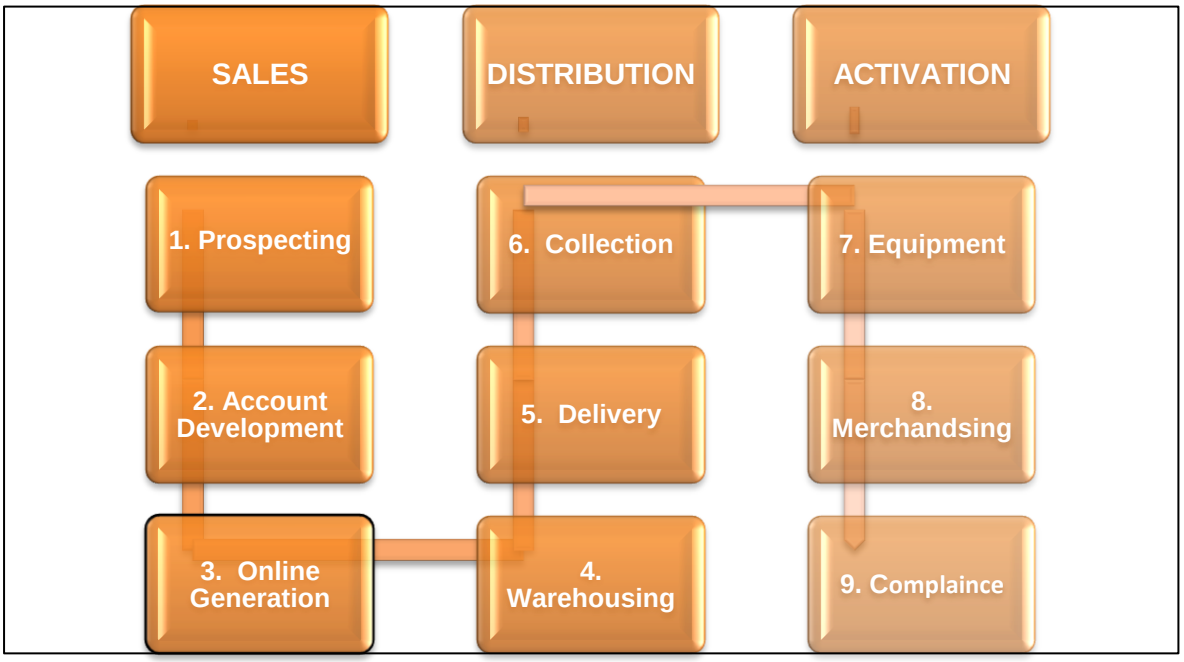
Ultimately, around 20-plus million customers are in charge of the worldwide availability and activation of Coca-Cola products. Ideally, a service model should include all the elements that create value for the customer, the bottler and the company. The model contributes to opening 375,000 new outlets and a placement of an incremental 290,000 new coolers in India during 2009, and continues to build market segmentation capabilities to ensure consumers have access to the brands at the right price (Boyle, 2010:21).

The service model details the following four features as being necessary to sustain the approach of the model.

1. **Differentiation**: This should be specific enough to portray the commercial strategy, but flexible enough to address specific needs of different geographies, channels, customers and other segments.
2. **Comprehensiveness**: This covers all the activities related to connecting with customers - from the first contact with the customer to the transactions with a long term perspective.

3. **Customisable**: Each bottler should be able to tailor a service model for a specific customer segment in a specific geography.
4. **Universal**: They are capable of designing service models that address the needs of any customer segment, channel and geography.

Figure 3: The Coca-Cola Customer Service System Model



(Adopted: BOYLE, 2010:18)

2.7.1 Prospecting

Prospecting refers to the finding of new potential customers for the business regardless of channel. It includes all activities necessary to identify and capture new sales channels. Also included are core features such as: who prospects, how often, the difference between small and key accounts.

2.7.2 Account development

Account development in essence is how sales representatives serve a specific outlet and how often. Furthermore it comprises the average time spent in an outlet to drive a win-win situation with each visit to a customer. Account development activities, in a collaborative way, create a value dialogue with the customer so that other building blocks of the service model can be implemented. It includes core elements such as: who develops the account and how and how frequently.

2.7.3 Online generation

This refers to the method for customers to place orders. It includes core elements such as: who generates the order through call centres and the frequency thereof.

2.7.4 Warehousing (Inventory)

Warehousing defines the control of the physical inventory holding point and its storage at distribution canters or locations. Internal warehousing represent how much stock should be kept and what is the number of days the stock will be in the warehouse before shipped to customers. Factors to consider include whether to use owner or 3rd party warehouses, how many, location and whether stock should be ambient or chilled.

2.7.5 Delivery

Delivery can be split into two types namely, primary deliveries between manufacturing and distribution plants and secondary deliveries from the bottlers to the customers. This includes who delivers, how large the fleet is, and frequency of delivery.

2.7.6 Collection

Collection of payment depends on the importance of the different methods used and their terms.

2.7.7 Equipment

Equipment is the tool required as per the Coca-Cola execution strategy. Factors to consider include Coca-Cola or brand specific coolers, how many, who owns or manages the coolers, who installs and who repairs.

2.7.8 Merchandising

Merchandising refers to the way of how execution is done at outlets. It demonstrates the way products should be merchandised and where.

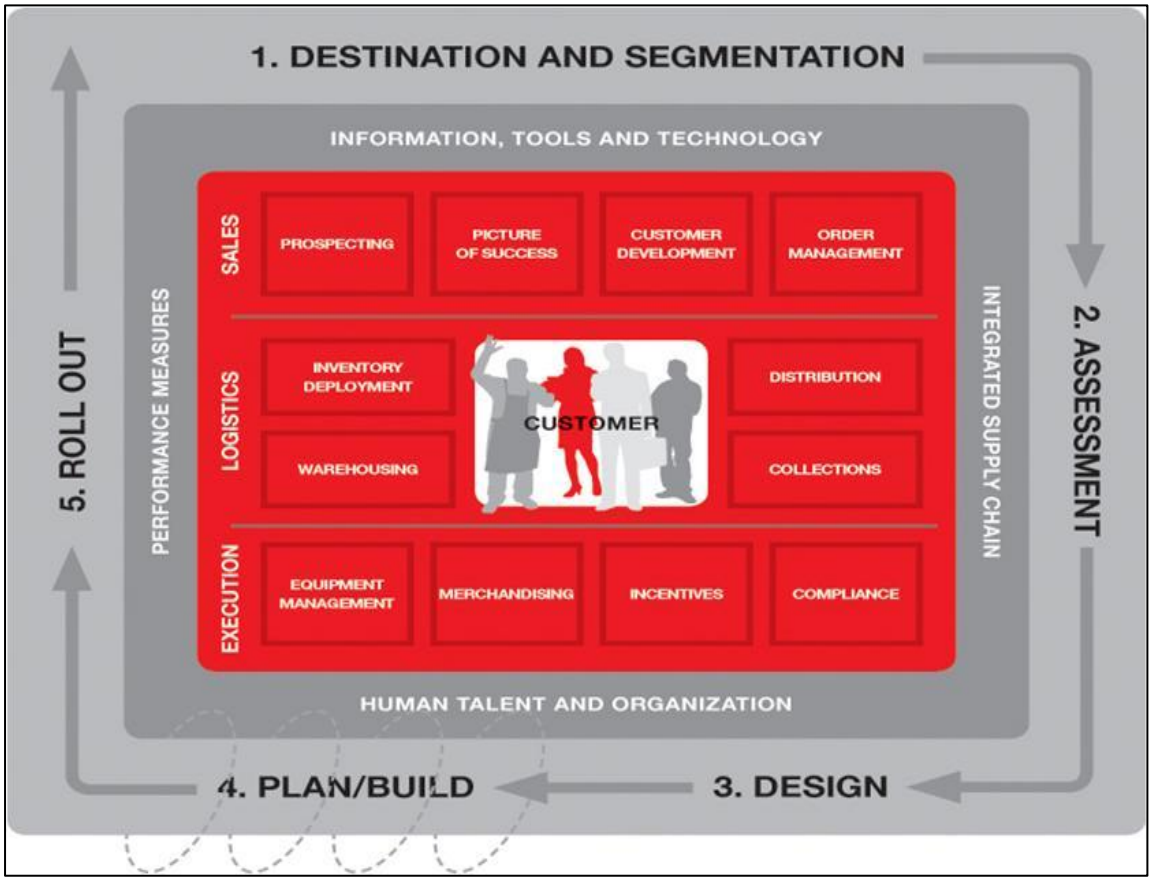
2.7.9 Compliance

Compliance in this case is the follow up - to have a measureable process to ensure implementation is activated.

2.8 The integrated Coca-Cola CSS and RTM Model

The final outcome of the RTM model is the integration of the CSS model (Figure 3) and the RTM framework (Figure 1). This RTM model has been designed to integrate the critical building blocks and elements of the RTM framework with the core approach of the CSS model.

Figure 4: Coca-Cola route-to-market model



(Adopted: BOYLE, 2010:36)

The customer is located at the centre of the model, surrounded by three layers that complement the system's ability to deliver effective service models:

- The inner layer presents the three fundamental service areas required to implement the picture of success at a customer outlet, with 12 specific building blocks that can be customised with different alternatives.
- The middle layer addresses four key enablers required to offer different service alternatives to the marketplace.
- The external layer shows the five-step CSS methodology to implement differentiated models by customer segment in the marketplace.

The building blocks can be defined as the set of activities required to implement the picture of success to a given customer. These activities are generically formulated to adapt to any geography and outlet type (Boyle, 2010:34).

Now that the whole system has been explained, we will look into each section of the model before analysing the implementation in Chapter Three.

- Sales: Sales is a key area of any service model, since it relates to the ability to generate revenue from commercial activities in the marketplace. It fundamentally relates to the flow of information from the customer and the marketplace that should be translated into sales opportunities.
    - Prospecting: Prospecting can be done in several ways, such as adding prospecting to the salesperson's role and should be based on the marketplace needs.
    - Picture of success: How the Coca-Cola brands come to life in-store with the perfect shopping experience at a specific outlet. The picture of success is based on the OBPPC. This marketing mix, OBPPC, refers to the occasion, brand, pack, price and customer.
    - Customer development: The key goal here is to generate additional demand, sales and profits within existing customers. These activities must strengthen commercial relationships with customers and should focus on identifying opportunities for mutual growth.
    - Order management: Refers to all the activities in the generation of orders.

- Logistics encompasses most of the activities related to responding to the demand that has been generated in the sales building blocks (Anon. 2009). It mostly relates to the physical flow of products, documents and funds between customers and bottlers. A critical challenge within the model is to ensure that these logistical activities are cost-efficient and add value.
    - Inventory deployment: Deals with decisions on where to locate inventory within the distribution network.

- Distribution: Requires optimal decisions about routing and scheduling of transportation models to group customer orders for delivery to the point of sale or to the location in the network indicated by the customer.
- Collections: Relates to the flow of funds between the bottlers and the customers.

- Execution: Execution ensures that the picture of success defined for a customer/segment/channel is achieved.
  - Equipment management: The products and brand are better displayed when an outlet can offer them to consumers at the perfect temperature and optimal availability.
  - Merchandising: The physical execution of the picture of success at a specific outlet.
  - Compliance: Refers to all activities that measure the quality of execution at a customer outlet based on a pre-defined picture of success.

2. 9 India's Soft Drink Market

2.9.1 An overview of the Indian Market

India's one billion people, growing middle class, and low per capita consumption of soft drinks have made it a highly contested prize in the global CSD market (Brozer, 2011).

Ten per cent of the country's population lives in urban areas or large cities and drinks ten bottles of soda per year while the vast remainder lives in rural areas, villages, and small towns where annual per capita consumption is less than four bottles (Brozer, 2011).

With its large population and low consumption, the rural market has represented a significant opportunity for penetration and a critical battleground for market dominance (Brozer, 2011).

The Indian soft drinks market has generated total revenues of $3.8 billion in 2010, representing a compound annual growth rate (CAGR) of 11% for the period spanning 2006-2010. Carbonates sales have proved the most lucrative for the Indian soft drinks market in 2010, generating total revenues of $1.9 billion, equivalent to 50.5% of the market's overall value. The performance of the market is forecasted to decelerate, with an anticipated CAGR of 9.1% for the five-year period 2010-2015, which is expected to lead the market to a value of $5.9 billion by the end of 2015 (Anon1., 2010).

The complexity of the consumer soft drink market has demanded a distribution process to support 700,000 retail outlets serviced by a fleet that includes 10-ton trucks, open-bay three wheelers, and trademarked tricycles and pushcarts that had been used to navigate the narrow alleyways of the cities. In addition to its own employees, Coke has indirectly created employment for another 125,000 Indians through its procurement, supply, and distribution networks (Brozer, 2011).

The world's largest soft drink company expects India to be one of its top five markets by 2020 (Samad, 2010). But as Coca-Cola and its rivals know, India is a market that makes neither distribution nor inventory management easy, and is hugely diverse in terms of tastes and buying power (Anon5., 2010).

2.9.2 The Indian route-to-market model

Coca-Cola India has built a distribution network in combination with its bottling partners and contract manufacturers. As for distribution, Coca-Cola India has done what other companies in the hinterland have done, and moved from a centralized distribution model to a hub-and-spoke approach (Anon5., 2010). Some of their most important objectives with this model have been the following:

- Increase overall sales in a profitable manner.
- Align sales to a strategic portfolio.
- Execute the picture of success effectively and efficiently.
- Maximise the quality and perception of our customer service.
- Optimise overall cost to serve.

In urban areas, it distributes products directly from bottling plants to retailers. However, owing to lack of proper infrastructure and difficult access to the remote

villages, it had to modify its distribution chains and adopted the three-tier 'hub and spoke' distribution model, to penetrate into the rural areas and increase its sales. With only 10 outlets for every 10,000 people in India, the region represents a major growth opportunity. Besides its distribution network, Coca-Cola India adopted the 'right execution daily' (RED) strategy for effective execution of its distribution, mainly in urban areas, which boosted the sales of the company. RED ensures the proper display, availability and activation of company's products in the retail stores through the research of specific channels and insight of shoppers' behaviour (Samad, 2010). Though their route to market model, India has managed to expand a market from 750,000 to 950,000 outlets and resulted in double digit sales increases in just one year (India Strikes Gold, 2010). The sales capability development team also created standard training material on horizontal expansion and embedded it in the annual selling skills program for all sales associates, making the topic an essential element of execution routines. They used tools such as the following to assist with coaching of the model:

- Conduct every dealer survey - this survey has been conducted by account managers to determine the potential of every outlet not selling Coca-Cola products to determine the potential of the outlet.
- Survey customer value drivers - this survey evaluates the demand from customers in specific channels and focus on market factors created by behaviours.
- Access execution of "picture of success" - execution as per the look of success by channel is very important to ensure that Coca-Cola products are placed at the right place in an outlet. The "look of success" ensures that products are available in the right place for the right buying occasion.
- Conduct on route time motion studies - this study investigates the efficient time of account developers in trade. It measures their travelling distances and time they spend to develop the market.
- Swot analysis of current RTM system by channel - all these surveys have been coalesced and analysis to evaluate the impact of the model.

Outlets have next been categorized into channels (Local and traditional, grocery and convenience) based on consumption occasion, and further segmented by estimated annual volume. Outlet control has been important to retaining and providing the right

service to new outlets in urban markets, including a robust back-end structure to ensure consistent stock availability and market service. Education initiatives have been more focused on:

- Deployed account development - account development has been key to ensure that the right outlets get executed, that orders get captured on the right time for in time deliveries.
- New handheld and new SFA software updates have been done to ensure the resourceful time in trade.
- Implemented "RED" processes to determine success in pilot stores and the impact - RED is the right execution daily as per the look of success. This initiative has ensured consistency in the market in specific channels and supported with the execution.

Controlled order generation has also increased to 81% of the markets. Pilots for further optimizing outlets with a tactical combination of pre-sell and tell-sell have also tested well. Pre-sell can be described as the future prediction of volume by distributing on a 48 hour leap time. This helps with the estimation of stock on hand needed. Furthermore, orders are generated through a call centre with agents, called tell-sellers, to ensure that new urban customers get phoned for an order.

Atul Singh , CEO of Coca-cola India, has stated that: *"If we look at the beverage universe in India today, we now have products in about 70% of the outlets and are well on our way to making products available in even more areas to our excellent route-to-market model,"* (Anon5., 2010).

One major approach the Indians have taken, was not to transport beverages directly from the bottling plants to retailers - it has been sent first to a "hub", and then parcelled out to nearby "spoke" centres, when orders needed filling. Among the benefitshave been that this approach reduced costs because fewer long-haul journeys in large, uneconomical vehicles were needed, while efficiency increased through more timely, tailored fulfilment (Anon3., 2010).

A great deal of focus has emphasized on refrigeration. In electricity-deficient areas, such as some of the hinterland in Uttar Pradesh, it now provides shops with coolers

that operate with brine solution so that its products can stay chilled up to 12 hours without electricity. In other areas, it has trade agreements with local ice makers (Anon3., 2010).

India realised when they re-entered the market almost a decade ago, and through the route-to-market model, some major learning's have been observed through the journey of implementation, being:

- Prospecting:
    - No training on prospecting has ever been taken seriously and the implementation forced India to educate people on the importance of new outlets.
    - Opportunities on small accounts have previously been missed and new focus had to be placed on getting to every single customer, making the brand available where ever people go.
- Account Development:
    - 11% of time in trade by the representatives, has to be spent on account development. Account development should not be a time consuming effort, but should rather encourage people to develop order generation and call centres in rural markets.
    - Executions of "look of success" are dependent on the amount of account development.
- Order Generation:
    - Time spend on order generation can improve volume and effective distribution methods.
    - It needs a predictive or suggested order generation tool.
    - It must have a clear look of success.

In the process of implementing the route-to-market model, says Atul Singh, executives had to recalibrate the old kinks in its supply chain and bust a few myths

about winning over Indian consumers, especially in the country's highly promising rural markets.

Table 1: Advantages and Challenges of the Mexican Soft Drink Market.

Advantages	Challenges
Brand loyalty remains strong on the carbonates sector	Concern of health and wellness among the population affects consumer perceptions and sales of carbonates. Low calorie carbonates are gaining sales over standard carbonates
Reduced/low calorie carbonates have been well accepted by the Mexican population	High price and misunderstood benefits by low-income consumers remain important challenges to success
Growth of convenience stores and independent small grocers, a very important channel in terms of impulse sales of carbonated products	In 2008, the Mexican government banned exclusivity agreements and preferential treatments from the largest soft drink companies towards small retailers and independent small grocers. Now all brands can compete on the same ground over the years to come

(Source: Compiled by author)

The producers have widened their product portfolio by also offering isotonic drinks, mineral water, juice-based drinks and products deriving from milk. Coca Cola Femsa, one of the main subsidiaries of The Coca-Cola Company in the world, operates in this context, as well as important local bottlers such as ARCA, CIMSA, BEPENSA and TIJUANA. The plant modernisation process in Mexico seems never ending and involves all The Coca-Cola Company's main bottlers: FEMSA, ARCA, CIMSA, BEPENSA, TIJUANA have made considerable investments in the productive lines for cans and PET bottles dedicated to soft drinks, water and other marketed products.

There has been an increase in the manufacturing capacity through the installation of new lines, and a dynamic packaging development to readily and efficiently face the ever evolving market. Suppliers capable of best satisfying large companies'

requirements, both with advanced technology machinery and operating flexibility, have been privileged in this innovative phase (Cortes, 2009). The “Jugos del Valle” company, owned by the “Coca-Cola Femsa” group, has decided to increase productivity by purchasing high speed shrink wrappers, amongst which, two SK 600P (max. 60 ppm) for bottling cans in single and double lane, and one SK 800P (max. 80 ppm) for packaging glass bottles.

Researchers show that consumers prefer purchasing packages with bottles of the same size but with different taste. Bundles with “multi-taste” bottles have then become quite popular: for example, a 6-bottle bundle containing two Coca-Colas, two Fantas and two Ciel waters. The multi- product package, better known as “mezclado”, is not new on the Mexican market as it has been available in shops for a few years already; the novelty is the packaging automation, previously carried out manually (Chan, 2011).

2.10 The Mexican Market for Soft Drinks

2.10.1 An overview of the Mexican market

Mexico is the number one consumer of Coca-Cola in the world, with an average of 225 litres per person; a disproportionate number which has surprised the inventors. The consumption in the USA is “only” 200 litres per person. This fizzy drink is considered an essential part of the Mexican people’s diet and can be found even where there is no drinking water (Chan, 2011).

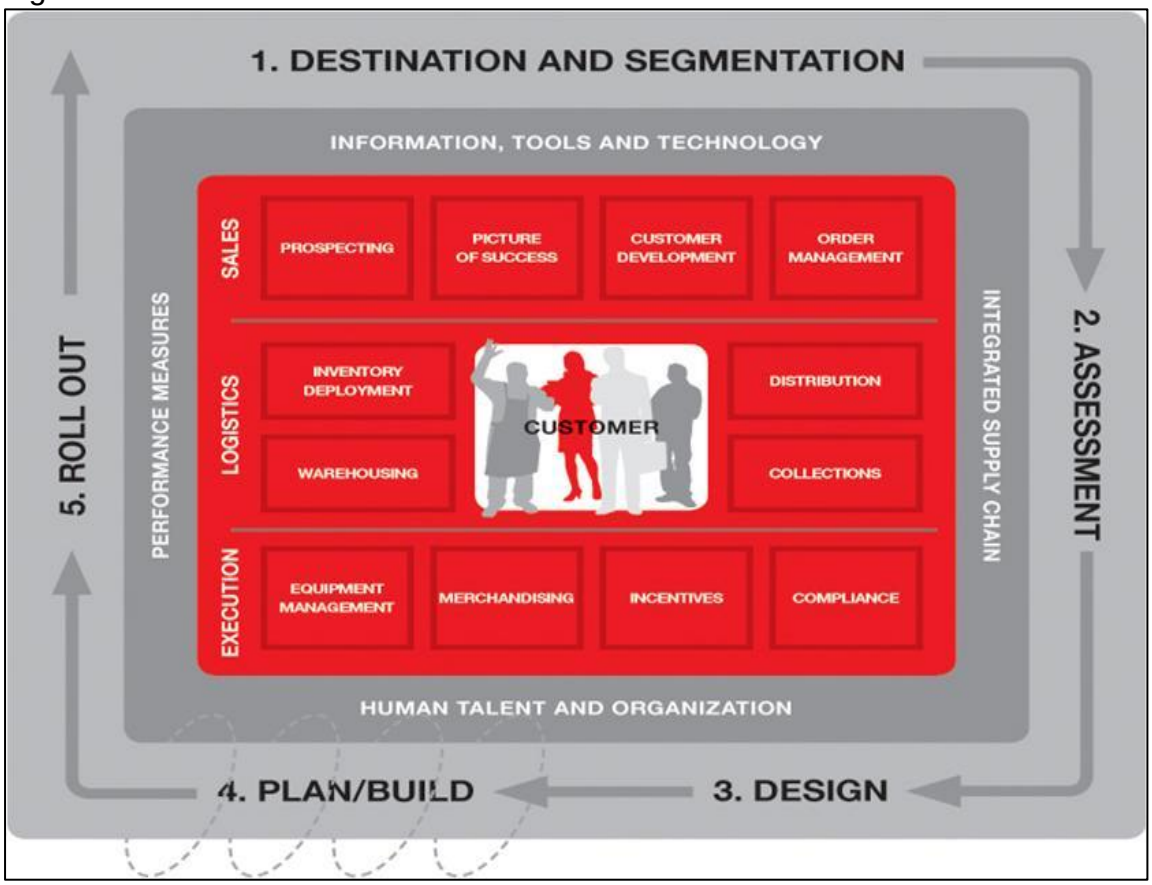
Mexico is the fourth largest market for U.S. low-calorie (diet) carbonated soft drinks after Canada, Australia and Japan. The United States is the fifth largest exporter of carbonated soft drinks after Canada, Japan, South Korea and the United Kingdom (Cortes, 2009).

Such trend on the Mexican market is also evident in economic terms, as it represents about 11% of the global sales of The Coca Cola Company. On the whole, the CSD industry in Mexico has recently become aware of a consolidation process destined not to end, characterised by mergers and acquisitions amongst the main bottlers.

2.10.2 The Mexican route-to- market model

In 2010, Mexico evolved from a volume driven to a value-driven route-to-market model to capture the full potential of the beverage industry. During this year, they converted the equivalent of more than 60% of the consolidated volumes to the new *Gestión de Valor del Cliente* (GVC or Client Value Management) customer service system model. The model, as seen below, enables Mexico to capture additional

Figure 5: Coca-Cola route-to-market model



(Adopted: BOYLE, 2010:36)

industry revenues and improve the performance of their customers in the traditional sales channel. They are providing their traditional channel clients with an additional tool to match the beverage offering of the modern trade format, satisfy a relevant consumption occasion, and create a new source of income for this important distribution channel. Three years ago, they started to participate significantly in Latin America's underdeveloped, high growth potential non-carbonated beverage segment, positioning the company ahead of their competitors. Their position in the beverage industry was supported by the sustainable development, one of the most important pillars of the Coca-Cola strategic framework.

Like previously discussed in section 2.8 around the integrated Coca-Cola CSS and RTM model, Mexico identified five objectives to confront the challenge with the building blocks, by putting together knowledge and collaboration, to support with commercial strategies:

1. Drive top line growth by reframing the competitive landscape in the market.
2. Ensure availability of all brands effectively and efficiently, by defining execution throughout all channels.
3. Maximise the quality and perception of customer service.
4. Gain system commitment behind a total beverage portfolio and execution guideline.
5. Optimise overall cost to serve by ensuring complete understanding from top to bottom.

The model has supported improvement of the business results, being supported by the consumers' strong preference for their broad portfolio of beverages and their commitment to continuously develop the ability to manage the diverse dynamics of the Mexican markets (Anon4., 2010:15). Total sales volume has grown 3% to 2.5 billion unit cases. Consolidated revenues has risen 1% to Ps. 103 billion.

Coca-Cola Mexico has adapted to serve a highly fragmented customer base across the franchise territories and to satisfy consumers' increasingly demanding preferences and practices. Ultimately, the customer service system model has aimed to capture the full potential of the beverage industry in the nine countries in which they operate throughout Latin America. During the year, they converted the equivalent of more than 60% of the consolidated volumes to the model.

This new value-driven client ranking *enables* them to improve not only the performance of their customers in the traditional sales channel, but also the revenues of the company and the industry. Consistent with the commitment to provide consumers with the right beverage at the right temperature, as a part of the model, they have made important improvements to their cooler coverage in the Brazilian market. This initiative, called "Cool Invasion," set a record for cooler placement in the Coca-Cola bottling system, installing 5,000 highly energy-efficient

coolers at selected outlets in only one day (Anon3., 2010:15). Furthermore, in Mexico, they have introduced the first “Multi-Category Cooler.” Designed to connect better with the consumers at the point of sale (Anon3., 2010:15).

Mexico has discovered that the following learning’s helped maximizing their total portfolio, regarding the twelve building blocks:

1. To have clear job descriptions and sales force portfolios set out.
2. Redefine the commercial structure to a market service.
3. Improve volume and execution performance by increasing time and specializing activities.
4. Define clear working teams between account developers and pre-sellers like a call centre.
5. Define and establish an adequate compensation scheme aligned to the strategy.

Mexico has used the model and identifies factors to help them implementing the model. With the five objectives, Mexico has been able to deliver on speed to market execution and has persistently developed their employees. They have constantly reviewed the process and focussed on higher service time from sales representatives in trade. They have added additional cold and shelf sight of visible inventory. Higher check time per customer has been established to spend more time with a customer. More time in trade has resulted in better execution synergies. Mexico’s goal has been to identify the gaps from the front end selling process all the way back to cooler placements, distribution, classifying customers etc.

Table 2: Comparison between the implementation of the RTM model in South-Africa, Mexico and India

RTM model element	**South Africa**	**Mexico**	**India**
Core objective	Reclassification of customers in terms of retail platform	Obtaining new customers in rural areas	Training of employees and customers
Tools used	RED (Right Execution Daily	RED (Right Execution Daily	RED (Right Execution Daily

	measurement) Look of success picture	measurement) Look of success picture	measurement) Look of success picture
Focus on expanding customer base	Expand within current channels	Expanding number of channels	Expanding number of channels
Market segmentation focus	Introducing combos with food and increased cooler capacity	Increased customer base and cooler capacity	Increased customer base and cooler capacity
Order taking	Introducing a call centre for bigger volume customers Mobile order taking by representatives through a SAP integrated system	Introducing a call centre for bigger volume customers Mobile order taking by representatives through a SAP integrated system	Introducing a call centre for bigger volume customers Mobile order taking by representatives through a SAP integrated system
Business Systems	Uses a business integrated information system called SAP	Uses a business integrated information system called SAP	Uses a business integrated information system called SAP
Effect on Sales quantity ($H0_1$)	3%	Sales volume increased with 5%	6%
Effect on Net revenue ($H0_2$)	17%	5.1%	3%
Unit case contribution in total market	14%	44%	12%
Estimated annual per	249	665	9

capita consumption			

(Source: Compiled by author)

2.11 Summary

Today, The Coca-Cola Company refreshes lives 1.6 billion times a day in more than 200 countries (The Coca-Cola Company, 2009).

This chapter has reviewed literature on the importance and drivers behind a well-established RTM system. A general overview of the factors and key indicators outlined the magnitude for a flawless implementation process and the outcome.

The goal for presumptuous thinking retailers should be to re-organise their entire businesses around the customer, using customer information to dynamically change business processes, personalise offerings and allow customers the flexibility to browse, enquire, buy and return on any combination of channels depending on each and every individual shopping mission (Hampshire, 2006).

Coca-Cola is a global business that operates on a local scale in every community where it does business. It creates global reach with local focus because of the strength of its system, which is comprised of itself and its more than 300 bottling partners worldwide.

All bottling partners work closely with customers, grocery stores, restaurants, street vendors, convenience stores, movie theatres and amusement parks, among others, to execute localised strategies developed in partnership with the Company.

In most emerging markets, Coca-Cola is a well-recognised brand but consumption rates and consumer familiarity with the products are low. The challenge with the growth strategy in emerging markets is to make Coca-Cola a part of consumers' daily lives and establish a large consumer base.

Transformation is imperative in all industries, with CEOs focusing their efforts now on growth through substantial operating model change (Anon. 2011). Innovation in products and services is being replaced as the number one priority by business

model innovation as many retailers see fundamental change in how they manage, operate and service their customers, as the means to truly respond to the new demands and, all importantly, win the loyalty of the future customer (Anon. 2006).

With a dawning understanding of the Model and its implementation process, citizens can strive to develop an RTM strategy to reach impressive performances in this ever-changing world.

Chapter Three: Empirical Study

Results and Discussion

"Throughout our 124-year history, we have witnessed the positive correlation between wealth and the increase in consumption of NARTD beverages. From now to 2020, more than 1 billion people will join the middle class, and the per capita wealth for individuals will increase by nearly 30%. We plan to capture our share of this growth in every country where we operate and are focused on the countries where wealth will grow the most in the next 10 years."

John Farrell *Vice President, Strategy*

3.1 Introduction

This chapter addresses the approach to the study. It provides a clarification around the details regarding the sample, means of data collection, and the statistical data analysis.

3.2 Sample

Sampling is the process of selecting units, for example, people from a population of interest, so that by studying the sample, one may fairly generalise the results back to the population from which they were chosen (Trochim, 2006:1).

Due to limited access to data in Mexico and India, South Africa has been used for the sample selections in this study. The results will be used to make the recommendations and assumptions required to facilitate meaningful comparisons of the implementation model in the three countries.

3.3 Method of Gathering Data

After studying the implementation model in Chapter Two, a selection of the Coca-Cola Company's key performance indicators had been used to examine the performance, before and after the implementation of variables such as:

- Sales (sales volume measured in number of cases).
- Net revenue.
- Margin contribution.
- Number of buying customers.

Each indicator has been broken down into five channels:

- **Grocery:** Includes all major retail outlets such as a supermarket and is characterised by their size and franchise status.
- ***L&T (Local & Traditional):*** Any general type of retail platform that sells a variety of products. These types of outlets are normally situated in the suburbs of developed markets.
- ***Liquor***: Refers to any type of liquor store that sells alcoholic beverages as its main product for off-premise consumption.
- ***On-Premise***: All outlets where food and drinks can be consumed, like a restaurant or a quick service restaurant, take away or a canteen.
- ***PFM***: (Petroleum & convenience channel) A retail business that sells fuel. These outlets bear the name of an Oil Co e.g. Shell Shop.

The study has further been supported by various presentations from each country on the implementation in each respective country.

3.4 Statistical Data Analysis

A repeated measure Anova has firstly been done on the data to determine if there has been any difference in the data. The repeated measure ANOVA tests the equality of means. However, the repeated measure ANOVA is used when all components of a random sample are measured under a number of different conditions. Thereafter, a Bonferroni test has been performed on each of the variables, 18 months prior to implementation of the model and repeated 18 months after the implementation, to determine where the differences were. The post-implementation period has stretched from March 2010 until August 2011. Pre-implementation period for the watershed research has started in August 2008 until February 2010. The two 18 month's periods has been compared against each other, month on month, in the test.

The Bonferroni Test is a statistical adjustment for the multiple comparisons from that of a large number of investigations, simultaneously on multiple data sets. It effectively raises the standard of proof needed to look at a wide range of hypotheses simultaneously (Simon, 1999). Instead of testing at the traditional .05 alpha levels,

we have tested at alpha =.05/20=.0025 level. This ensured that the overall chance of making a type error is still less than .05.

The Bonferroni Test has also been applied to the p-value of the multiple data sets. A Bonferroni adjusted p-value would just be the normal p-value multiplied by the number of outcomes being tested (Simon, 1999).

P-value

The p-value indicates the probability of getting a mean difference between the groups as high as what is observed by chance. The lower the p-value, the more significant the difference between the channels.

3.4.1 The Grocery Channel

The Grocery channel includes all sub trade outlets, such as national and local special merchandising. These outlets offer an assortment of fresh produce, bakery, sweets, dairy, hardware, video, telephone, shops and local chemists.

- The national special merchandising category includes all national outlets that do not normally sell food items. It includes chain stores that primarily sell pharmaceuticals, or health and beauty aids, or both. Some promote deep discounting and have a variety of snack foods and beverages, as well as general merchandise.
- National and local superettes include all national and non-national chain of self-service stores that offer fresh produce and meat together with a variety of food items. They generally have fewer checkout registers and traffic counts than supermarkets. The selling space is much less than that of supermarkets. Products are generally more expensive than those of supermarkets, and a combination of bulk and everyday ‘fill-up’ shopping takes place.
- Hyper merchandising is a chain of self-service stores that have a blended format of supermarket and general merchandise retail products. This type of store is characterised by a large square meterage, large number of till-points, mass merchandising techniques and a lower than normal margin structure.
- Supermarket outlets generally have multiple checkout registers and are among stores with the highest annual traffic counts. Customers normally buy in bulk.

3.4.1.1 The sales indicator within the Grocery Channel

Table 3: Repeated Measures Analysis of the Sales Indicator

Effect	Repeated Measures Analysis of Variance (Grocery.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
	SS	Degr. of Freedom	MS	F	p
Intercept	4.397698E+12	1	4.397698E+12	3.448201	0.084484
Error	1.785504E+13	14	1.275360E+12		
SALES	1.922105E+11	36	5.339180E+09	3.342073	0.000000
Error	8.051729E+11	504	1.597565E+09		

(North-West University, Statistical Consultation Services, 2011)

From Table 3 above, the p-value is observed as being < 0.001. The analysis for sales in the grocery channel has been lower than the intercept of 0.05 which indicates a difference in the data pre-, and post implementation of the model in South Africa. These results can be drawn from the data in Appendix B.

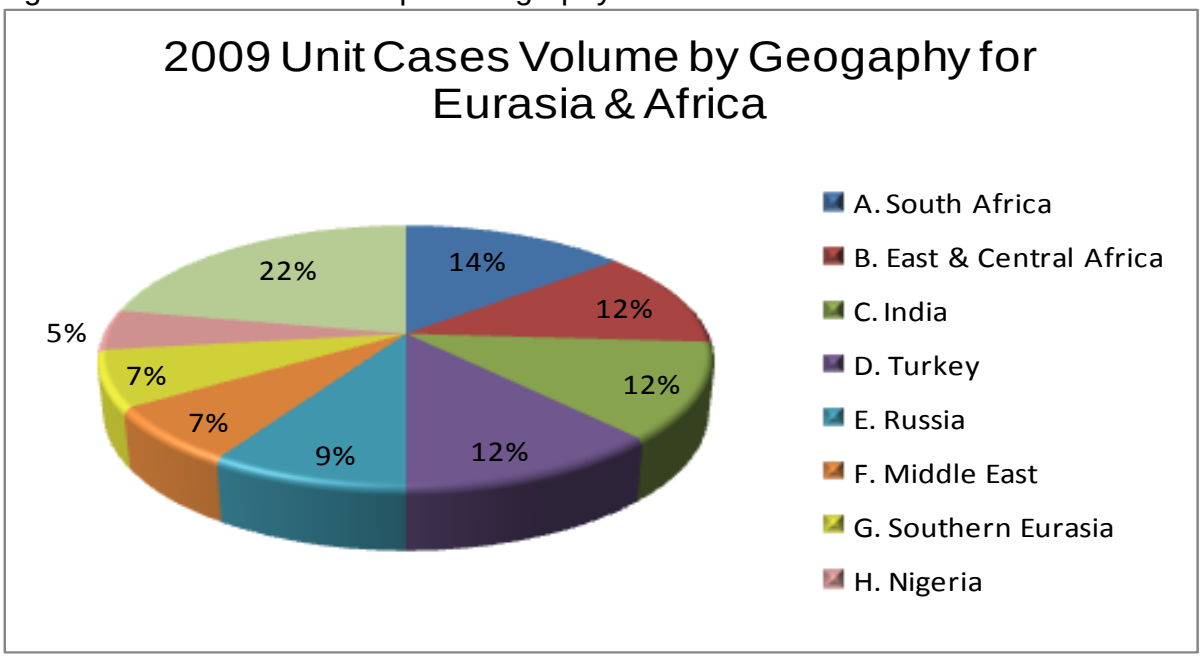
Table 4 reports the p-values of all the data over the 36 months. The differences in data can be due to several diverse external and internal factors, such as promotions, seasonal changes and stock availability.

Table 4: Item Analysis for Sales in the Grocery Channel

Cell No.	SALES; LS Means (Grocery.sta) Current effect: F(36, 504)=3.3421, p=.00000 Effective hypothesis decomposition SALES	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Sales Qty August 2008	79169.1	42454.89	-11887.5	170225.8	15
2	Sales Qty September 2008	93442.3	49750.70	-13262.4	200146.9	15
3	Sales Qty October 2008	106278.7	57285.94	-16587.5	229144.8	15
4	Sales Qty November 2008	95687.1	52081.50	-16016.6	207390.8	15
5	Sales Qty December 2008	128247.4	69100.98	-19959.5	276454.3	15
6	Sales Qty January 2009	104720.7	56418.74	-16285.5	225726.8	15
7	Sales Qty February 2009	74371.0	41260.85	-14124.7	162866.7	15
8	Sales Qty March 2009	90010.0	48385.18	-13765.9	193785.9	15
9	Sales Qty April 2009	91166.3	48918.25	-13752.9	196085.5	15
10	Sales Qty May 2009	70343.5	38243.35	-11680.3	152367.4	15
11	Sales Qty June 2009	70702.7	37943.08	-10677.1	152082.5	15
12	Sales Qty July 2009	73997.9	40019.96	-11836.4	159832.1	15
13	Sales Qty August 2009	76001.3	40746.80	-11391.9	163394.5	15
14	Sales Qty September 2009	104757.7	56416.69	-16244.0	225759.5	15
15	Sales Qty October 2009	97261.3	52199.35	-14695.2	209217.7	15
16	Sales Qty November 2009	92605.3	49898.64	-14416.7	199627.2	15
17	Sales Qty December 2009	130535.1	69975.31	-19547.0	280617.3	15
18	Sales Qty January 2010	80205.2	43704.71	-13532.1	173942.5	15
19	Sales Qty February 2010	85216.2	45209.67	-11748.9	182181.3	15
20	Sales Qty March 2010	105956.1	56917.48	-16119.8	228031.9	15
21	Sales Qty April 2010	73916.5	39910.05	-11682.0	159515.1	15
22	Sales Qty May 2010	69588.0	37281.41	-10372.7	149548.7	15
23	Sales Qty June 2010	73205.4	39372.79	-11240.8	157651.6	15
24	Sales Qty July 2010	70028.1	37899.90	-11259.1	151315.3	15
25	Sales Qty August 2010	82754.3	44512.38	-12715.2	178223.9	15
26	Sales Qty September 2010	102164.6	55177.06	-16178.4	220507.6	15
27	Sales Qty October 2010	104384.9	56395.18	-16570.8	225340.5	15
28	Sales Qty November 2010	105168.5	56385.55	-15766.5	226103.4	15
29	Sales Qty December 2010	142341.7	76827.89	-22437.8	307121.1	15
30	Sales Qty January 2011	76043.1	40453.63	-10721.3	162807.5	15
31	Sales Qty February 2011	81365.0	43866.29	-12718.8	175448.8	15
32	Sales Qty March 2011	103059.0	55847.20	-16721.3	222839.3	15
33	Sales Qty April 2011	75092.1	40715.76	-12234.5	162418.8	15
34	Sales Qty May 2011	65943.7	35569.47	-10345.3	142232.6	15
35	Sales Qty June 2011	66633.1	36115.81	-10827.6	144093.8	15
36	Sales Qty July 2011	70174.1	38207.56	-11772.9	152121.2	15
37	Sales Qty August 2011	81041.0	43770.17	-12836.7	174918.7	15

(North-West University, Statistical Consultation Services, 2011)

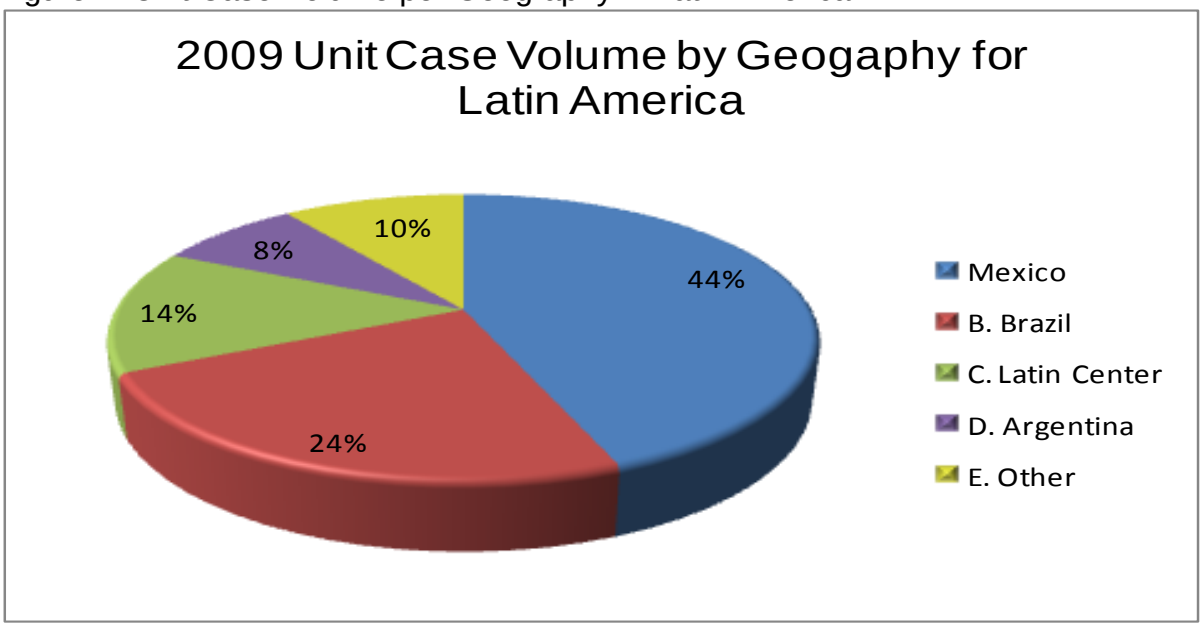
Figure 6: Unit Case Volume per Geography in Eurasia & Africa



(Coca Cola Annual Report, 2009)

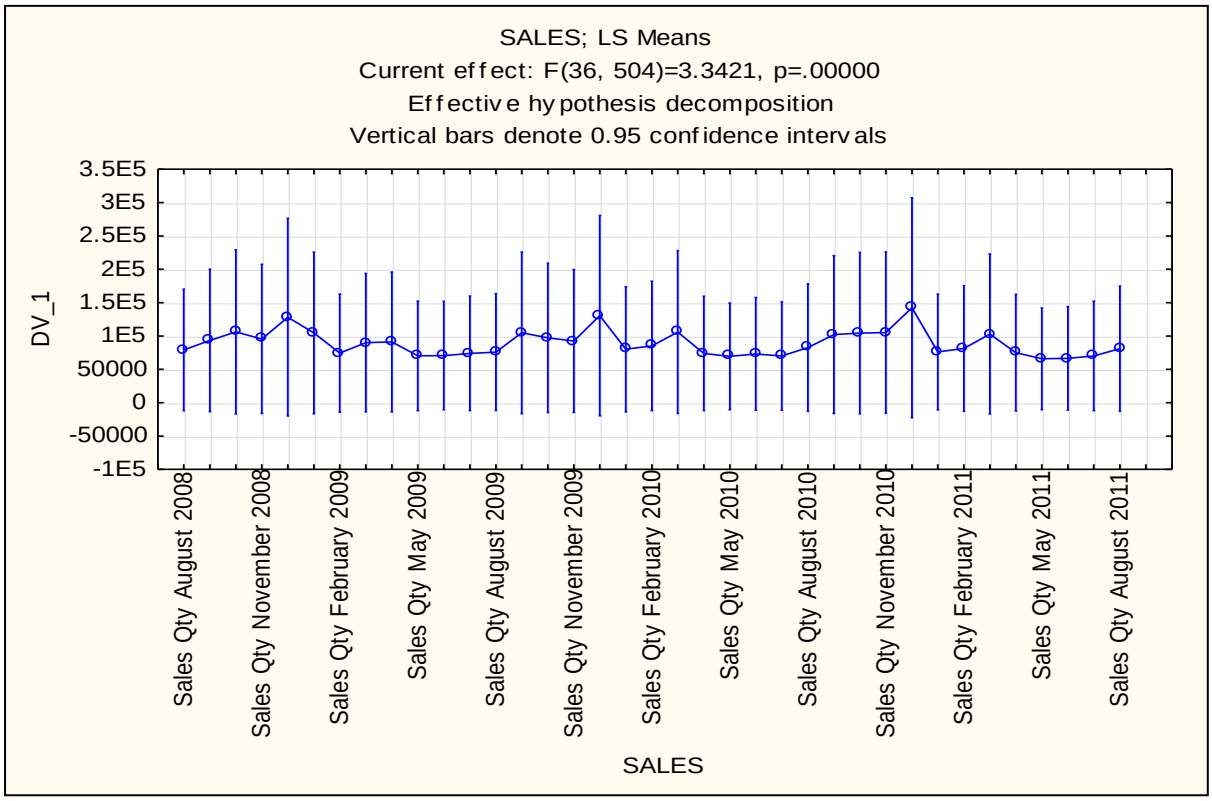
A comparison of unit case volume across countries in Eurasia and Africa is depicted in Figure 6. From the nine countries, South Africa and India contribute 14% and 12% respectively to this market and there is still room for improvement with the introduction of the RTM Model. According to Figure 7, Mexico single-handedly contributes 44% to the Latin American market. Eurasia and Africa have to adopt Mexico's best operating practices in order to learn and grow their markets.

Figure 7: Unit Case Volume per Geography in Latin America



(Coca-Cola Annual Report, 2009)

Table 5: Trend Examination of Sales



(North-West University, Statistical Consultation Services, 2011)

An examination of trends in sales in the grocery channel has shown various fluctuations over the 36 months period. We can assume that the fluctuations are due to seasonal factors. The three main peaks can be seen over the period of December in 2008, 2009 and 2010, as per the mean indicator in Table 2. Higher volume growth is evident after the implementation of the Coca-Cola RTM model.

3.4.1.2 The Net Revenue indicator within the Grocery Channel

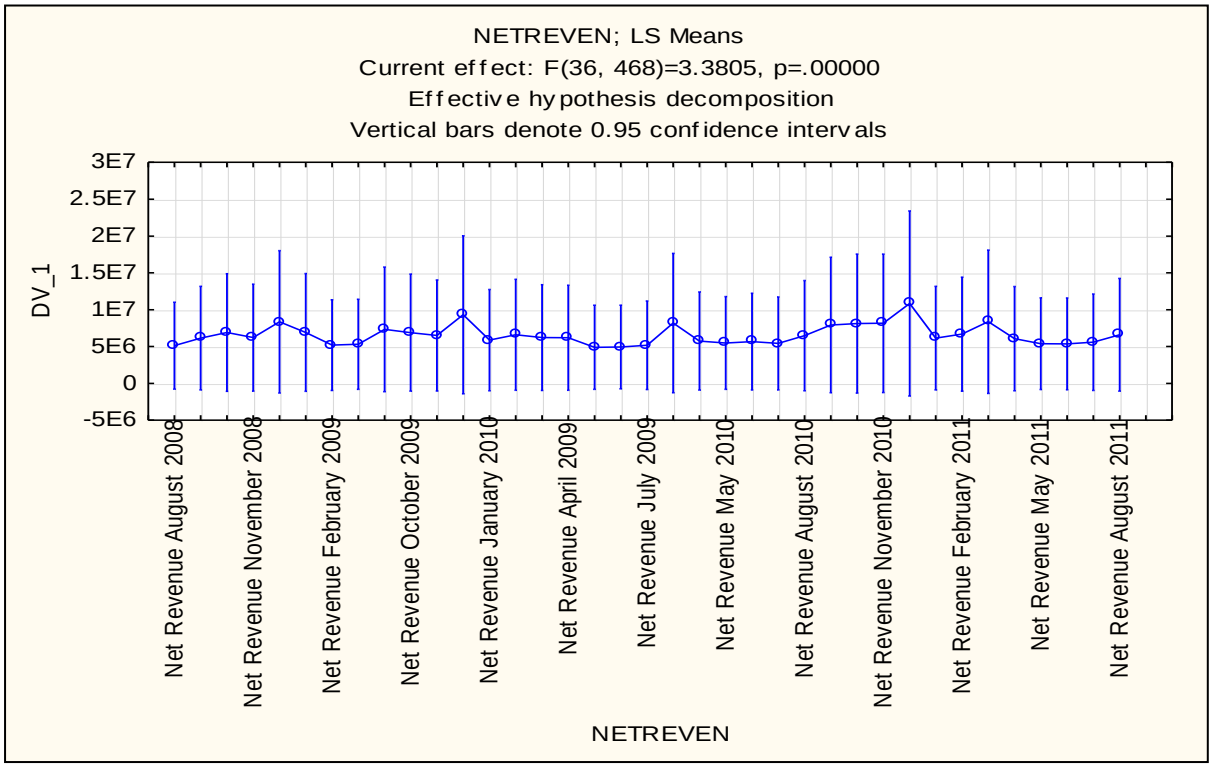
Table 6: Repeated Measures Analysis of Net Revenue

	Repeated Measures Analysis of Variance (Grocery.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	2.223514E+16	1	2.223514E+16	3.496214	0.084195
Error	8.267710E+16	13	6.359777E+15		
NETREVEN	9.105739E+14	36	2.529372E+13	3.380495	0.000000
Error	3.501695E+15	468	7.482254E+12		

(North-West University, Statistical Consultation Services, 2011)

As with sales, the net revenue indicator within the Grocery Channel also shows significant correlation over the 36 months period. The p-value in this case is also below the intercept of 0.05, thus we can say that there is a difference in the data within this period which is below 0.001.

Table 7: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

Because of the direct correlation between sales and net revenue, it can be assumed that the implementation of the model has had a significant influence on net revenue for this channel. The net revenue contribution has been lower before the implementation of the model with a much higher growth of revenue after the implementation of the model. From Table 7 peak periods can be seen from the mean of December 2008, 2009 and 2010, with exceptional growth from September 2010 due to the FIFA World Cup in South Africa.

These higher results in net revenue can be linked back to higher volumes in September to December 2010 in Table 2.

3.4.1.3 Margin Cost indicator within the Grocery Channel

Table 8: The Repeated Measures Analysis of Margin Contribution

Effect	Repeated Measures Analysis of Variance (Grocery.sta) Sigma-restricted parameterization Effective hypothesis decomposition SS	Degr. of Freedom	MS	F	p
Intercept	3.274538E+15	1	3.274538E+15	3.465071	0.083804
Error	1.323019E+16	14	9.450132E+14		
MC	1.595725E+14	36	4.432569E+12	3.337773	0.000000
Error	6.693131E+14	504	1.328002E+12		

(North-West University, Statistical Consultation Services, 2011)

From the analysis above, we can see that margin cost also has a p-value of 0.00, thus the data is significantly different. This can be seen in the data analysis in Appendix C.

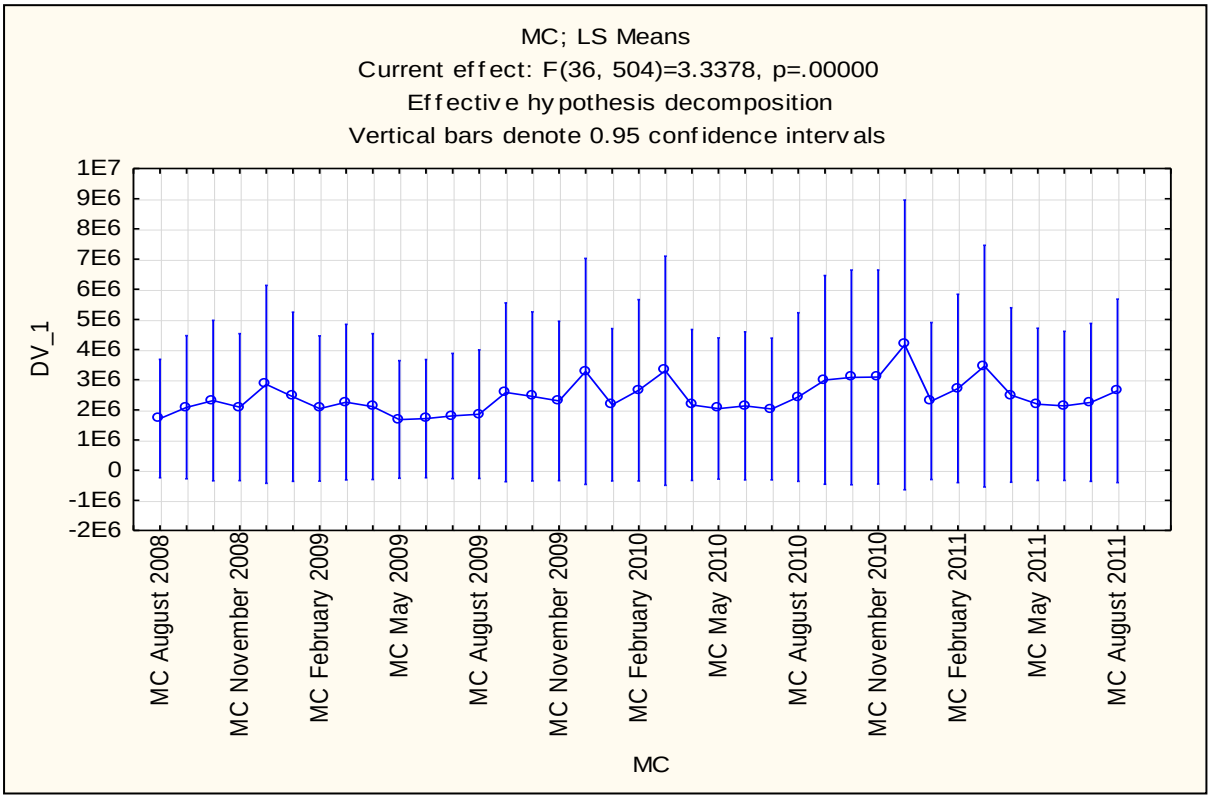
Table 9: Item Analysis for Margin Contribution in the Grocery Channel

Cell No.	MC; LS Means (Grocery.sta) Current effect: F(36, 504)=3.3378, p=.00000 Effective hypothesis decomposition MC	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	MC August 2008	1709334	914883	-252894	3671562	15
2	MC September 2008	2085039	1105917	-286918	4456996	15
3	MC October 2008	2307481	1240621	-353387	4968348	15
4	MC November 2008	2090779	1136356	-346463	4528021	15
5	MC December 2008	2843451	1530083	-438250	6125152	15
6	MC January 2009	2433301	1307380	-370751	5237352	15
7	MC February 2009	2043984	1124282	-367362	4455330	15
8	MC March 2009	2253410	1202187	-325025	4831845	15
9	MC April 2009	2109218	1127663	-309379	4527815	15
10	MC May 2009	1679874	909508	-270827	3630574	15
11	MC June 2009	1708820	913077	-249535	3667175	15
12	MC July 2009	1797268	968873	-280758	3875293	15
13	MC August 2009	1856737	993057	-273159	3986633	15
14	MC September 2009	2581408	1382369	-383480	5546295	15
15	MC October 2009	2446147	1308711	-360760	5253053	15
16	MC November 2009	2294888	1232212	-347945	4937720	15
17	MC December 2009	3272649	1747085	-474475	7019773	15
18	MC January 2010	2168481	1178472	-359090	4696052	15
19	MC February 2010	2650799	1402633	-357550	5659147	15
20	MC March 2010	3298269	1771705	-501660	7098198	15
21	MC April 2010	2162455	1166073	-338523	4663434	15
22	MC May 2010	2044058	1091581	-297150	4385266	15
23	MC June 2010	2130713	1143602	-322069	4583495	15
24	MC July 2010	2028606	1096404	-322947	4380159	15
25	MC August 2010	2425474	1303436	-370118	5221067	15
26	MC September 2010	2993014	1612903	-466319	6452347	15
27	MC October 2010	3075924	1659761	-483908	6635756	15
28	MC November 2010	3087987	1653639	-458716	6634691	15
29	MC December 2010	4155956	2239611	-647531	8959444	15
30	MC January 2011	2291316	1214204	-312892	4895524	15
31	MC February 2011	2708596	1456157	-414551	5831743	15
32	MC March 2011	3450802	1868051	-555769	7457373	15
33	MC April 2011	2490027	1349326	-403990	5384043	15
34	MC May 2011	2185376	1177188	-339441	4710192	15
35	MC June 2011	2134148	1152781	-338321	4606617	15
36	MC July 2011	2246245	1221541	-373700	4866191	15
37	MC August 2011	2631175	1418611	-411444	5673793	15

(North-West University, Statistical Consultation Services, 2011)

Margin cost is comparatively higher after March 2010 in comparison to August 2008. This indicates an increase in the average margin cost per month after the model has been introduced to the market.

Table 10: Trend Examination of Margin Contribution



(North-West University, Statistical Consultation Services2011)

The trend analysis shows a staggered increase from when the implementation started in March 2010. As of April 2010, buy-in discounts cut into margins to customers as a consequence of the FIFA World Cup. The World Cup also contributed to increases in the mean from August 2010 to March 2011. The implementation of the model most definitely had an influence on margins, which is apparent in the last few months of 2010 and early 2011. The model's price strategy made provision for a cut in trade discounts. Coca-Cola provided this in the form of pay for performance, where customers enjoy the advantage of the right execution according to the model (discussed in 2.6.9).

3.4.1.4 Buying customer indicator within the Grocery Channel

Table 11: The Repeated Measures Analysis of the Number of Buying Customers

	Repeated Measures Analysis of Variance (Grocery.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	1576896	1	1576896	4.062733	0.063453
Error	5433915	14	388137		
BUYING	26245	17	1544	1.593017	0.066742
Error	230653	238	969		

(North-West University, Statistical Consultation Services, 2011)

Because the p-value for the number of buying customers falls outside the reasonable intercepts for the hypothesis, the data is statistically not meaningful for the purpose of this study and will be left out for the rest of the channels,

3.4.2 The Local and Traditional Channel

This channel includes outlets such as general dealers that are typically family-owned counter-service outlets, selling a limited product range of basic foodstuff, confectionary, tobacco and cold drinks. These outlets are a simplistic form of convenience, in that these outlets are usually located in suburbs in the developed market with ample parking and longer than normal trading hours.

3.4.2.1 The sales indicator within the Local and Traditional Channel.

Table 12: The Repeated Measures Analysis of Sales

	Repeated Measures Analysis of Variance (LOCAL & TRAD.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	2.950002E+12	1	2.950002E+12	3.844300	0.073544
Error	9.208443E+12	12	7.673703E+11		
R1	1.785972E+11	36	4.961033E+09	3.523038	0.000000
Error	6.083291E+11	432	1.408169E+09		

(North-West University, Statistical Consultation Services, 2011)

The p-value of sales in this channel tested at a 5% level of significance also supports the hypothesis that sales are influenced by the model.

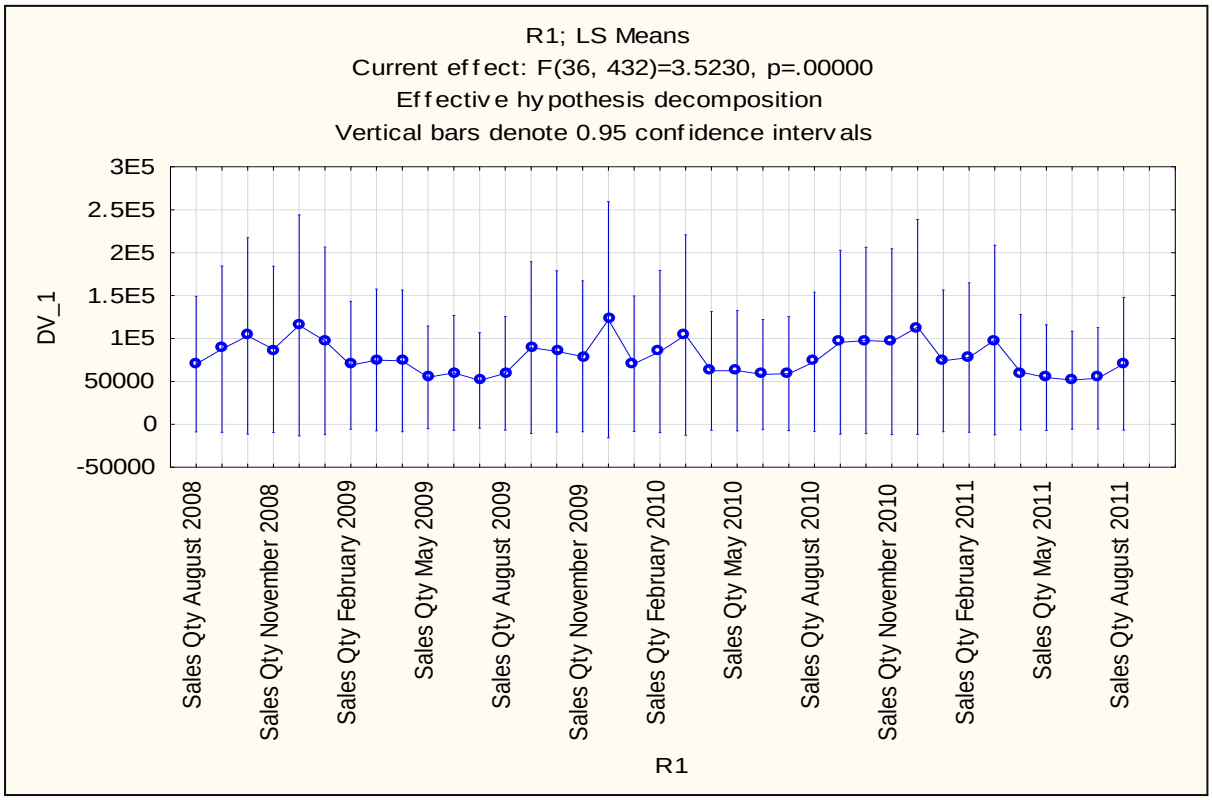
Table 13: Item Analysis for Sales in the L&T Channel

Cell No.	R1; LS Means (LOCAL & TRAD.sta) Current effect: F(36, 432)=3.5230, p=.00000 Effective hypothesis decomposition R1	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Sales Qty August 2008	70171.2	36271.27	-8857.2	149199.5	13
2	Sales Qty September 2008	87587.1	44437.17	-9233.2	184407.4	13
3	Sales Qty October 2008	103024.2	52496.14	-11355.0	217403.5	13
4	Sales Qty November 2008	87392.8	44457.93	-9472.7	184258.3	13
5	Sales Qty December 2008	115295.9	59017.27	-13291.7	243883.5	13
6	Sales Qty January 2009	97186.5	50180.21	-12146.7	206519.8	13
7	Sales Qty February 2009	68852.5	34169.44	-5596.3	143301.3	13
8	Sales Qty March 2009	74940.3	37915.43	-7670.3	157550.9	13
9	Sales Qty April 2009	73960.3	37893.66	-8602.9	156523.5	13
10	Sales Qty May 2009	54712.9	27381.58	-4946.4	114372.3	13
11	Sales Qty June 2009	59955.1	30696.35	-6926.5	126836.7	13
12	Sales Qty July 2009	51177.2	25547.29	-4485.6	106839.9	13
13	Sales Qty August 2009	59316.4	30347.32	-6804.8	125437.5	13
14	Sales Qty September 2009	89381.7	45939.68	-10712.3	189475.7	13
15	Sales Qty October 2009	84910.3	43160.34	-9128.0	178948.6	13
16	Sales Qty November 2009	79269.2	40385.90	-8724.2	167262.5	13
17	Sales Qty December 2009	121939.3	63135.54	-15621.2	259499.8	13
18	Sales Qty January 2010	70672.4	36248.69	-8306.7	149651.5	13
19	Sales Qty February 2010	84741.9	43367.94	-9748.7	179232.5	13
20	Sales Qty March 2010	103992.8	53578.00	-12743.7	220729.2	13
21	Sales Qty April 2010	62281.5	31747.67	-6890.7	131453.8	13
22	Sales Qty May 2010	62504.6	32158.72	-7563.2	132572.5	13

(North-West University, Statistical Consultation Services, 2011)

Furthermore, the scale mean from May 2009 onwards has noticeably higher readings, indicating a definite effect on sales.

Table 14: Trend Examination of Sales



(North-West University, Statistical Consultation Services, 2011)

Table 14 indicates an increase in sales within the L&T channel, similar to the trend observed within the grocery channel.

3.4.2.2 The Net Revenue indicator within the L&T Channel.

Table 15: The Repeated Measures Analysis of Net Revenue

	Repeated Measures Analysis of Variance (LOCAL & TRAD.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	1.366735E+16	1	1.366735E+16	3.867903	0.072776
Error	4.240234E+16	12	3.533529E+15		
REVENUE	7.000751E+14	36	1.944653E+13	3.432541	0.000000
Error	2.447429E+15	432	5.665346E+12		

(North-West University, Statistical Consultation Services, 2011)

Net revenue shows a p-value of < 0.001. As previously stated this indicates significant differences in the data for this channel's pre- and post-implementation.

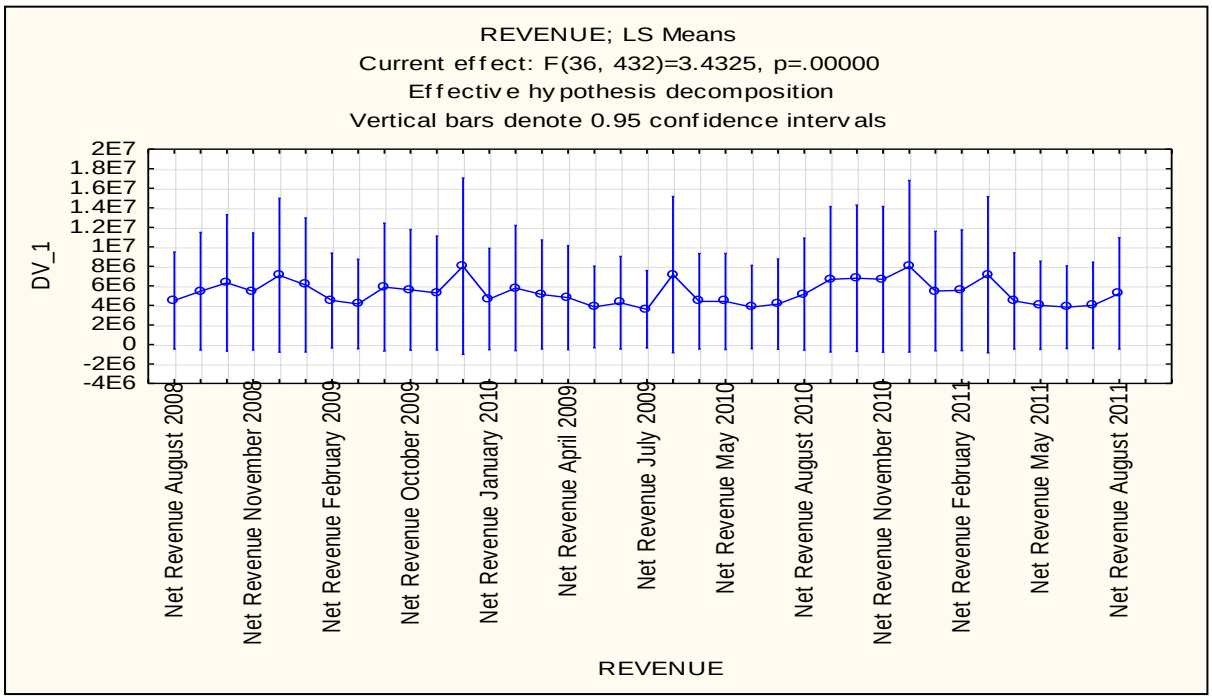
Table 16: Item Analysis for Net Revenue in the L&T Channel

Cell No.	REVENUE; LS Means (LOCAL & TRAD.sta) Current effect: F(36, 432)=3.4325, p=.00000 Effective hypothesis decomposition REVENUE	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Net Revenue August 2008	4500835	2285057	-477877	9479547	13
2	Net Revenue September 2008	5458245	2764273	-564589	11481079	13
3	Net Revenue October 2008	6310559	3210699	-684953	13306071	13
4	Net Revenue November 2008	5427991	2757065	-579137	11435119	13
5	Net Revenue December 2008	7085143	3618385	-798641	14968926	13
6	Net Revenue January 2009	6093099	3157030	-785479	12971676	13
7	Net Revenue February 2009	4500915	2229202	-356098	9357928	13
8	Net Revenue August 2009	4142561	2103239	-440003	8725125	13
9	Net Revenue September 2009	5870613	3006745	-680522	12421747	13
10	Net Revenue October 2009	5591499	2834347	-584013	11767011	13
11	Net Revenue November 2009	5270229	2679500	-567900	11108358	13
12	Net Revenue December 2009	8016170	4145598	-1016311	17048652	13
13	Net Revenue January 2010	4661985	2383892	-532069	9856040	13
14	Net Revenue February 2010	5780389	2942458	-630677	12191455	13
15	Net Revenue March 2009	5110683	2567250	-482874	10704241	13
16	Net Revenue April 2009	4793260	2446319	-536811	10123330	13
17	Net Revenue May 2009	3837549	1919839	-345422	8020520	13
18	Net Revenue June 2009	4270989	2177467	-473304	9015281	13
19	Net Revenue July 2009	3603328	1817115	-355826	7562482	13
20	Net Revenue March 2010	7155005	3672854	-847457	15157467	13
21	Net Revenue April 2010	4415407	2247237	-480903	9311717	13
22	Net Revenue May 2010	4402534	2259403	-520282	9325350	13
23	Net Revenue June 2010	3827715	1961608	-446263	8101693	13
24	Net Revenue July 2010	4126678	2122432	-497704	8751061	13
25	Net Revenue August 2010	5156927	2636692	-587930	10901785	13
26	Net Revenue September 2010	6670670	3421149	-783373	14124712	13
27	Net Revenue October 2010	6781046	3443616	-721947	14284040	13
28	Net Revenue November 2010	6666717	3428287	-802879	14136313	13
29	Net Revenue December 2010	8010597	4034446	-779707	16800901	13
30	Net Revenue January 2011	5469379	2807067	-646695	11585453	13
31	Net Revenue February 2011	5556897	2839476	-629790	11743585	13
32	Net Revenue March 2011	7139157	3674926	-867820	15146133	13
33	Net Revenue April 2011	4464778	2264405	-468938	9398494	13
34	Net Revenue May 2011	4008907	2073770	-509450	8527264	13
35	Net Revenue June 2011	3818745	1947084	-423587	8061077	13
36	Net Revenue July 2011	4006684	2029223	-414612	8427980	13
37	Net Revenue August 2011	5225339	2619500	-482061	10932739	13

(North-West University, Statistical Consultation Services, 2011)

Core observations from Table 16 include March 2010 showing the highest mean since August 2008. The net revenue consistently increased from June 2010 until December 2010.

Table 17: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

The trend indicates a much higher net revenue contribution than before the implementation as per the core observations from Table 17.

3.4.2.3 The Margin Cost indicator within the Local & Traditional Channel

Table 18: The Repeated Measures Analysis of Margin Contribution

Effect	Repeated Measures Analysis of Variance (LOCAL & TRAD.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
	SS	Degr. of Freedom	MS	F	p
Intercept	2.274724E+15	1	2.274724E+15	3.885886	0.072198
Error	7.024572E+15	12	5.853810E+14		
MC	1.278543E+14	36	3.551507E+12	3.554519	0.000000
Error	4.316340E+14	432	9.991528E+11		

(North-West University, Statistical Consultation Services, 2011)

$p < 0.000000$ for margin cost. This indicates significant differences in the data for this channel's pre- and post-implementation.

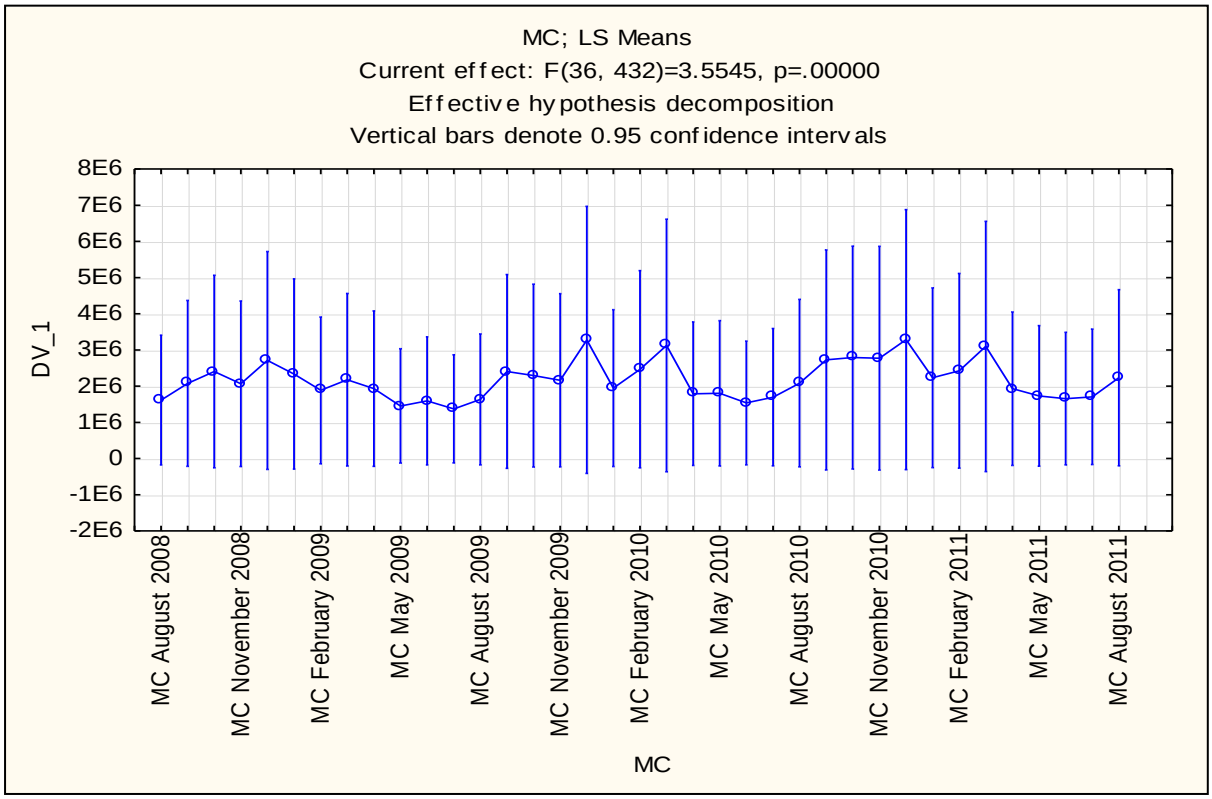
Table 19: Item Analysis for Margin Cost in the L&T Channel

Cell No.	MC	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
	MC; LS Means (LOCAL & TRAD.sta) Current effect: F(36, 432)=3.5545, p=.00000 Effective hypothesis decomposition					
1	MC August 2008	1616576	821323	-172933	3406085	13
2	MC September 2008	2078128	1051743	-213423	4369679	13
3	MC October 2008	2404425	1220509	-254835	5063685	13
4	MC November 2008	2067554	1049192	-218439	4353548	13
5	MC December 2008	2711342	1382012	-299805	5722488	13
6	MC January 2009	2337452	1205762	-289678	4964581	13
7	MC February 2009	1885238	930984	-143203	3913678	13
8	MC March 2009	2178699	1092865	-202449	4559847	13
9	MC April 2009	1931366	984894	-214534	4077266	13
10	MC May 2009	1454635	724856	-124690	3033960	13
11	MC June 2009	1592553	811800	-176208	3361314	13
12	MC July 2009	1374082	685658	-119838	2868002	13
13	MC August 2009	1635352	829213	-171348	3442053	13
14	MC September 2009	2407338	1228745	-269867	5084542	13
15	MC October 2009	2294085	1159452	-232144	4820313	13
16	MC November 2009	2161804	1098243	-231063	4554671	13
17	MC December 2009	3278633	1693304	-410759	6968025	13
18	MC January 2010	1945972	993818	-219371	4111314	13
19	MC February 2010	2468444	1250241	-255597	5192484	13
20	MC March 2010	3125575	1601875	-364610	6615760	13
21	MC April 2010	1793225	908912	-187125	3773575	13
22	MC May 2010	1804051	921919	-204638	3812740	13
23	MC June 2010	1537184	785744	-174804	3249173	13
24	MC July 2010	1697252	870881	-200235	3594739	13
25	MC August 2010	2085578	1063530	-231655	4402811	13
26	MC September 2010	2727766	1395445	-312649	5768180	13
27	MC October 2010	2792198	1413934	-288501	5872896	13
28	MC November 2010	2772667	1420186	-321652	5866986	13
29	MC December 2010	3286577	1649385	-307123	6880277	13
30	MC January 2011	2233468	1140636	-251765	4718700	13
31	MC February 2011	2425690	1234345	-263717	5115097	13
32	MC March 2011	3098341	1587346	-360189	6556871	13
33	MC April 2011	1931672	973048	-188416	4051761	13
34	MC May 2011	1731460	891100	-210081	3673001	13
35	MC June 2011	1655423	840247	-175317	3486164	13
36	MC July 2011	1707077	859251	-165070	3579224	13
37	MC August 2011	2233622	1116783	-199638	4666883	13

(North-West University, Statistical Consultation Services, 2011)

Core observations from Table 19: December 2008, December 2009 and March 2010 and March 2011. The mean for March 2010 and March 2011 are higher than December 2008 and March 2010, which were before the implementation.

Table 20: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

As with the rest of the elements within this channel, the trend shows a marked increase with peaks following implementation. Higher averages from March 2010 are remarkable.

3.4.3 The Liquor Channel

The liquor channel includes all national and local liquor outlets. A liquor outlet is an independent store or a national chain of outlets that primarily sell beverages (alcoholic and non-alcoholic) for off-premise consumption. These include non-national wholesale liquor outlets.

3.4.3.1 The sales indicator within the Liquor Channel

Table 21: The Repeated Measures Analysis of Sales

Effect	Repeated Measures Analysis of Variance (LIQUOR.sta) Sigma-restricted parameterization Effective hypothesis decomposition SS	Degr. of Freedom	MS	F	p
Intercept	1.490884E+11	1	1.490884E+11	4.267294	0.068837
Error	3.144371E+11	9	3.493745E+10		
SALES	1.154846E+10	36	3.207906E+08	3.588271	0.000000
Error	2.896553E+10	324	8.939978E+07		

(North-West University, Statistical Consultation Services, 2011)

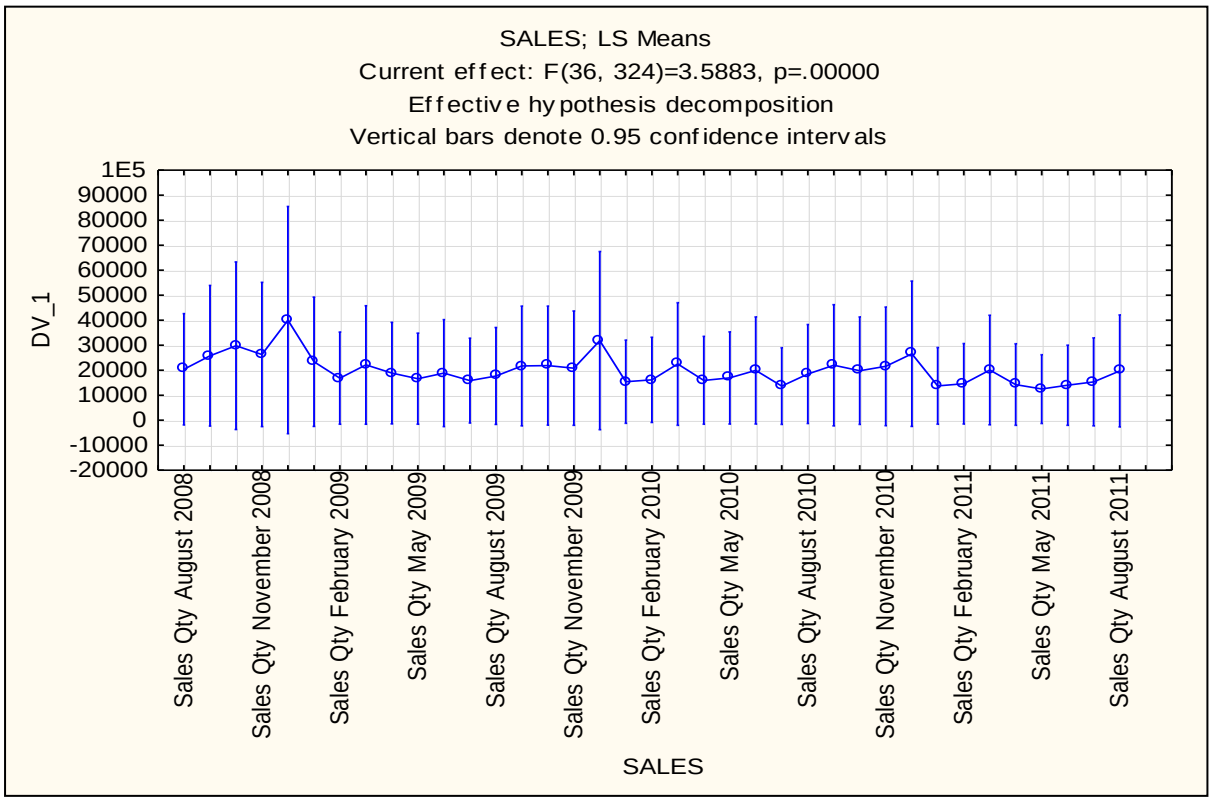
Table 21 indicates a p-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 22: Item Analysis for Sales in the Liquor Channel

Cell No.	SALES; LS Means (LIQUOR.sta) Current effect: F(36, 324)=3.5883, p=.00000 Effective hypothesis decomposition SALES	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Sales Qty August 2008	20377.80	9840.90	-1883.87	42639.47	10
2	Sales Qty September 2008	25805.50	12437.62	-2330.34	53941.34	10
3	Sales Qty October 2008	29809.50	14812.64	-3699.02	63318.02	10
4	Sales Qty November 2008	26314.30	12753.96	-2537.15	55165.75	10
5	Sales Qty December 2008	40061.60	20092.48	-5390.74	85513.94	10
6	Sales Qty January 2009	23402.50	11431.15	-2456.56	49261.56	10
7	Sales Qty February 2009	16846.80	8145.39	-1579.35	35272.95	10
8	Sales Qty March 2009	22130.70	10471.00	-1556.36	45817.76	10
9	Sales Qty April 2009	18861.20	8961.06	-1410.12	39132.52	10
10	Sales Qty May 2009	16619.90	8051.52	-1593.91	34833.71	10
11	Sales Qty June 2009	18890.40	9457.30	-2503.49	40284.29	10
12	Sales Qty July 2009	15893.60	7490.36	-1050.77	32837.97	10
13	Sales Qty August 2009	17734.60	8561.57	-1633.02	37102.22	10
14	Sales Qty September 2009	21745.60	10581.05	-2190.41	45681.61	10
15	Sales Qty October 2009	21845.40	10514.61	-1940.30	45631.10	10
16	Sales Qty November 2009	20819.40	10095.06	-2017.20	43656.00	10
17	Sales Qty December 2009	31855.60	15753.48	-3781.25	67492.45	10
18	Sales Qty January 2010	15430.10	7365.15	-1231.04	32091.24	10
19	Sales Qty February 2010	16181.90	7513.27	-814.31	33178.11	10
20	Sales Qty March 2010	22519.10	10846.57	-2017.54	47055.74	10
21	Sales Qty April 2010	15984.60	7766.84	-1585.22	33554.42	10
22	Sales Qty May 2010	16943.80	8150.65	-1494.26	35381.86	10
23	Sales Qty June 2010	19939.80	9473.98	-1491.84	41371.44	10
24	Sales Qty July 2010	13717.60	6775.54	-1609.74	29044.94	10
25	Sales Qty August 2010	18484.10	8738.14	-1282.96	38251.16	10
26	Sales Qty September 2010	21998.20	10720.79	-2253.91	46250.31	10
27	Sales Qty October 2010	19847.70	9497.97	-1638.21	41333.61	10
28	Sales Qty November 2010	21576.50	10490.09	-2153.72	45306.72	10
29	Sales Qty December 2010	26606.20	12828.14	-2413.06	55625.46	10
30	Sales Qty January 2011	13763.10	6779.95	-1574.21	29100.41	10
31	Sales Qty February 2011	14604.30	7122.15	-1507.11	30715.71	10
32	Sales Qty March 2011	20127.40	9684.58	-1780.65	42035.45	10
33	Sales Qty April 2011	14287.30	7213.62	-2031.05	30605.65	10
34	Sales Qty May 2011	12496.00	6090.23	-1281.07	26273.07	10
35	Sales Qty June 2011	14043.20	7079.79	-1972.40	30058.80	10
36	Sales Qty July 2011	15390.40	7775.95	-2200.01	32980.81	10
37	Sales Qty August 2011	19760.30	9897.47	-2629.33	42149.93	10

(North-West University, Statistical Consultation Services, 2011)

Table 23: Trend examination of Sales



(North-West University, Statistical Consultation Services, 2011)

3.4.3.2 The Net Revenue indicator within the Liquor Channel

In the liquor channel, the performance of all three indicators has improved over the past 18 months since the model's implementation. This can be seen in Table 26 and Table 29, while the mean of each indicator can be studied in Table 25 and 28.

Table 24: The Repeated Measures Analysis of Net Revenue

	Repeated Measures Analysis of Variance (LIQUOR.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	9.221640E+14	1	9.221640E+14	4.281184	0.068464
Error	1.938594E+15	9	2.153993E+14		
NETREVEN	5.405900E+13	36	1.501639E+12	3.398947	0.000000
Error	1.431417E+14	324	4.417953E+11		

(North-West University, Statistical Consultation Services, 2011)

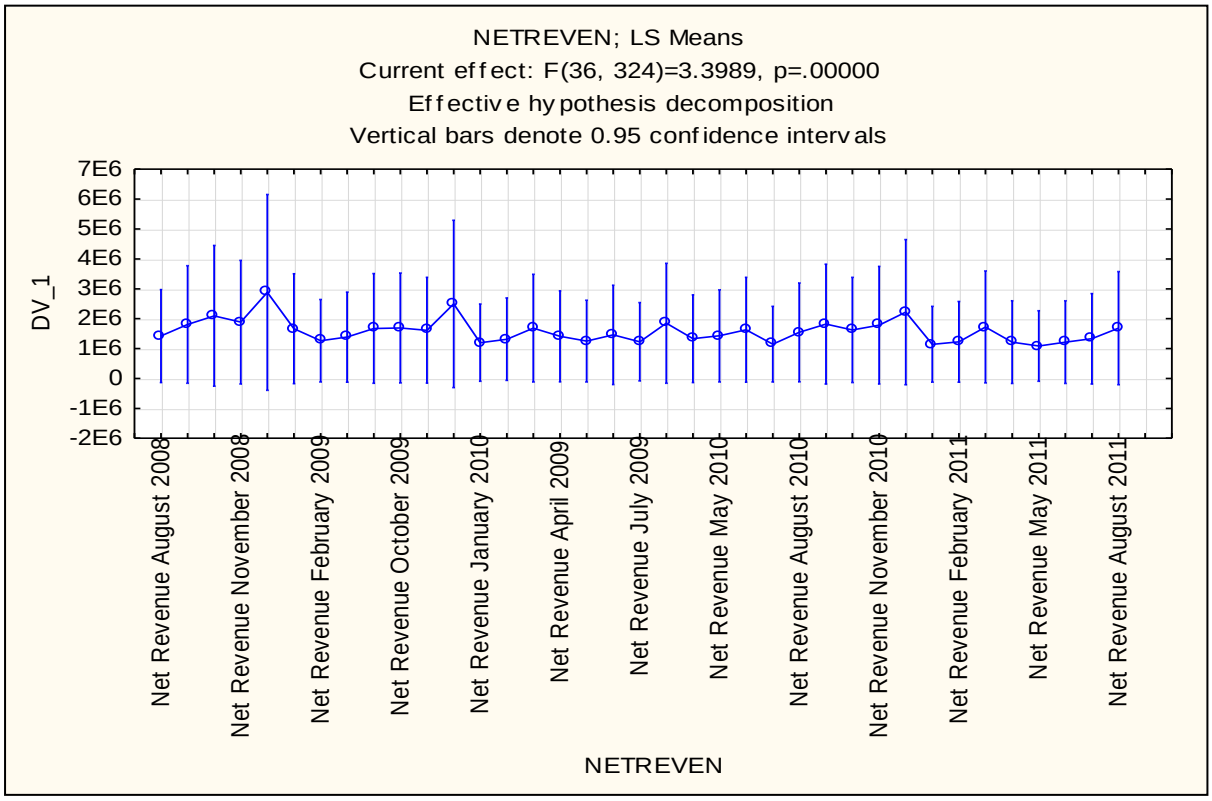
Table 24 indicates a p-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 25: Analysis for Net Revenue in the Liquor Channel

	NETREVEN; LS Means (LIQUOR.sta) Current effect: F(36, 324)=3.3989, p=.00000 Effective hypothesis decomposition					
Cell No.	NETREVEN	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Net Revenue August 2008	1420831	686877	-132992	2974653	10
2	Net Revenue September 2008	1805747	869267	-160671	3772165	10
3	Net Revenue October 2008	2096688	1040199	-256406	4449781	10
4	Net Revenue November 2008	1884068	914444	-184548	3952684	10
5	Net Revenue December 2008	2879181	1447851	-396086	6154447	10
6	Net Revenue January 2009	1663540	812440	-174327	3501407	10
7	Net Revenue February 2009	1263458	610733	-118116	2645031	10
8	Net Revenue August 2009	1383439	665548	-122134	2889013	10
9	Net Revenue September 2009	1674191	810840	-160056	3508437	10
10	Net Revenue October 2009	1688889	812603	-149346	3527124	10
11	Net Revenue November 2009	1612030	781429	-155686	3379746	10
12	Net Revenue December 2009	2494189	1237676	-305629	5294007	10
13	Net Revenue January 2010	1199050	571192	-93076	2491176	10
14	Net Revenue February 2010	1315060	609195	-63034	2693154	10
15	Net Revenue March 2009	1682749	796433	-118908	3484406	10
16	Net Revenue April 2009	1410106	670792	-107332	2927543	10
17	Net Revenue May 2009	1249763	604900	-118616	2618142	10
18	Net Revenue June 2009	1457053	734309	-204071	3118176	10
19	Net Revenue July 2009	1228469	579172	-81710	2538647	10
20	Net Revenue March 2010	1848109	886948	-158306	3854525	10
21	Net Revenue April 2010	1331040	646752	-132016	2794095	10
22	Net Revenue May 2010	1426406	680766	-113595	2966406	10
23	Net Revenue June 2010	1630410	774994	-122749	3383568	10
24	Net Revenue July 2010	1147715	557772	-114053	2409484	10
25	Net Revenue August 2010	1541818	730478	-110637	3194274	10
26	Net Revenue September 2010	1819499	885492	-183624	3822621	10
27	Net Revenue October 2010	1625438	777800	-134067	3384942	10
28	Net Revenue November 2010	1782746	868003	-180814	3746306	10
29	Net Revenue December 2010	2221246	1073100	-206276	4648768	10
30	Net Revenue January 2011	1143730	560733	-124736	2412196	10
31	Net Revenue February 2011	1227323	596558	-122185	2576831	10
32	Net Revenue March 2011	1723265	827506	-148683	3595212	10
33	Net Revenue April 2011	1216028	611662	-167647	2599703	10
34	Net Revenue May 2011	1087634	520998	-90944	2266212	10
35	Net Revenue June 2011	1215433	611198	-167193	2598059	10
36	Net Revenue July 2011	1330375	668063	-180888	2841639	10
37	Net Revenue August 2011	1685672	837691	-209317	3580661	10

(North-West University, Statistical Consultation Services, 2011)

Table 26: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

3.4.3.3 The Margin Cost indicator within the Liquor Channel

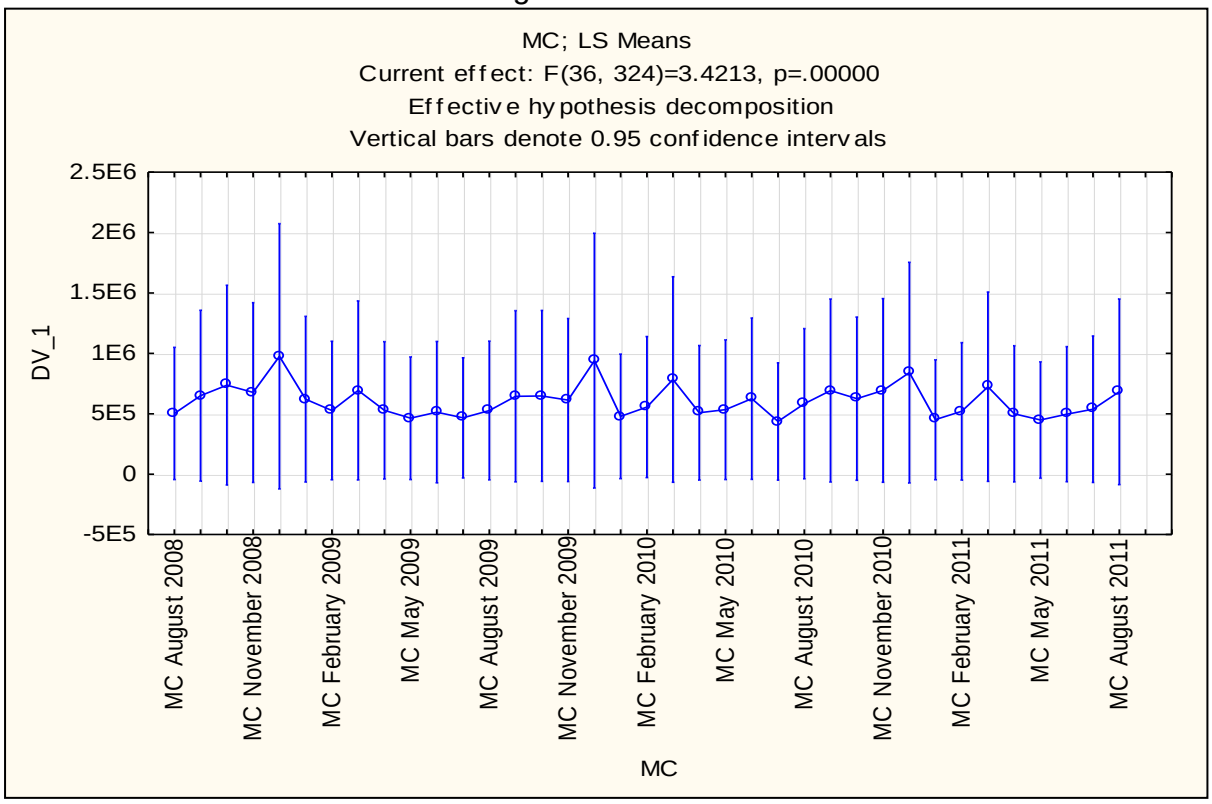
Table 27: The Repeated Measures Analysis for Margin Contribution

Effect	Repeated Measures Analysis of Variance (LIQUOR.sta) Sigma-restricted parameterization Effective hypothesis decomposition SS	Degr. of Freedom	MS	F	p
Intercept	1.360896E+14	1	1.360896E+14	4.293475	0.068135
Error	2.852717E+14	9	3.169685E+13		
MC	6.298657E+12	36	1.749627E+11	3.421313	0.000000
Error	1.656905E+13	324	5.113905E+10		

(North-West University, Statistical Consultation Services, 2011)

P-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 28: Trend Examination of Margin Contribution



(North-West University, Statistical Consultation Services, 2011)

3.4.4 The On-Premise Channel

These types of outlets are all related to eating and drinking. It includes typical take-away's that sell prepared foods and beverages to eat-in, take-out or deliver, predominantly off-premise consumption. This channel also includes restaurants, bars and pubs that offers prepared foods and beverages and provide table service.

3.4.4.1 The Sales indicator within the On-Premise Channel

Table 29: The Repeated Measures Analysis for Sales

Effect	Repeated Measures Analysis of Variance (ON PREMISE.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
	SS	Degr. of Freedom	MS	F	p
Intercept	9.244091E+11	1	9.244091E+11	4.826192	0.046766
Error	2.490021E+12	13	1.915401E+11		
SALES	2.094983E+10	36	5.819397E+08	3.422387	0.000000
Error	7.957831E+10	468	1.700391E+08		

(North-West University, Statistical Consultation Services, 2011)

P-value is < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

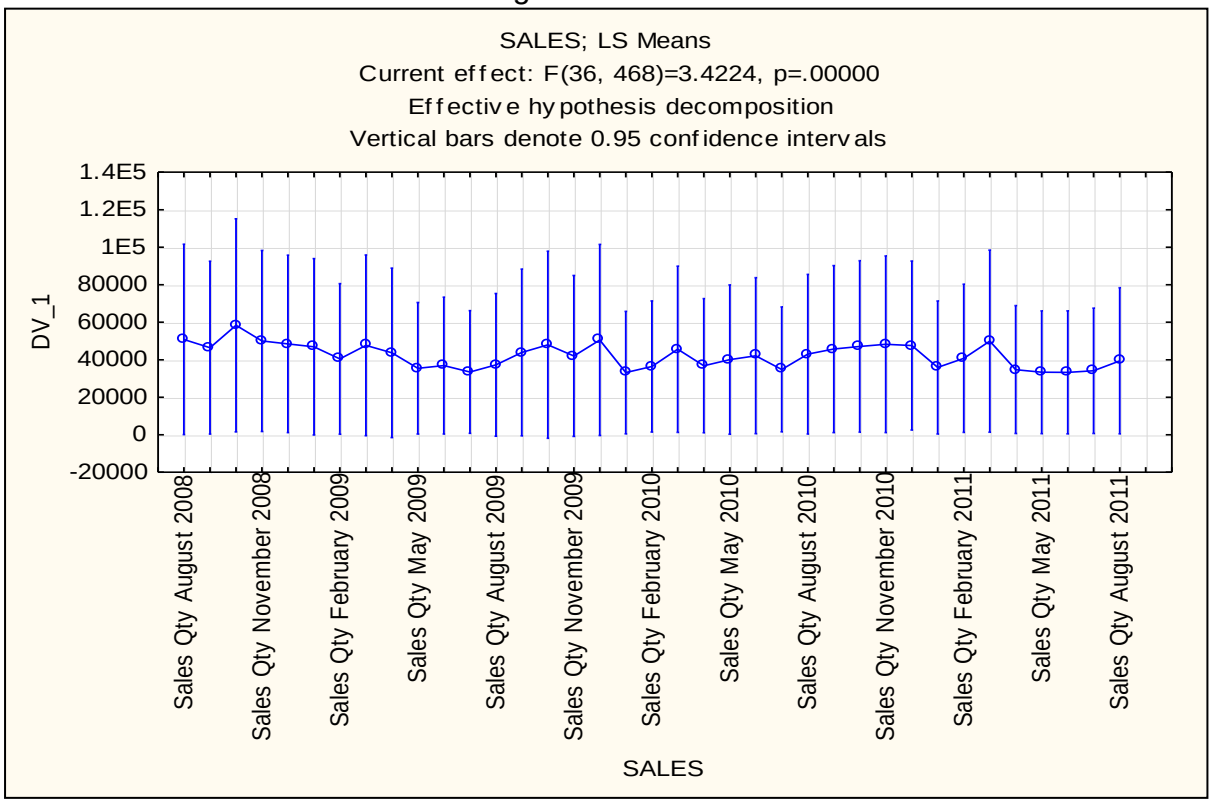
Table 30: Item Analysis for Sales in the On-Premise Channel

Cell No.	SALES; LS Means (ON PREMISE.sta) Current effect: F(36, 468)=3.4224, p=.00000 Effective hypothesis decomposition SALES	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Sales Qty August 2008	50848.50	23510.02	58.18	101638.8	14
2	Sales Qty September 2008	46446.07	21332.22	360.60	92531.5	14
3	Sales Qty October 2008	58365.86	26290.31	1569.10	115162.6	14
4	Sales Qty November 2008	50022.86	22358.90	1719.39	98326.3	14
5	Sales Qty December 2008	48485.86	21893.16	1188.57	95783.1	14
6	Sales Qty January 2009	46913.79	21752.00	-78.56	93906.1	14
7	Sales Qty February 2009	40450.50	18582.62	305.19	80595.8	14
8	Sales Qty March 2009	47679.00	22289.34	-474.18	95832.2	14
9	Sales Qty April 2009	43688.57	20919.42	-1505.10	88882.2	14
10	Sales Qty May 2009	35472.29	16241.81	384.00	70560.6	14
11	Sales Qty June 2009	36908.14	16895.82	406.94	73409.3	14
12	Sales Qty July 2009	33460.00	15133.56	765.93	66154.1	14
13	Sales Qty August 2009	37275.14	17634.90	-822.74	75373.0	14
14	Sales Qty September 2009	43926.93	20586.72	-547.97	88401.8	14
15	Sales Qty October 2009	48025.57	23098.27	-1875.22	97926.4	14
16	Sales Qty November 2009	42049.36	19856.33	-847.63	84946.3	14
17	Sales Qty December 2009	50555.43	23568.06	-360.26	101471.1	14
18	Sales Qty January 2010	33169.64	15121.01	502.69	65836.6	14
19	Sales Qty February 2010	36382.00	16161.98	1466.17	71297.8	14
20	Sales Qty March 2010	45614.21	20533.86	1253.51	89974.9	14
21	Sales Qty April 2010	36829.64	16563.66	1046.03	72613.3	14
22	Sales Qty May 2010	40065.57	18432.46	244.65	79886.5	14
23	Sales Qty June 2010	42171.14	19247.19	590.12	83752.2	14
24	Sales Qty July 2010	34886.21	15415.85	1582.30	68190.1	14
25	Sales Qty August 2010	43013.43	19709.46	433.72	85593.1	14
26	Sales Qty September 2010	45700.29	20604.11	1187.81	90212.8	14
27	Sales Qty October 2010	47112.36	21183.66	1347.84	92876.9	14
28	Sales Qty November 2010	48311.00	21800.19	1214.56	95407.4	14
29	Sales Qty December 2010	47594.07	20868.76	2509.85	92678.3	14
30	Sales Qty January 2011	35874.86	16427.59	385.20	71364.5	14
31	Sales Qty February 2011	40797.86	18299.39	1264.43	80331.3	14
32	Sales Qty March 2011	49895.86	22476.33	1338.71	98453.0	14
33	Sales Qty April 2011	34785.43	15793.90	664.79	68906.1	14
34	Sales Qty May 2011	33349.29	15169.33	577.94	66120.6	14
35	Sales Qty June 2011	33310.86	15180.15	516.13	66105.6	14
36	Sales Qty July 2011	34139.57	15473.10	711.98	67567.2	14
37	Sales Qty August 2011	39458.71	18047.21	470.09	78447.3	14

(North-West University, Statistical Consultation Services, 2011)

Months with higher means can be seen over August 2008, October 2008, November 2008 and December 2008. Fluctuation can be assumed to be a result of different promotions at certain times. The on-premise channel is more likely to run promotion over certain periods to get on-premise consumers to devour more.

Table 31: Trend Examination of Margin Contribution



(North-West University, Statistical Consultation Services, 2011)

Margin cost is comparatively smoother after March 2010 in comparison to August 2008. This indicates an increase in the average margin cost per month after the model has been introduced to the market.

3.4.4.2 The Net Revenue indicator within the On-Premise Channel

Table 32: The Repeated Measures Analysis for Net Revenue

	Repeated Measures Analysis of Variance (ON PREMISE.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	6.198769E+15	1	6.198769E+15	4.891696	0.045507
Error	1.647363E+16	13	1.267202E+15		
REVENUE	1.080983E+14	36	3.002731E+12	3.291827	0.000000
Error	4.268992E+14	468	9.121778E+11		

(North-West University, Statistical Consultation Services, 2011)

P-value is < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

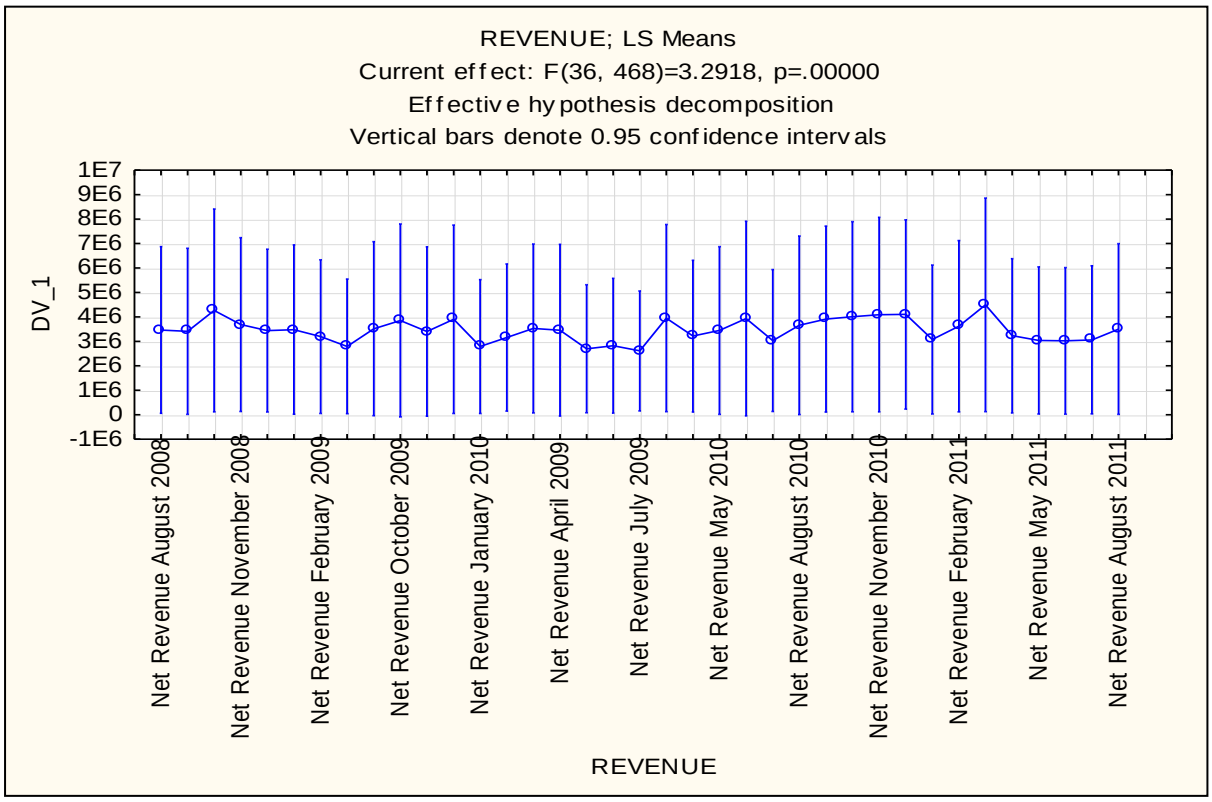
Table 33: Item Analysis for Net Revenue in the On-Premise Channel

Cell No.	REVENUE; LS Means (ON PREMISE.sta) Current effect: F(36, 468)=3.2918, p=.00000 Effective hypothesis decomposition REVENUE	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Net Revenue August 2008	3468568	1577717	60117.8	6877018	14
2	Net Revenue September 2008	3413807	1570448	21061.9	6806553	14
3	Net Revenue October 2008	4267788	1918605	122894.2	8412682	14
4	Net Revenue November 2008	3689993	1645823	134409.6	7245577	14
5	Net Revenue December 2008	3445120	1540022	118104.4	6772135	14
6	Net Revenue January 2009	3482945	1601428	23271.2	6942620	14
7	Net Revenue February 2009	3199142	1454675	56507.2	6341776	14
8	Net Revenue August 2009	2797898	1274367	44796.4	5551000	14
9	Net Revenue September 2009	3522097	1645122	-31974.1	7076168	14
10	Net Revenue October 2009	3856294	1826167	-88899.3	7801487	14
11	Net Revenue November 2009	3408663	1603207	-54854.6	6872181	14
12	Net Revenue December 2009	3905405	1781781	56101.4	7754708	14
13	Net Revenue January 2010	2791898	1266664	55437.1	5528358	14
14	Net Revenue February 2010	3161450	1391151	156051.7	6166848	14
15	Net Revenue March 2009	3529865	1599287	74814.3	6984915	14
16	Net Revenue April 2009	3458402	1623423	-48789.9	6965593	14
17	Net Revenue May 2009	2700509	1211648	82902.0	5318116	14
18	Net Revenue June 2009	2823403	1274731	69513.9	5577293	14
19	Net Revenue July 2009	2613898	1135097	161670.0	5066126	14
20	Net Revenue March 2010	3952415	1770531	127414.8	7777415	14
21	Net Revenue April 2010	3219267	1435443	118180.5	6320353	14
22	Net Revenue May 2010	3448257	1587829	17959.6	6878553	14
23	Net Revenue June 2010	3937713	1840303	-38020.2	7913446	14
24	Net Revenue July 2010	3036292	1342944	135038.5	5937545	14
25	Net Revenue August 2010	3659801	1687807	13515.9	7306087	14
26	Net Revenue September 2010	3915156	1759199	114637.8	7715674	14
27	Net Revenue October 2010	4014619	1799610	126797.9	7902439	14
28	Net Revenue November 2010	4096446	1840807	119623.7	8073269	14
29	Net Revenue December 2010	4105474	1790718	236861.7	7974086	14
30	Net Revenue January 2011	3080390	1408684	37113.5	6123666	14
31	Net Revenue February 2011	3624256	1620223	123977.8	7124534	14
32	Net Revenue March 2011	4497514	2020864	131701.4	8863326	14
33	Net Revenue April 2011	3231873	1459561	78683.4	6385062	14
34	Net Revenue May 2011	3042000	1390844	37265.2	6046736	14
35	Net Revenue June 2011	3023504	1387878	25174.9	6021832	14
36	Net Revenue July 2011	3066670	1400235	41645.7	6091694	14
37	Net Revenue August 2011	3505198	1615134	15913.9	6994483	14

(North-West University, Statistical Consultation Services, 2011)

The net revenue contribution has been lower before the implementation of the model with a much higher growth of revenue after the implementation of the model. From Table 33, peak periods can be seen from the mean of December 2008, 2009 and 2010 with exceptional growth from October 2010.

Table 34: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

The trend indicates a much higher Net Revenue contribution than before the implementation.

3.4.4.3 The Margin Contribution indicator within the On-Premise Channel

Table 35: The Repeated Measures Analysis for Margin Contribution

	Repeated Measures Analysis of Variance (ON PREMISE.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	8.802811E+14	1	8.802811E+14	5.013600	0.043268
Error	2.282523E+15	13	1.755787E+14		
MC	1.716266E+13	36	4.767406E+11	3.631343	0.000000
Error	6.144135E+13	468	1.312849E+11		

(North-West University, Statistical Consultation Services, 2011)

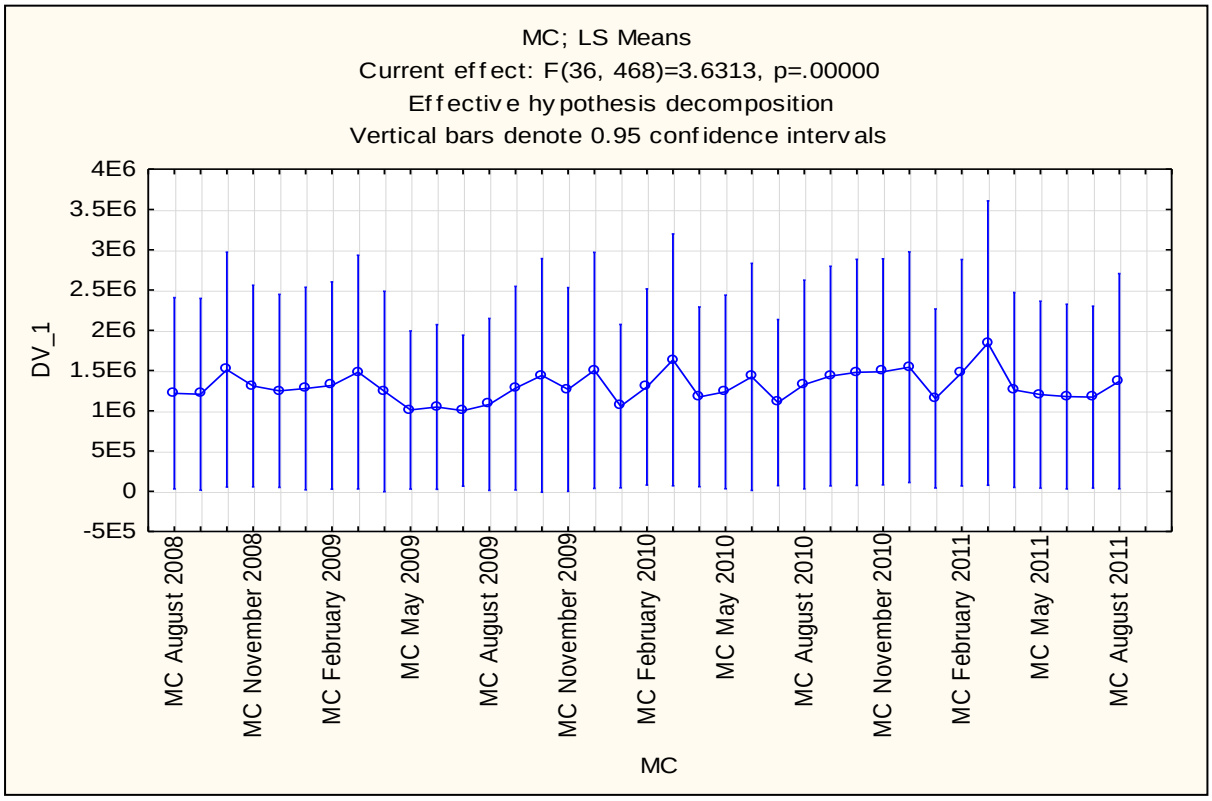
P-value is < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 36: Item Analysis for Margin Contribution in the On-Premise Channel

Cell No.	MC; LS Means (ON PREMISE.sta) Current effect: F(36, 468)=3.6313, p=.00000 Effective hypothesis decomposition MC	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	MC August 2008	1216874	549663.4	29398.8	2404350	14
2	MC September 2008	1204853	551228.2	13996.7	2395709	14
3	MC October 2008	1510744	675087.8	52305.9	2969183	14
4	MC November 2008	1307074	579499.9	55140.3	2559007	14
5	MC December 2008	1246521	554844.1	47852.8	2445188	14
6	MC January 2009	1276465	582434.5	18191.4	2534738	14
7	MC February 2009	1314202	595471.9	27763.3	2600641	14
8	MC March 2009	1479945	671711.5	28801.0	2931090	14
9	MC April 2009	1239696	576181.3	-5068.0	2484460	14
10	MC May 2009	1010456	455121.9	27224.6	1993687	14
11	MC June 2009	1047447	473383.4	24764.0	2070129	14
12	MC July 2009	1001195	433832.7	63956.5	1938434	14
13	MC August 2009	1079195	494035.7	11896.3	2146495	14
14	MC September 2009	1280308	585756.8	14857.4	2545759	14
15	MC October 2009	1438795	671578.7	-12062.7	2889653	14
16	MC November 2009	1264464	585529.3	-495.0	2529424	14
17	MC December 2009	1501896	678816.1	35403.4	2968389	14
18	MC January 2010	1057121	469809.2	42159.5	2072082	14
19	MC February 2010	1295771	564210.1	76869.6	2514673	14
20	MC March 2010	1632594	724174.4	68110.2	3197077	14
21	MC April 2010	1172315	516701.1	56050.0	2288580	14
22	MC May 2010	1234732	556942.0	31531.7	2437932	14
23	MC June 2010	1421292	652330.7	12017.3	2830567	14
24	MC July 2010	1101403	477549.1	69720.6	2133085	14
25	MC August 2010	1326022	600151.9	29472.7	2622571	14
26	MC September 2010	1430230	631796.7	65316.3	2795144	14
27	MC October 2010	1477166	650315.3	72245.7	2882087	14
28	MC November 2010	1484105	650143.6	79555.0	2888655	14
29	MC December 2010	1542506	663212.3	109722.6	2975289	14
30	MC January 2011	1151867	514792.3	39726.1	2264008	14
31	MC February 2011	1472544	650803.1	66569.3	2878518	14
32	MC March 2011	1840878	817017.7	75818.4	3605937	14
33	MC April 2011	1258815	560227.3	48517.9	2469113	14
34	MC May 2011	1200269	537292.8	39518.2	2361019	14
35	MC June 2011	1176634	530912.1	29667.9	2323600	14
36	MC July 2011	1168964	522424.6	40334.7	2297594	14
37	MC August 2011	1368004	618719.4	31342.1	2704666	14

(North-West University, Statistical Consultation Services, 2011)

Table 37: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

3.4.5 The Petroleum and Convenience Channel (PFM)

An independent (Forecourt) or national store owned or managed in affiliation with an oil company. These stores are compact and open long hours. Thus, a retail business that sells mainly fuel.

A convenience store is a national chain or local store that offers a limited array of grocery items. These outlets are generally self-service, compact, open long hours, have beverage cold vaults and may offer meat, fish or produce. Their prices generally are a lot higher than those of supermarkets and superettes in the grocery channel.

3.4.5.1 The Sales indicator within the PFM Channel

In this channel, both sales and net revenue showed a boost in performance after the implementation of the model. This can be observed in Table 38 and Table 39.

Table 40 and 44 indicate the mean over the 36 months period for both elements.

Table 38: The Repeated Measures Analysis for Sales

Effect	Repeated Measures Analysis of Variance (CONV & PETROL.sta) Sigma-restricted parameterization Effective hypothesis decomposition SS	Degr. of Freedom	MS	F	p
Intercept	4.848348E+11	1	4.848348E+11	4.805107	0.056062
Error	9.080990E+11	9	1.008999E+11		
SALES	2.095207E+10	36	5.820021E+08	4.434691	0.000000
Error	4.252126E+10	324	1.312385E+08		

(North-West University, Statistical Consultation Services, 2011)

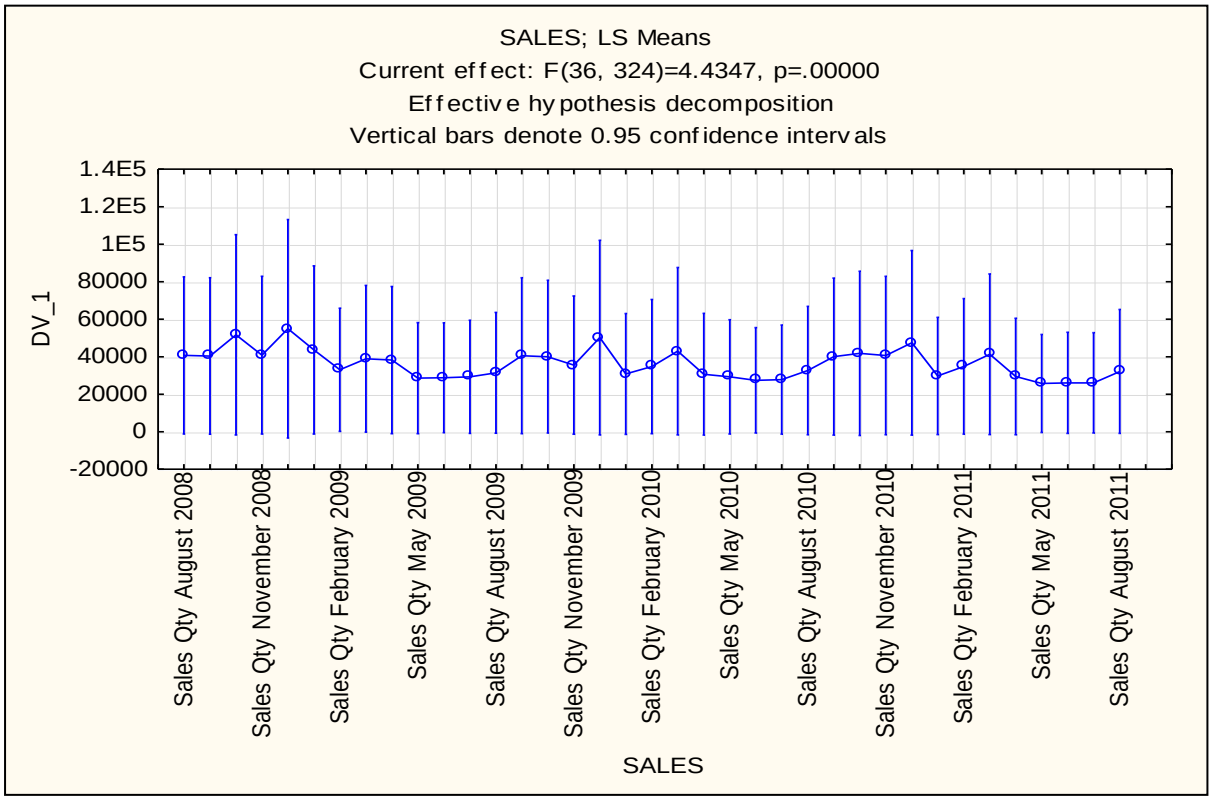
P-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 39: Item Analysis for Sales in the PFM Channel

Cell No.	SALES; LS Means (CONV & PETROL.sta) Current effect: F(36, 324)=4.4347, p=.00000 Effective hypothesis decomposition SALES	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Sales Qty August 20(	40730.3(	18535.5[	-1200.0[	82660.[	10
2	Sales Qty September 20(	40412.2(	18437.3[	-1296.0(	82120.[	10
3	Sales Qty October 20(	51700.7(	23591.9[	-1667.9[	105069.[	10
4	Sales Qty November 2(	40888.8(	18577.8[	-1137.3[	82914.[	10
5	Sales Qty December 20[	54949.2(	25743.4[	-3286.4[	113184.[	10
6	Sales Qty January 20[	43640.7(	19801.2[	-1152.9[	88434.[	10
7	Sales Qty February 20[	33048.6(	14528.9[	181.8(	65915.[	10
8	Sales Qty March 20(	38940.0(	17304.3[	-205.11	78085.1	10
9	Sales Qty April 200	38253.5(	17352.0[	-999.5[	77506.[	10
10	Sales Qty May 20(	28582.7(	13073.5[	-991.7[	58157.[	10
11	Sales Qty June 20(	28808.7(	12936.3[	-455.4[	58072.[	10
12	Sales Qty July 20(	29275.3(	13326.1[	-870.6(	59421.[	10
13	Sales Qty August 20(	31421.4(	14246.0[	-805.37	63648.[	10
14	Sales Qty September 20(	40559.4(	18362.7[	-980.1(	82098.[	10
15	Sales Qty October 20(	40047.2(	18025.3[	-729.0[	80823.[	10
16	Sales Qty November 2(	35570.7(	16276.3[	-1249.0[	72390.[	10
17	Sales Qty December 20[	50236.5(	22944.6[	-1667.8[	102140.[	10
18	Sales Qty January 20[	30884.0(	14233.8[	-1315.2[	63083.[	10
19	Sales Qty February 20[	34795.4(	15798.9[	-944.27	70535.1	10
20	Sales Qty March 201	42969.5(	19741.7[	-1689.3[	87628.[	10
21	Sales Qty April 201	30704.6(	14358.6[	-1776.8[	63186.1	10
22	Sales Qty May 201	29286.8(	13463.8[	-1170.4[	59744.1	10
23	Sales Qty June 201	27474.4(	12433.7[	-652.7[	55601.[	10
24	Sales Qty July 20[	27871.5(	12860.8[	-1221.7[	56964.7	10
25	Sales Qty August 201	32670.4(	15131.4[	-1559.3[	66900.1	10
26	Sales Qty September 20[	40090.6(	18503.8[	-1768.1[	81949.[	10
27	Sales Qty October 20[	41856.3(	19362.2[	-1944.1[	85656.[	10
28	Sales Qty November 2(	40661.2(	18668.6[	-1570.3[	82892.7	10
29	Sales Qty December 20[	47479.1(	21743.6(	-1708.3[	96666.[	10
30	Sales Qty January 20[	29770.9(	13796.8[	-1439.8(	60981.[	10
31	Sales Qty February 20[	34872.2(	15982.7[	-1283.2(	71027.[	10
32	Sales Qty March 201	41364.9(	18937.1[	-1473.8[	84203.7	10
33	Sales Qty April 201	29517.5(	13729.7(	-1541.2[	60576.[	10
34	Sales Qty May 201	25759.6(	11560.2(	-391.4(	51910.[	10
35	Sales Qty June 201	26085.6(	11899.6[	-833.1[	53004.[	10
36	Sales Qty July 20[	26058.6(	11835.8[	-716.0[	52833.[	10
37	Sales Qty August 201	32122.3(	14605.0[	-916.61	65161.[	10

(North-West University, Statistical Consultation Services, 2011)

Table 40: Trend Examination of Sales



(North-West University, Statistical Consultation Services, 2011)

Table 41 show higher means over the months after the implementation of the model. The increase in sales can be observed from December 2009.

3.4.5.2 The Net Revenue indicator within the PFM Channel

Table 41: The Repeated Measures Analysis for Net Revenue

	Repeated Measures Analysis of Variance (CONV & PETROL.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	2.624372E+15	1	2.624372E+15	4.815867	0.055838
Error	4.904485E+15	9	5.449428E+14		
NETREVEN	8.949406E+13	36	2.485946E+12	3.788595	0.000000
Error	2.125977E+14	324	6.561656E+11		

(North-West University, Statistical Consultation Services, 2011)

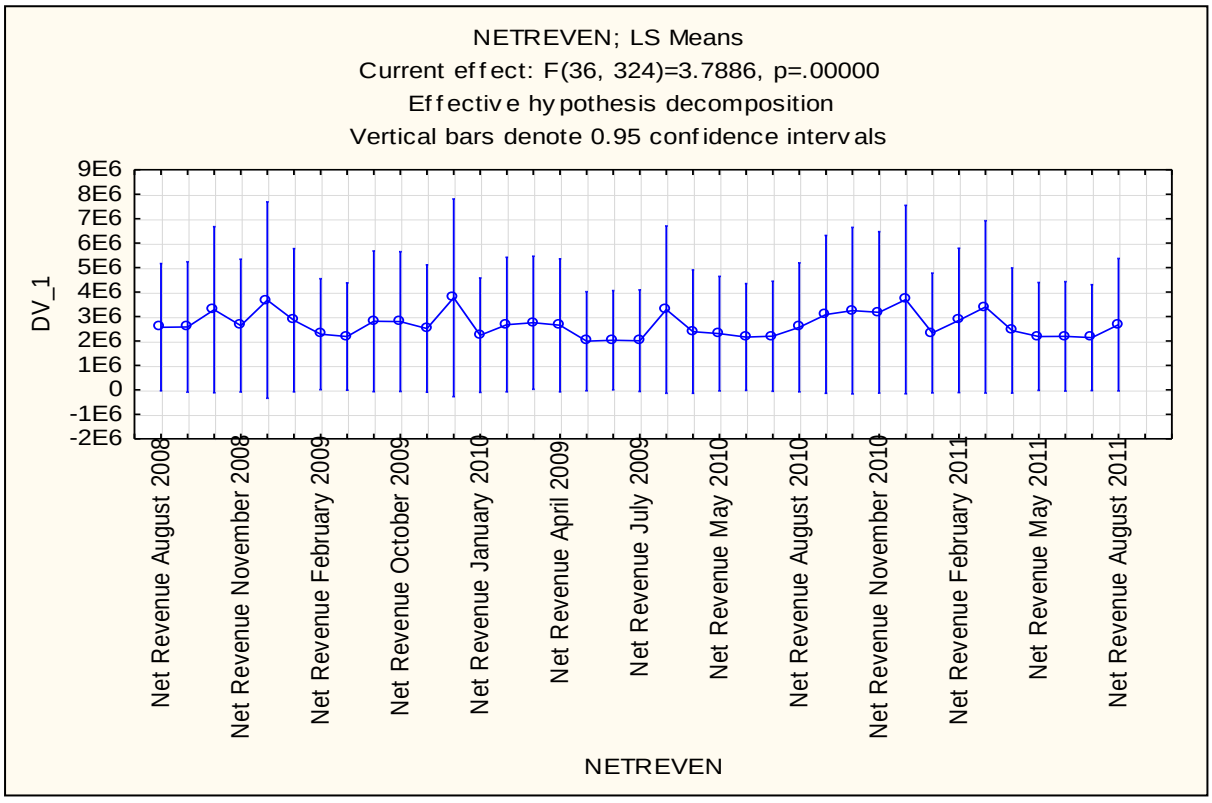
The p-value is < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 42: tem Analysis for Net Revenue in the PFM Channel

Cell No.	NETREVEN; LS Means (CONV & PETROL.sta) Current effect: F(36, 324)=3.7886, p=.00000 Effective hypothesis decomposition NETREVEN	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	Net Revenue August 2008	2566920	1148200	-30488	5164328	10
2	Net Revenue September 2008	2577264	1179017	-89859	5244387	10
3	Net Revenue October 2008	3278155	1500761	-116803	6673113	10
4	Net Revenue November 2008	2632657	1200366	-82760	5348074	10
5	Net Revenue December 2008	3676992	1774099	-336298	7690283	10
6	Net Revenue January 2009	2849274	1295619	-81621	5780168	10
7	Net Revenue February 2009	2281839	1002471	14091	4549586	10
8	Net Revenue August 2009	2182711	969633	-10751	4376173	10
9	Net Revenue September 2009	2807121	1271628	-69502	5683745	10
10	Net Revenue October 2009	2793163	1262719	-63306	5649633	10
11	Net Revenue November 2009	2513038	1152089	-93168	5119244	10
12	Net Revenue December 2009	3768888	1785243	-269612	7807387	10
13	Net Revenue January 2010	2238798	1033730	-99662	4577258	10
14	Net Revenue February 2010	2670751	1214738	-77176	5418679	10
15	Net Revenue March 2009	2746395	1202090	27080	5465711	10
16	Net Revenue April 2009	2643168	1202337	-76708	5363043	10
17	Net Revenue May 2009	1995531	895962	-31275	4022337	10
18	Net Revenue June 2009	2033571	896501	5544	4061598	10
19	Net Revenue July 2009	2014548	917631	-61278	4090373	10
20	Net Revenue March 2010	3285202	1511791	-134708	6705111	10
21	Net Revenue April 2010	2381927	1115203	-140837	4904691	10
22	Net Revenue May 2010	2304083	1036376	-40363	4648529	10
23	Net Revenue June 2010	2161952	965408	-21953	4345858	10
24	Net Revenue July 2010	2194476	995649	-57839	4446791	10
25	Net Revenue August 2010	2560741	1166504	-78075	5199557	10
26	Net Revenue September 2010	3086708	1426839	-141025	6314442	10
27	Net Revenue October 2010	3243921	1503550	-157347	6645188	10
28	Net Revenue November 2010	3171656	1460975	-133298	6476610	10
29	Net Revenue December 2010	3696720	1701719	-152836	7546275	10
30	Net Revenue January 2011	2331246	1083908	-120725	4783217	10
31	Net Revenue February 2011	2843343	1305091	-108977	5795663	10
32	Net Revenue March 2011	3395398	1557873	-128754	6919551	10
33	Net Revenue April 2011	2426720	1131199	-132229	4985669	10
34	Net Revenue May 2011	2186497	973771	-16325	4389319	10
35	Net Revenue June 2011	2191070	989442	-47204	4429344	10
36	Net Revenue July 2011	2136715	956372	-26749	4300178	10
37	Net Revenue August 2011	2671069	1197383	-37600	5379738	10

(North-West University, Statistical Consultation Services, 2011)

Table 43: Trend Examination of Net Revenue



(North-West University, Statistical Consultation Services, 2011)

December 2009 and December 2010 are higher than the rest of the months. Again, this is because of seasonal fluctuations with higher volumes.

3.4.5.3 The Margin indicator within the PFM Channel

Table 44: The Repeated Measures Analysis for Margin Contribution

	Repeated Measures Analysis of Variance (CONV & PETROL.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	4.431377E+14	1	4.431377E+14	4.804196	0.056081
Error	8.301574E+14	9	9.223971E+13		
MC	1.546958E+13	36	4.297104E+11	4.012685	0.000000
Error	3.469651E+13	324	1.070880E+11		

(North-West University, Statistical Consultation Services, 2011)

Table 45 indicates a p-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

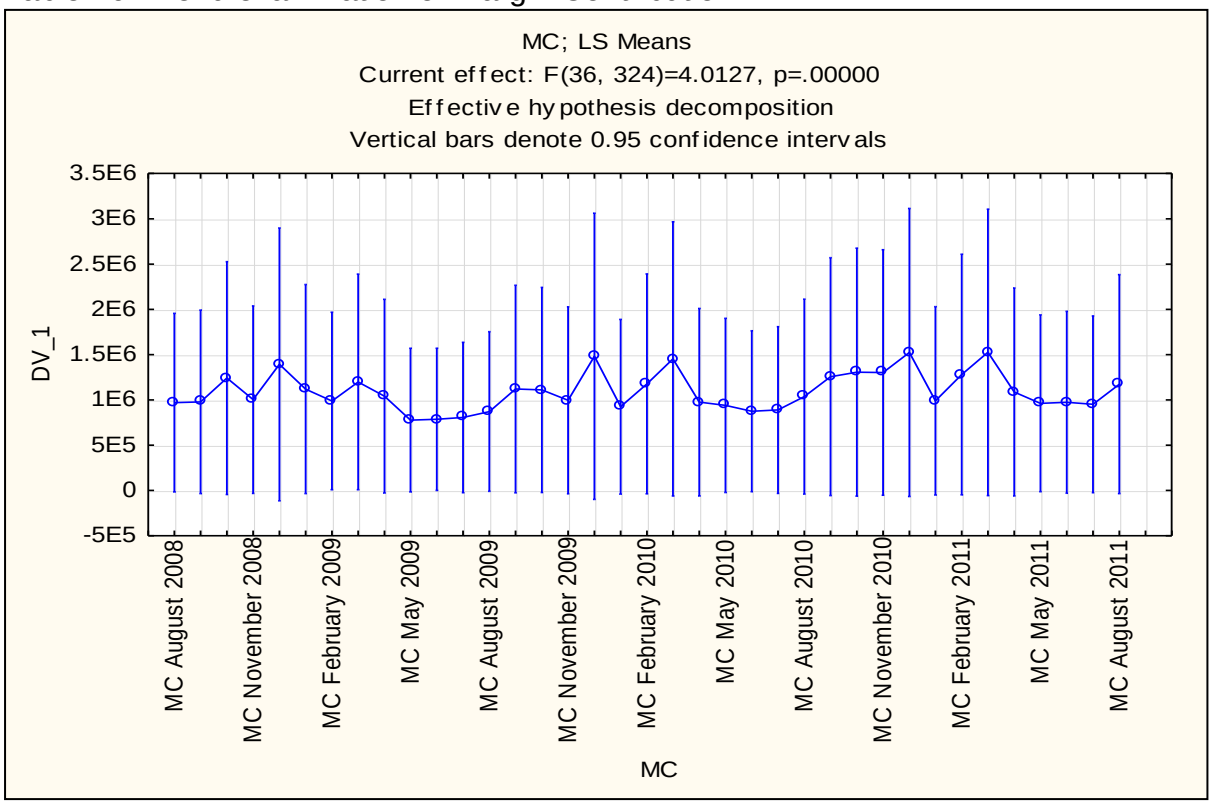
Table 45: Item Analysis for Margin Contribution in the PFM Channel

	MC; LS Means (CONV & PETROL.sta) Current effect: F(36, 324)=4.0127, p=.00000 Effective hypothesis decomposition					
Cell No.	MC	DV_1 Mean	DV_1 Std.Err.	DV_1 -95.00%	DV_1 +95.00%	N
1	MC August 2008	970819	435627.6	-14639	1956277	10
2	MC September 2008	978924	447475.6	-33336	1991184	10
3	MC October 2008	1241380	567726.7	-42907	2525667	10
4	MC November 2008	1003406	457091.8	-30608	2037419	10
5	MC December 2008	1392500	665870.7	-113804	2898804	10
6	MC January 2009	1120050	509847.5	-33305	2273405	10
7	MC February 2009	987825	433018.7	8268	1967381	10
8	MC March 2009	1197985	526002.7	8084	2387886	10
9	MC April 2009	1040975	472459.0	-27801	2109752	10
10	MC May 2009	777254	350731.4	-16156	1570664	10
11	MC June 2009	786250	347009.4	1260	1571240	10
12	MC July 2009	805867	366776.8	-23840	1635574	10
13	MC August 2009	872127	389364.1	-8676	1752929	10
14	MC September 2009	1120393	506671.8	-25778	2266564	10
15	MC October 2009	1110080	500108.6	-21245	2241404	10
16	MC November 2009	996782	456180.3	-35169	2028733	10
17	MC December 2009	1481459	698625.9	-98943	3061860	10
18	MC January 2010	925216	426307.2	-39158	1889589	10
19	MC February 2010	1177080	536234.3	-35966	2390127	10
20	MC March 2010	1453759	669356.7	-60431	2967949	10
21	MC April 2010	975458	457192.6	-58783	2009700	10
22	MC May 2010	939514	424787.4	-21422	1900450	10
23	MC June 2010	875179	393209.9	-14323	1764682	10
24	MC July 2010	888483	406378.4	-30809	1807775	10
25	MC August 2010	1036783	475918.0	-39818	2113384	10
26	MC September 2010	1257052	580475.3	-56074	2570178	10
27	MC October 2010	1306423	604824.3	-61784	2674631	10
28	MC November 2010	1303523	599313.1	-52218	2659263	10
29	MC December 2010	1523814	702824.4	-66085	3113714	10
30	MC January 2011	990533	459864.6	-49753	2030819	10
31	MC February 2011	1279933	587131.5	-48251	2608117	10
32	MC March 2011	1525374	698996.7	-55866	3106615	10
33	MC April 2011	1087899	506902.9	-58795	2234593	10
34	MC May 2011	962887	431925.1	-14195	1939969	10
35	MC June 2011	974343	443312.0	-28499	1977184	10
36	MC July 2011	951163	431244.4	-24380	1926705	10
37	MC August 2011	1173598	534033.3	-34469	2381665	10

(North-West University, Statistical Consultation Services, 2011)

Table 45 points out an increase in the margin cost of PFM channel after the implementation of the mode. More months with higher means can be observed.

Table 46: Trend examination of Margin Contribution



(North-West University, Statistical Consultation Services, 2011)

3.4.6 Customer Service Satisfaction Indicator

The importance of customers has been highlighted throughout all three chapters. The intent of Coca-Cola's RTM Model is to maximise value and profit in developed markets, grow brands and product offerings, while delivering more value to consumers (The Coca-Cola company, 2009).

According to Hansemark & Albinsson (2004), "satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire". Customer loyalty, on the other hand, is actually the result of an organisation creating a benefit for a customer so that they will maintain or increase their purchases from the organisation. (Anderson & Jacobsen, 2000).

The Coca-Cola Company may be the number one soft-drink producer, but its customer satisfaction has fizzled to a five-year low, according to the third quarter report of the American Customer Satisfaction Index (ACSI). Coca-Cola tallied a score of 82 on the ACSI 100-point scale, a 2% decline from Q3 2005's score in America. Despite Coca-Cola's skid, 82 *is* still a solid score, but not enough to maintain the top sector slot. PepsiCo (up from Q3 2005's 82 to Q3 2006's 86) and Cadbury Schweppes (up from Q3 2005's 83 to Q3 2006's 86) both trumped the beverage producer tying for the highest soft drink satisfaction score.

The ACSI gap between Coca-Cola and Pepsi has never been greater, according to Claes Fornell, a professor and head of ACSI at the University of Michigan. "Pepsi has made Diet Pepsi its flagship product; they have really doubled marketing expenses," he says. He adds that Pepsi has "put more resources on product innovation and they've also stopped relying as much as they used to on price promotion and that usually helps." Overall, the soft drinks category secured an aggregate score of 84, up 1.2% from Q3 2005, making it one of the highest scoring industries in ACSI, according to Fornell Bailor (2006).

From the above report, it is evident that Coca-Cola needed to investigate their customer offerings and to come up with a more sustainable plan to secure customer satisfaction.

In this section we will be analysing the results from the Bonferroni Test on South Africa's Customer Satisfaction review from 2008 to 2011. There are four sections that will be analysed: the overall quality for the business, the sales fraction, distribution and payments which refers to the financial department.

Each question within its specific section has been analysed to determine if the model had any influence on overall performance. The elements that will be explored are:

- Overall:
    - The overall quality that Coca-Cola provides.
    - Value for money.
    - Prices compared to competitors.
    - Loyalty.

- Confidence in the company.
- Commitment from the company.

- Sales:
  - Frequency of store visits from company representatives and management.
  - The effort and ability from the company to understand and drive customers' business.
  - Communication.
  - Reliability.
- Distribution:
  - Ability from distribution and the sales department to resolve delivery queries.
  - On time deliveries and adherence to route schedule.
- Payments:
  - Credit terms assigned and process.
  - Accuracy of paperwork.

3.4.6.1 Sales – The overall quality analysis of customer satisfaction

Table 47: Customer Satisfaction Analysis for the Overall Quality Coca-Cola Provides

	OVERALL	DV_1	DV_1	DV_1	DV_1	N
1	August - September2008	68.80000	0.200000	66.25876	71.3412	2
2	October - November2008	67.40000	2.600000	34.36387	100.4361	2
3	December - January2009	66.15000	1.050000	52.80849	79.4915	2
4	February - March2009	67.95000	2.650000	34.27856	101.6214	2
5	April - May2009	67.70000	1.900000	43.55821	91.8418	2
6	June - July2009	72.95000	1.150000	58.33786	87.5621	2
7	August - September2009	72.85000	1.050000	59.50849	86.1915	2
8	October - November2009	75.90000	0.300000	72.08814	79.7119	2
9	December - January2010	74.10000	0.700000	65.20566	82.9943	2
10	February - March 2010	75.80000	0.400000	70.71752	80.8825	2
11	April - May2010	72.55000	1.950000	47.77290	97.3271	2
12	June - July2010	73.95000	0.150000	72.04407	75.8559	2
13	August - September2010	73.20000	1.000000	60.49380	85.9062	2
14	October - November2010	72.90000	1.500000	53.84069	91.9593	2
15	December - January2011	74.65000	0.650000	66.39097	82.9090	2
16	February - March 2011	74.20000	0.100000	72.92938	75.4706	2
17	April - May2011	75.00000	0.500000	68.64690	81.3531	2
18	June - July2011	76.65000	0.350000	72.20283	81.0972	2

(North- West University, Statistical Consultation Services, 2011)

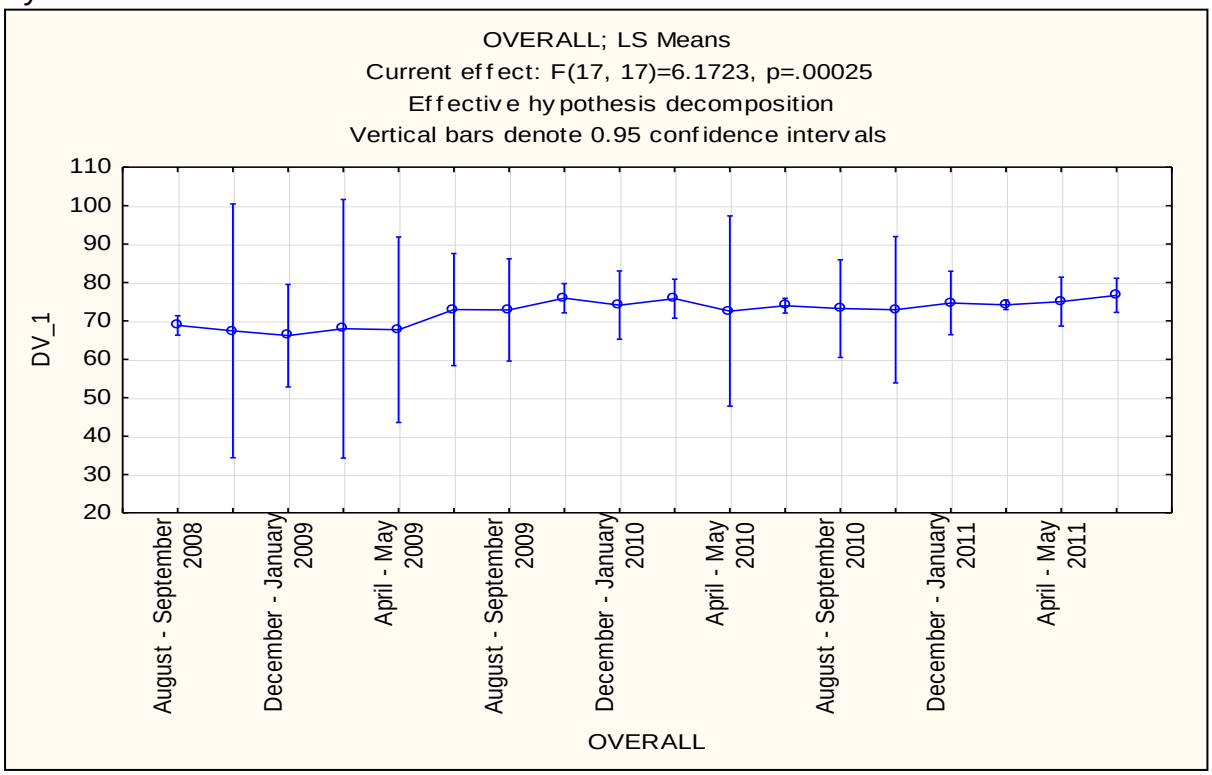
From Table 50 it is evident that the customer satisfaction improved every month regarding the overall quality from Coca-Cola. The main peaks in this period can be seen in October and November 2009 and June, July 2001. Table 51 declares that the p-value is statistically concurrent with a value of 0.000247.

Table 48: The Repeated Measures Analysis for the Overall Quality in Service Regarding Customer Satisfaction

	Repeated Measures Analysis of Variance (summary_ Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	188558.6	1	188558.6	18855859	0.000147
Error	0.0	1	0.0		
OVERALL	365.1	17	21.5	6	0.000247
Error	59.2	17	3.5		

(North-West University, Statistical Consultation Services, 2011)

Table 49: Customer Satisfaction Trend Examination of the Overall Quality Provided By Coca-Cola South Africa



(North-West University, Statistical Consultation Services, 2011)

From Table 49 it is evident that customer satisfaction regarding the overall quality from Coca-Cola improved every month. The main peaks in this period can be seen in

October and November 2009 and June, July 2001. Table 51 shows that the p-value is statistically concurrent with a value of 0.000247.

A 5.2% increase in overall quality can be seen in July 2009 from 67.7% to 72.9%. The model has been introduced into the market during this period, but only from March 2009, where a 1.7% increase is immediately evident. Table 52 clearly indicates a constant increase from the model implementation, and the percentage has since remained above 70%. Thus, the service model most definitely had a positive impact on the quality of the service Coca-Cola provides.

3.4.6.2 Sales - An analysis on loyalty regarding customer satisfaction

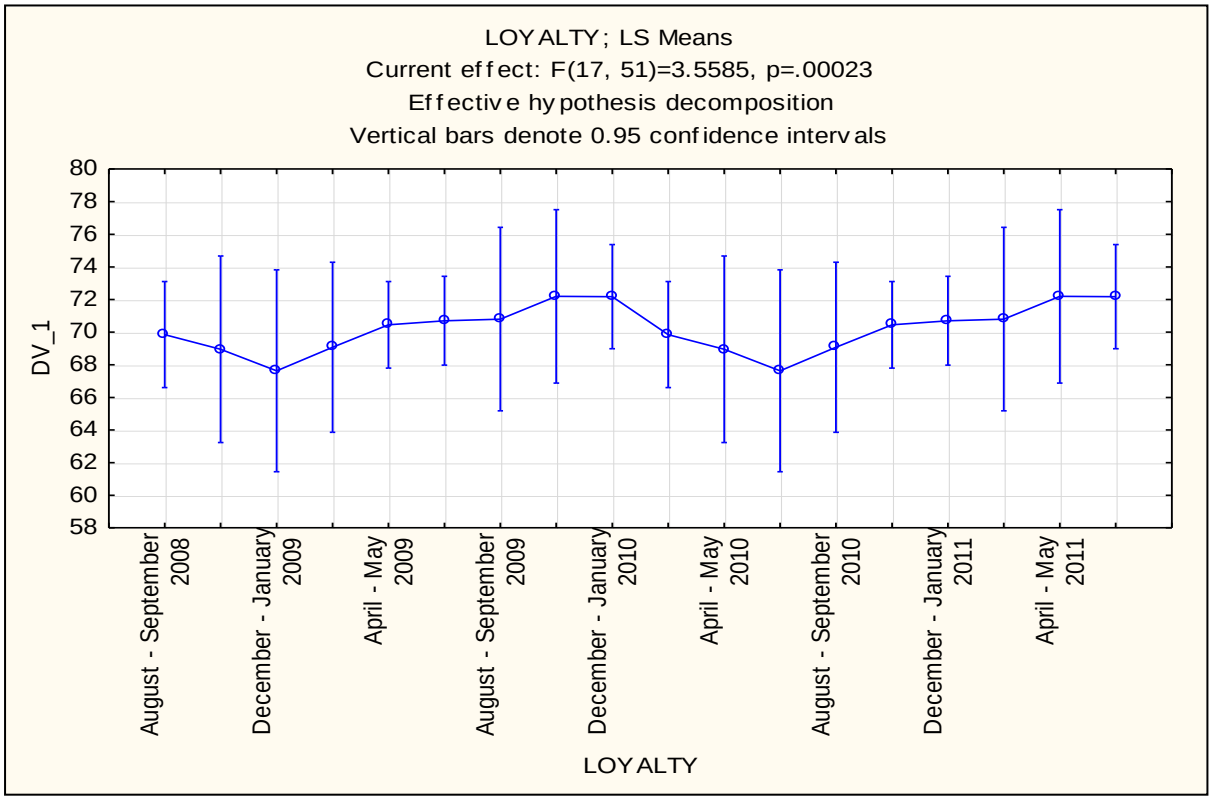
Table 50: The Repeated Measures Analysis for Loyalty Regarding Customer Satisfaction

	Repeated Measures Analysis of Variance (summary_ Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	354847.0	1	354847.0	3171.449	0.000012
Error	335.7	3	111.9		
LOYALTY	145.2	17	8.5	3.558	0.000226
Error	122.4	51	2.4		

(North-West University, Statistical Consultation Services, 2011)

The p-value is < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 51: Customer Satisfaction Trend Examination of Loyalty by Coca-Cola South Africa



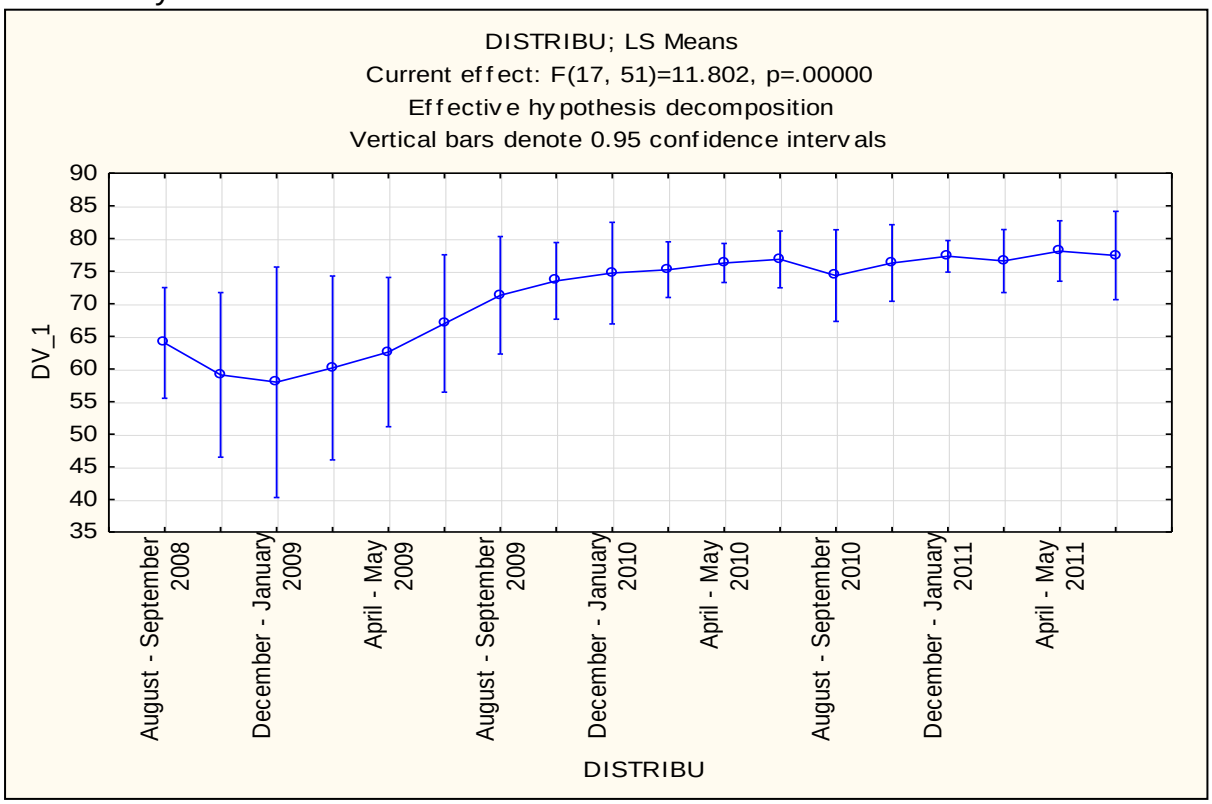
(North-West University, Statistical Consultation Services, 2011)

In Table 52, we see a significant drop in this element between January 2010 and August 2010. After the model has been acknowledged by the trade, a continuous increase in percentage can be observed from September 2010.

Loyal customers are those who purchase repeatedly and are generally considered an asset to an organisation. Ideally, a loyal customer will continue to purchase even in the face of certain challenges, such as cheaper prices offered by other companies.

3.4.6.3 Distribution - An analysis on distribution regarding customer satisfaction

Table 52: Customer Satisfaction Trend Examination of the Distribution Confidence Provided by Coca-Cola



(North-West University, Statistical Consultation Services, 2011)

This element also indicates a considerable boost in confidence around the reliability of distribution by customers. The steady increase is a result of how trust in Coca-Cola has improved with the implementation.

3.4.6.4 Distribution - An analysis on commitment regarding customer satisfaction

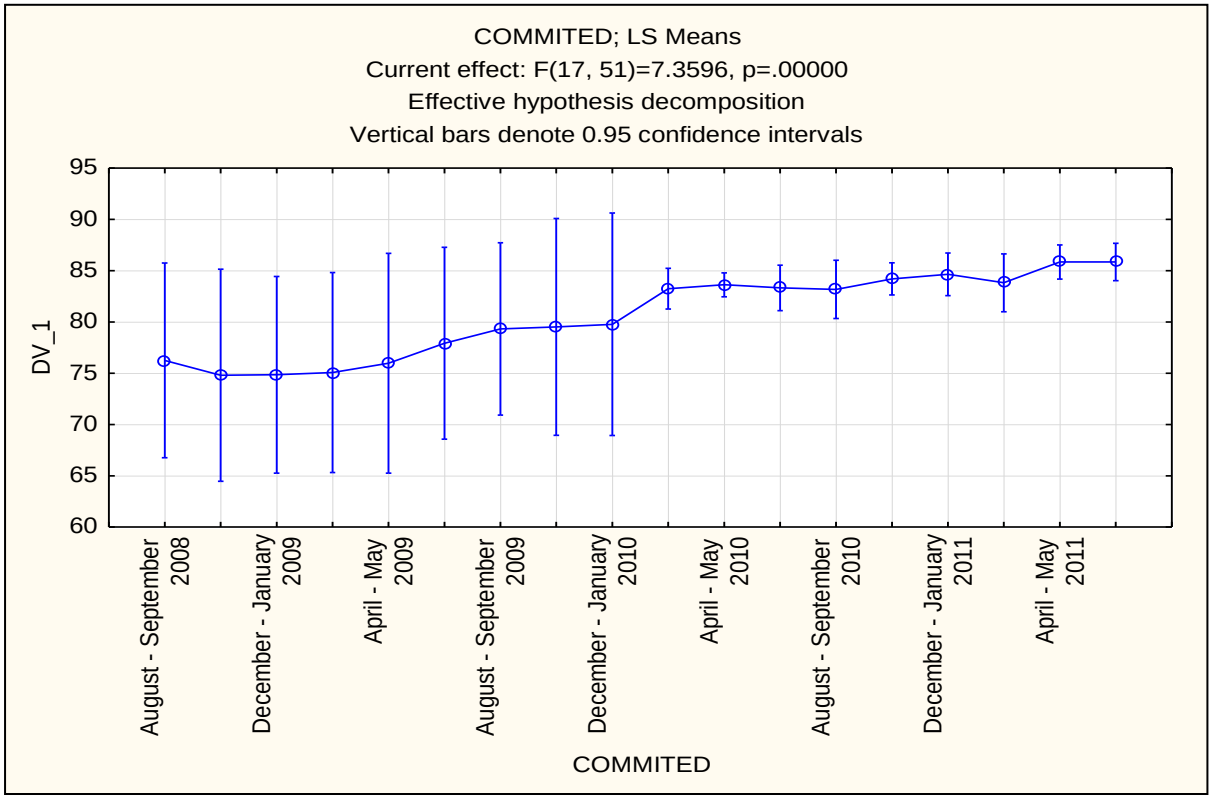
Table 53: The Repeated Measures Analysis for Commitment Regarding Customer Satisfaction

Effect	Repeated Measures Analysis of Variance (summary_commited.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
	SS	Degr. of Freedom	MS	F	p
Intercept	468028.1	1	468028.1	2154.589	0.000022
Error	651.7	3	217.2		
COMMITED	1093.1	17	64.3	7.360	0.000000
Error	445.6	51	8.7		

(North-West University, Statistical Consultation Services, 2011)

Table 54 indicates a p-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 54: Customer Satisfaction Trend Examination of the Committed Service by Coca-Cola South Africa



(North-West University, Statistical Consultation Services, 2011)

From March 2010, a sudden increase has been observed, followed by a consistent, month-on-month improvement in performance. The trend is an excellent indication that the Model has had a positive influence, on commitment from distribution.

3.4.6.5 Credits - An analysis on accuracy of paperwork

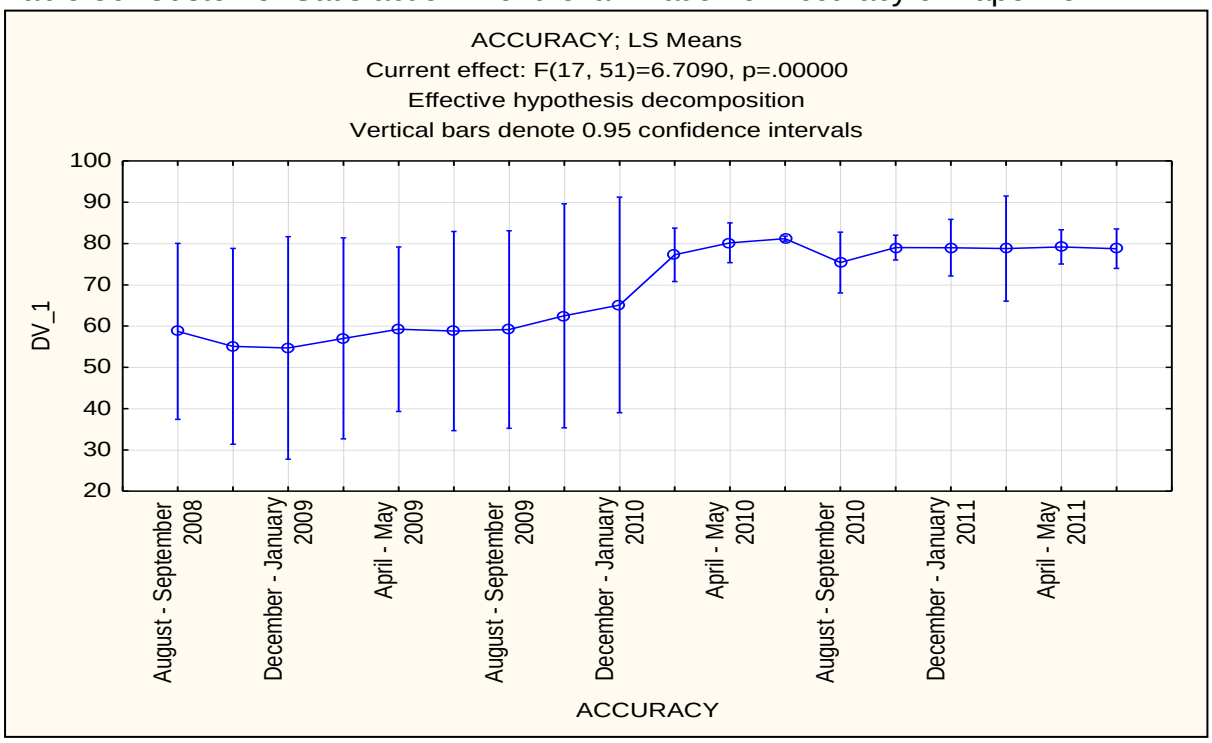
Table 55: The Repeated Measures Analysis for Accuracy of Paperwork Regarding Customer Satisfaction

	Repeated Measures Analysis of Variance (summary_accuracy.sta) Sigma-restricted parameterization Effective hypothesis decomposition				
Effect	SS	Degr. of Freedom	MS	F	p
Intercept	341248.1	1	341248.1	303.0409	0.000413
Error	3378.2	3	1126.1		
ACCURACY	7509.8	17	441.8	6.7090	0.000000
Error	3358.1	51	65.8		

(North-West University, Statistical Consultation Services, 2011)

Table 55 indicates a p-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 56: Customer Satisfaction Trend examination of Accuracy of Paperwork



(North-West University, Statistical Consultation Services , 2011)

The same trend from Table 55 has been observed here with regards to accuracy of paperwork. Suggesting that the quality and trust in the company will escalate as well. An indisputable increase from March 2010 can be seen. Even with the slight

decrease in August 2010, the average percentage is still higher than before the implementation.

3.4.6.6 Credits - An analysis on accuracy of paperwork.

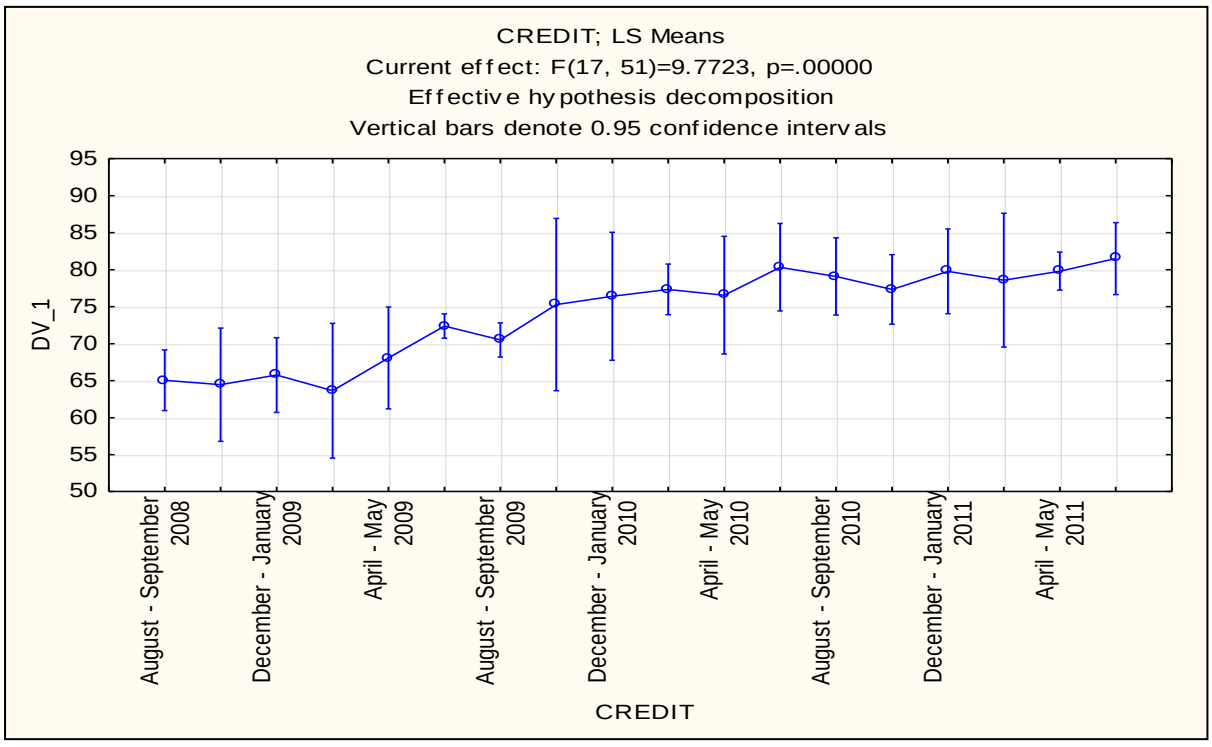
Table 57: The Repeated Measures Analysis for Credit Terms and Process, Regarding Customer Satisfaction

Effect	Repeated Measures Analysis of Variance (summary_cr Sigma-restricted parameterization Effective hypothesis decomposition				
	SS	Degr. of Freedom	MS	F	p
Intercept	394124.0	1	394124.0	11316.43	0.000002
Error	104.5	3	34.8		
CREDIT	2571.7	17	151.3	9.77	0.000000
Error	789.5	51	15.5		

(North-West University, Statistical Consultation Services, 2011)

Table 57 indicates a p-value < 0.001. This indicates significant differences in the data for this channel's pre- and post-implementation.

Table 58: Customer Satisfaction Trend Examination on the Credit Terms and Process



(North-West University, Statistical Consultation Services, 2011)

It is obvious that all the elements within distribution have exhibited a unique leap in performance as a result of the model's implementation, with a definite increase in the average of all the elements observed since the implementation.

3.5 Conclusion

From the trend analysis of key performance indicators over the past 36 months, it is evident that the RTM model and the Coca-Cola customer service model have had a definite impact on the South African market.

While there have been external factors such as the seasonal impact on volume that contributed to isolated peaks in December months, a steady increase can be clearly identified from the repeated measures.

Customer service has illustrated a pronounced correlation with the model, showing a steady increase in performance with the implementation of the model in South Africa. The model has clearly contributed to customers being more confident in Coca-Cola's products and delivery process. All three categories have shown an improvement over the past 18 months, after the model has been tailored to each channel and rolled out.

It can be concluded that there have been statistical influence on all five variables in each channel and that customer service have shown an improvement.

Chapter Four: A Comparison of Implementations in South Africa, Mexico and India.

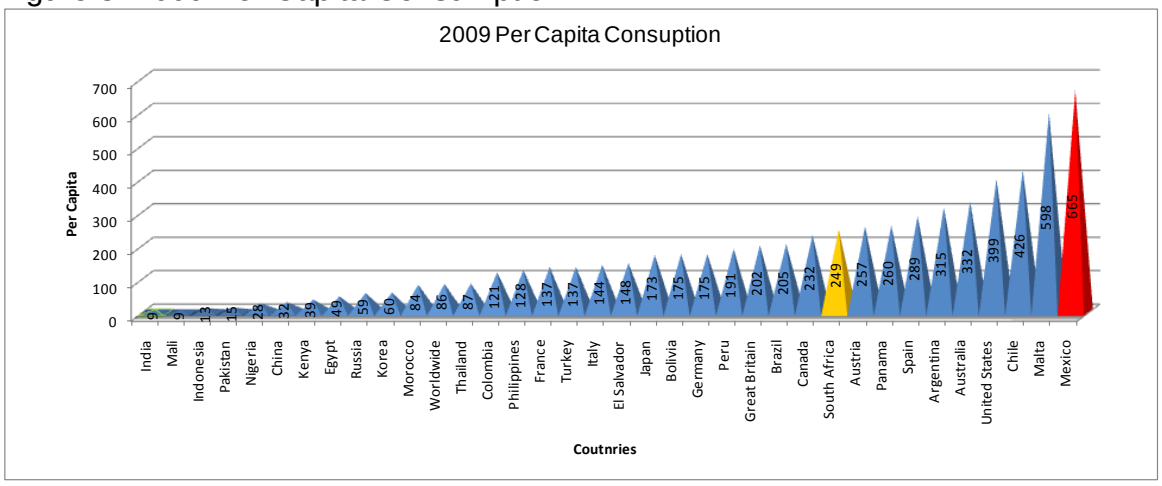
"In Mexico, consumers drink the greatest number of our beverages in the world on an annual basis. We have been able to achieve this by continuing to connect consumers with the brand Coca-Cola and giving them more beverage choices. This is an important measure of growth, because when we reached a per capita of 426 in 1999, no one thought we could continue to grow, and yet we did."

José Octavio Reyes *President, Latin America Group*

4.1 Introduction

Chapter Three, reveals a considerable contribution by South Africa's RTM strategy. Now we will explore how this implementation performs against two of the highest per capita consumption countries in the world: Mexico and India.

Figure 8: 2009 Per Capita Consumption



(Coca-Cola Annual Report, 2009)

For the purpose of this study, we use Mexico as a benchmark. According to Figure 5, Mexico had the highest per capita consumption in 2009. With the implementation of the model, Mexico has not only turned its system on its head, reinventing the way RTM is delivered, but increased profits and decreased costs at the same time (The Coca-Cola company, 2009).

Impulse sales of soft drinks remain important despite the economic downturn as Mexicans continue to buy soft drinks above all other products to quench their thirst.

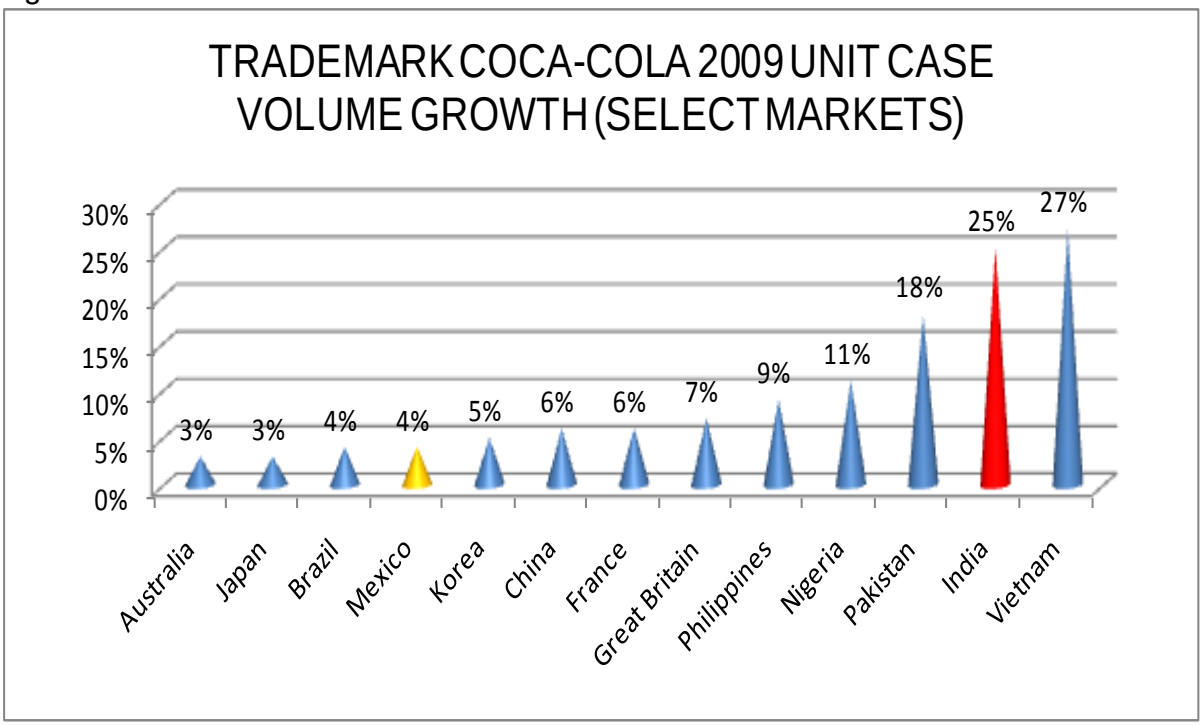
According to a recent market survey, almost all Mexicans consume large quantities soft drinks regardless of social status. However, with the declining economy in 2008, several supermarkets and hypermarkets have increased their promotional activities targeting soft drinks to encourage more sales (Cortes, 2009).

According to a recent report from the National Retailers Association (ANTAD), consumers of soft drinks are buying more and more often from small independent grocery stores and convenience stores, than from supermarkets and hypermarkets. In 2008, it has been estimated that there were 8 250 convenience stores and 493 000 small independent grocery stores in Mexico (Cortes, 2009).

The RTM strategy, together with a 428-SKU portfolio, have powered a 4.5 % growth in sales, 14% increase in NCB coverage, 2.8% point increase in execution levels and 2.1% decrease in cost to serve (The Coca-Cola company, 2009). With the model creation (as discussed in Section 2.6), Mexico analysed all nine elements both internally and externally and made numerous adjustments to how the system should be operating. For example, by introducing a new order-taking position in supermarkets, the company representative is now free to dedicate more time to assisting the Store Manager maximise business operations, thus building trustworthy relationships with the customers (The Coca-Cola company, 2009).

India has performed exceptionally well under the guidance of the RTM strategy. With a unit case growth of 25%, 21% less than Mexico in 2009, India has performed well above expectations (see Figure 6).

Figure 9: Unit Case Performance in 2009



(Coca-Cola Annual Report, 2009)

With the assistance of the RTM strategy, India has managed to pull it off in 2009, fuelling expansion from a 13% penetration rate in the FMCG's 5.5 million-outlet universe to 17% (Anon. 2009). Ipsit Chakrabarty (2009), National Manager Market Executor in India, has said that components of the success has been linked to the development of training material on horizontal expansion and the maturity of coaching employees on their place in the RTM model. India has compiled a seven-step execution measuring point system, known as RED (right execution daily) to measure execution performance in their developing market. Prior to 2009, outlets were not categorised into channels based on consumption occasion, but into VPO classes based upon estimated annual volume. Through benchmarking the model execution in Mexico, the team in India quickly took control, combining outlets into channels and then, providing and retaining the right service levels to these,

Atul Singh, President of Coca-Cola India and South West Asia stated, "We have delivered consistent growth in the past 13 quarters, with double-digit growth in eight of them and gains in market share across all categories. In fact, in each of the past four quarters, we have recorded more than 30% growth. We have generated revenues by focusing on the fundamentals of the business. Working in close

collaboration with our bottling partners, we have refocused investments and intensified execution (Singh, 2009).

With only 10 outlets for every 10,000 people, India has represented a major growth opportunity. “If we look at the beverage universe in India today, we now have products in about 70% of outlets and are well on our way towards 100%, with aspiration to be in every outlet that can sell soft drinks – all because of our RTM structure”, said T Krishnakumar, CEO of Hindustan Coca-Cola Beverage.

4.2 Coca-Cola Mexico

To effectively use the RTM model, Coca- Cola Mexico had five drivers behind its commercial strategy initiatives:

- Drive top line growth for brands with high margins and high volume unit sales.
- Execute the Picture of Success in all relevant outlets as per channel requirements.
- Ensure availability of all brands and to deliver to customers in full, in time, effectively and efficiently.
- Maximise the quality and perception of customer service with the complete implementation of the model.
- Optimise overall cost to serve.

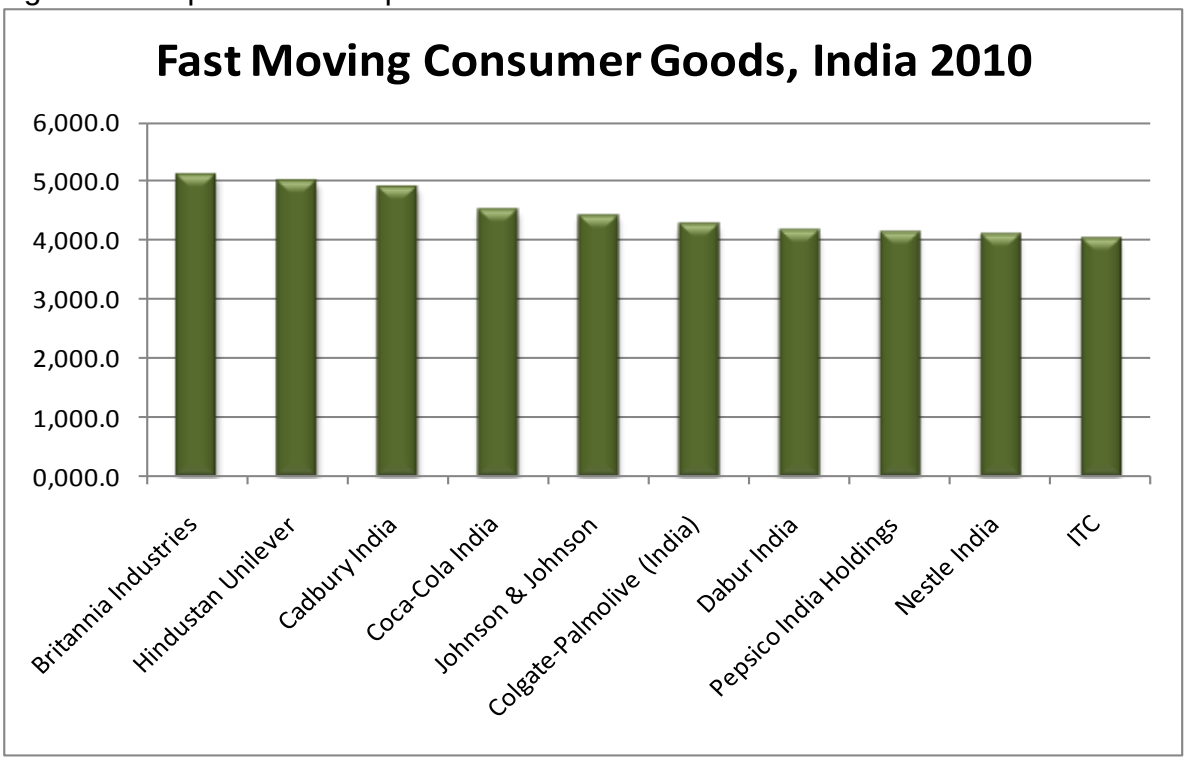
The outcome has been phenomenal, resulting in the following significant indicators from the first year of implementation:

- RED (right execution daily) indicator jump of 7.2%.
- 5.5% overall volume growth.
- 5.1% revenue growth.
- 1% cost to serve savings on operations.
- Higher service time to customer by company representative, through freeing up time in trade.
- Higher check-ins to customers for business development.

Mexico is in a position to build stronger brands with the support and trust of their customers. This should ideally lead to long-term business sustainability, and with a flexible supply chain, excellent potential for increased customer satisfaction. These are all possibilities achievable through the accurate execution, differentiation and the support of the niche product development.

4.3 Coca-Cola India

Figure 10: Top FMCG Companies in India



(India Newsletter, 2011)

The 2011 Business World's annual list of The Most Respected Companies has ranked Coca-Cola India fourth in the FMCG category (Pathak 2011). This achievement speaks volumes about the respect that Coca-Cola India as a company has gained from its stakeholders.

India had to face obstacles because of the retail platform of the emerging market. Some of the implications of this included:

- Understanding competitive performance on a level to compete aggressively.
- Understanding customer needs and competitors' service level.
- Developing new retail account to grow their customer base.

- Furthermore, maintaining current relationships with customers and activating account development.

India has also illustrated some outstanding performance with the implementation, including:

- Reaching 62 700 km² of outlet coverage with customers 200 km apart. This showed a dedication to reach every potential customer in India.
- 33% growth in sales volume during quarter two of 2010.
- Increase of Revenue from US$1.42 billion and 61 cents per share in 2010 to US$2.04bn with 88 cents per share in 2011 (Pathak, 2009).

4.4 Coca-Cola South Africa

The following have been imperatives for South Africa in the model process formulation:

- Review of the current sales excellence strategy, including time in outlets per outlet type, ordering method, etc.
- Review of the channel strategy process. Each channel has been tailored to the RTM model to serve each customer as per its requirements.
- Drive customer value adds.
- Promote high incidence and packaging.

Combining these with the lessons learnt from India and Mexico, South Africa has grown its overall volume sales by 3% as a group, exhibiting a 17% growth in revenue in 2011.

4.5 Summary

Al three countries have shown a definite increase across key performance indicators in the period after the model has been introduced.

This chapter has outlined the key areas of improvement and performance for each country's specific market.

Chapter Five presents a number of recommendations based on the findings in this chapter.

Chapter Five: Recommendations and Findings

5.1 Introduction

The effective functioning of all the steps within the RTM model is crucial for it to work. The literature study has indicated how important it is to classify customers into channels, or according to a related retail platform.

Furthermore, the effectiveness of the implementation is largely dependent upon where the customer is situated within the model. The Coca-Cola RTM Model places the customer at its centre, indicating that everything that occurs during the process revolves around the customer.

The Bonferroni Test supports this assumption indicating that the levels in customer satisfaction excellence have shown marked improvement after the implementation of the model.

This chapter outlines the findings and recommendations of this study and its relationship to improve key performance indicators on a daily basis.

5.2 Findings from the Literature Study

The following key findings were derived from the literature study:

- On-going initiatives are required in terms of new products, quality, value offering, etc. These elements contribute in keeping the brand alive and provide excitement to consumers.
- It is important to classify customers according to their desired level of service and differentiate the model per channel.
- Continually adapting the model to suite a channel is critical for sustained growth.
- Distribution orientation and how distribution channels are organized will have an influence on market orientation. Thus, there is no single best distribution structure.

- Adopting a broader variety of routes in the model, can potentially grow customer demand for wider availability of products and greater variety in service outputs.
- Products must be available where, when and how customers want them.
- Different departments of a business, for example sales, distribution and finance, require different customer services.
- Where customers are price sensitive, they are less likely to demand a variety of routes. The lower the levels of expertise needed, the more limited the variety of the routes can be.

5.3 Findings from the Coca-Cola Customer Service and RTM Model:

- Customers should be the core belief at the centre of everything in the Coca-Cola system as well as for its bottler companies.
- The model also recommends that in a diverse market, customers should be segmented into different channels, size, location etc.
- The model is based on a unified approach that integrates sales, logistics and execution.
- Supporting elements such as prospecting and business development are essential to help individual countries tailor the unified model to fit unique markets.
- A step-by-step process should be adopted that facilitates an understanding of the requirements of the implementation.
- A specific RTM model determines the customer's satisfaction approach, based on the channel's demand requirements. Four features, namely differentiation, comprehensiveness, customizability, and universal, have been introduced to support the model's continued sustainability.

There are a number of correlations between what the Coca-Cola model introduces and what research has shown us, including how important it is to put the customer at the centre of business objectives and how crucial it is to classify customers into channels of interest.

5.4 Recommendations

The following recommendations can be made regarding the model and the accompanying implementation process:

- To be competitive in a rapidly changing world, it is important to provide outstanding customer service. This demands continually improving upon the model on an on-going basis
- Explicit merchandising standards have to be in place to drive the right execution in each channel. A picture of success is not enough and should be supported by specific merchandising guidelines.
- As a result of the above, it is evident that there are more than the original four activities to consider when developing the right mix of RTM activities. Countries should experiment with new RTM approaches to help further define the steps of the design process.
- The RTM system should continuously motivated to re-engineer the shopper-centric customer approach.
- New standardized approaches should be identified with a description of the core elements of new systems to support the model.
- To sustain growth and expand profitability, the Coca-Cola system needs to address rapidly changing customer needs that are evolving to reflect new retail strategies, pressures from competitors and more stringent consumer requirements in outlets. Furthermore, it also requires a more precise description of channel to service for each channel according to its requirements.
- To support the growth of volume and customers, market logistic partners should be identified to assist with the distribution of product into the furthest and unreachable corners of the world. To grow consumption, more people needs to target with the products and those, not yet utilizing the products, need to be introduced to them.
- The RTM model alone cannot change the performance of the company. It needs to be supported by a resourceful distribution network, quality human resources, etc. Each sector within the company should examine their operations for ways to contribute towards the overall effectiveness of the model.

- Developing and deploying differentiated customer service models is not an easy undertaking and has profound implications on operations. Processes and infrastructures should be created to support large-scale, non-differentiated service models, with variations by channel for large customers that demand customization.

5.5 Conclusion:

The study provided sufficient evidence that all the alternative hypotheses have been proven at a statically significant level:

$H0_1$: Sales quantity in all channels showed a P<0.001, thus does show a statistically significant impact of the implementation of the model.

$H0_2$: Net Revenue in all channels showed a P<0.001, thus does show a statistically significant impact of the implementation of the model.

$H0_3$: Margin Contribution in all channels showed a P<0.001, thus does show a statistically significant impact of the implementation of the model.

$H0_4$: Buying customers in all channels showed a P<0.001, thus does show a statistically significant impact of the implementation of the model.

$H0_5$: Customer satisfaction in all channels showed a P<0.001, thus does show a statistically significant impact of the implementation of the model.

BIBLIOGRAPHY

ANDERSON, J. 2007. Developing a Route to Market Strategy for Mobile Communications in Rural India. *International Journal of Emerging Markets,* 3(2):2-5.

ANON1. Coca-Cola's exploration of Mexico. 10 Dec. http://mexicolapchs.blogspot.com/2011/05coca-colas-exploitation-of-mexico Date of access: 20 Jan. 2012.

ANON2. Coca-Cola winning hearths of and buds in the hinterland. 5Nov. http://online.wsj.com/article/SB12729681407918650 Date of access: 22 Jan 2012.

ANON3. Are happy days here again for Coca-Cola India. 11March. http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4457 Date of access: 13 Oct. 2011.

ANON4. 2010. Coca-Cola FEMSA Ahead Annual Report 2010, Mexico: Kof Listed NYSE.

ANON5. Soft Drinks in India. 12April http://www.Soft Drinks in India Market research report Date of access: 07 June 2011.

ANON6. The centennial of Coca-Cola in Latin America. 2007. Annual Report, January 2006 to December 2006. Mexico. 44p.

ANON7. 2011. Routes to market. 18Jun. http://www.marketingdonut.co.uk/marketing/marketing-strategy/distribution-and-channel-strategy/routes-to-market Date of access: 20 Jul. 2012.

BAILOR, C. 2006. Sweet customer satisfaction. 14Nov.http://www.destinationcrm.com/Articles/CRM-News/Daily-News/Sweet-Customer-Satisfaction-47855.aspx Date of access: 14 Oct. 2011.

BERRY, S. 2009. Using Coca-Cola's intricate distribution channels to distribute drugs and medical supplies. *Institute for global affairs.* Wellesley. 2p.

BOYLE, T. 2010. The Coca-Cola Customer Service and Route to Market Model. *The Coca-Cola Company*, Atlanta. 7-89p.

BOZER, A.C 2011. Coke plans $2bn India investment in bid to boost growth. 19Dec. http://www.bbc.co.uk/news/business Date of access: 22 Jan 2012.

CANT, M.C. & VAN SHEERS, M.L. 2008. A discussion of the influence of employee satisfaction on customer service levels. *Department of marketing research South Africa*, 1-4p.

CARSON, T. 2007. Customer Satisfaction and the Success of Your Organization. Baltimore: Carson Research. 4-6p.

CHRISTOPHER, M., PECK, H. & TOWI, D. 2005. A taxomony for selecting global supply chains. *Journal of the Academy of Marketing Science*, 26(1): 226-232.

CORTES, P. 2009. The Mexican Market for Soft Drinks. *Global Information Network*, 23 Aug.

DIMITRATOS, P., PETROU, A., PLAKOYIANNAKI, E. & JOHNSON, J.E.2011. Strategic decision-making processes in internationalization. *Journal of world business,* 46:194-202.

DOOLE, I. 2008. International Marketing Strategies*. Cengage Learning EMEA*. 5, p 28-52.

DURAVANKARA, D. 2007. Strategic analysis of the Coca-Cola Company. Canada: SFU. (Dissertation – M.Sc.) 94-100p.

GARRET, A. 2005. IBM's Route to Market Strategy. England, Cranford University, 13p.

GUPTA, M. & KOHLI, A. 2006. Enterprise resource planning systems and its implications for operations function. *Technovation*, 1(26):687–696.

HAIYANG, L., YAN, Z. & TSANG-SING, C. 2005. Entrepreneurial strategy making and performance in China's new technology ventures. *The journal of high technology management research*, 16:50-52.

HAMPSHIRE. Department of retail. 2006. Multi-channel retailing: The route to customer focus. United Kingdom: IBM United Kingdom. 25p.

HARVEY, M.G. & RICHEY, R.G. 2001. Global supply chain management. *Journal of international management*, 7:105-128.

KEININGHAM, T.L., COOILl, B., AKSOV, L., ANDREASSEN, T.W. & WEINER, J. 2007. The value of different customer satisfaction and loyalty metrics in predicting customer retention, recommendation, and share-of-wallet. *Managing Service Quality,* 17(4), 361-384.

MIRELES, R.C 2005. For Coca-Cola Mexico, things go better. Logistics Today: 12, 23 Sept.

MORARU, M. 2010. The positioning concept and the fight between two well known brands Coca-Cola and Pepsi. *Journal of Media Research*. 7, 47-62.

PENNINGS, E. & NATTER, M. 2000. Strategic diversification and capacity utilization. *Production economics*, 72:1-4.

SABMILLER PLC. 2011. Annual Report, January 2010 to December 2010. England. 6-9 p.

SAMAD, F.S.A. 2010 IBS Case development 25Nov. http://www.ibscdc.org/Case Studies/Marketing/Sales and Distribution/SDN0014 Date of access: 22 Jan. 2012.

SHARP, L. & VRONTIS, D. 2003. The Strategic Positioning of Coca-Cola in their global marketing operation. *The marketing Review*, 3(1):289-303.

SIMON, S. 1999. Bonferonni correction. 3Sept.http://www.childrensmercy.org/stats/ask/bonferroni.asp Date of acces: 3 Oct. 2011.

THE COCA-COLA COMPANY. 2009. Annual Report, January 2008 to December 2009. Atlanta. 2-5p.

THE COCA-COLA COMPANY. 2009. Our roadmap for winning together. 16Nov. http://www.thecoca-colacompany.com/investors/pdfs/agenda.pdf Date of access: 3 Oct. 2011.

THE COCA-COLA COMPANY. 2009. Sustainability Review. 2Nov. http://www.thecoca-colacompany.com/citizenship/pdf/2008-2009_sustainability_review.pdf Date of access: 13 Oct. 2011.

THE COCA-COLA COMPANY. 2010. The Coca-Cola History. http://heritage.coca-cola.com/ Date of access: 10 Sept. 2011.

VRONTIS, D. 2008. The Strategic positioning of Coca-Cola in their marketing Operations. *The Marketing Journal*. 3, 289 - 303.

WAYNE, D., HOYER, D., RUPINDER, P., WERNER, R. & MANFRED, K. 2007. Determinants of the Variety of Routes to Market. *Research in Marketing*, 1(24):17-29.

APPENDIX A

Diagram 1 – HIP Investor Chart

	PepsiCo		**Coca-Cola Co.**	
Overview	Products found in over 200 countries; $43.3 billion revenue, 198,000 employees		Over 3,000 beverage products sold in over 200 countries; $31.9 billion revenue; 92,400 employees	
Product	In 2006, 43% of PepsiCo net revenues in North America came from Smart Spot products, and Smart Spot eligible products represented two-thirds of growth in North America; goal of deriving 50% of all U.S. revenues from Smart Spot eligible products by 2010		In 2007, Coke launched 450 new beverage products, including 150 low- and no-calorie options, increasing that share of its product portfolio by 17% from 2006 to 2007; to date, its 700+ low- and no-cal products, account for approximately 23% of their 2007 unit case volume	
Management Practices	**20 of 25:** Environmental Sustainability Leadership		**20 of 25:** In 2008, the company started including sustainability as a tool to	
Health *of 20%*	Customer satisfaction in 2008 is 84%. Frito-Lay has 28 sites recognized by OSHA for safety; systematic wellness approach for staff, 60%+ participation rate for eligible employees	**8%**	Customer satisfaction in 2008 is 85%; 2.3 safety lost-time incident rate; Coke is expanding its nutrition labeling, but slowly	**7%**
Wealth *of 20%*	A majority of employees have access to Pepsi's stock-based compensation program; CEO earned 241-X an	**14%**	Employees may contribute 10% or up to $8,000 to the stock option plan; CEO earned 477-X an average employee's salary	**10%**
Earth *of 20%*	As of 2006, Frito-Lay achieved a GHG reduction of 8.8% from 2002 baseline and reduction of 16.1% from 1999 baseline In 2007, Pepsi reduced its "absolute distribution footprint" (energy) by 4.3% despite shipping 10.3% more products	**11%**	300 billion liters of water used overall in 2007, a 2% decrease since 2002; 2.47 liters of water/liter of product in 2007; 85% compliance with internal water treatment standards in 2007	**9%**
Equality *of 20%*	$1.13B in purchases from minority- and women-owned supplier businesses 7 of 13 Board members are female or ethnic minorities	**17%**	$366MM in supplier diversity spending (Increase by 23% from 2006) 4 of 14 Board members are female or ethnic minorities	**16%**
Trust *of 20%*	LEED certification in some facilities, internal audits; 26 PepsiCo International facilities are ISO 14001 certified	**12%**	Coke's system has 146 facilities that are OHSAS 18001 certified, including 37 of our Company-owned sites	**12%**
Human Impact *of 100%*	TOTAL	**62%**	TOTAL	**56%**

Source 1 – Fast Company Technology

APPENDIX B

	SALES	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
1	Sales Qty August 2008		1.000	1.000	1.000	0.553	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.314	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2	Sales Qty September 2008	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.578	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3	Sales Qty October 2008	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4	Sales Qty November 2008	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.984	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
5	Sales Qty December 2008	0.553	1.000	1.000	1.000		1.000	0.165	1.000	1.000	0.655	0.061	0.149	0.251	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.146	0.045	0.121	0.651	1.000	1.000	1.000	1.000	1.000	0.254	0.933	1.000	0.199	0.016	0.019	0.053	0.865
6	Sales Qty January 2009	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
7	Sales Qty February 2009	1.000	1.000	1.000	1.000	0.165	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.689	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
8	Sales Qty March 2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.246	1.000	1.000	1.000	1.000	1.000	1.000
9	Sales Qty April 2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.330	1.000	1.000	1.000	1.000	1.000	1.000	1.000
10	Sales Qty May 2009	1.000	1.000	1.000	1.000	0.055	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	0.029	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
11	Sales Qty June 2009	1.000	1.000	1.000	1.000	0.061	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	0.032	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
12	Sales Qty July 2009	1.000	1.000	1.000	1.000	0.149	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	0.081	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
13	Sales Qty August 2009	1.000	1.000	1.000	1.000	0.251	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	0.138	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
14	Sales Qty September 2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
15	Sales Qty October 2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
16	Sales Qty November 2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
17	Sales Qty December 2009	0.314	1.000	1.000	1.000	1.000	1.000	0.089	1.000	1.000	0.029	0.032	0.081	0.138	1.000	1.000	1.000		0.407	1.000	1.000	1.000	0.079	0.023	0.065	0.025	0.755	1.000	1.000	1.000	1.000	0.140	0.541	1.000	0.109	0.008	0.010	0.028	0.500
18	Sales Qty January 2010	1.000	1.000	1.000	1.000	0.710	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.407		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
19	Sales Qty February 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
20	Sales Qty March 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
21	Sales Qty April 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.079	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
22	Sales Qty May 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.023	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
23	Sales Qty June 2010	1.000	1.000	1.000	1.000	0.121	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.865	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
24	Sales Qty July 2010	1.000	1.000	1.000	1.000	0.051	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.026	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
25	Sales Qty August 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.755	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
26	Sales Qty September 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
27	Sales Qty October 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
28	Sales Qty November 2010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
29	Sales Qty December 2010	0.012	0.578	1.000	0.984	1.000	1.000	0.003	0.246	0.330	0.001	0.001	0.002	0.005	1.000	1.000	1.000	0.471	1.000	0.669	1.000	0.002	0.001	0.002	0.001	0.034	1.000	1.000	1.000		0.005	0.023	1.000	0.003	0.000	0.001	0.021
30	Sales Qty January 2011	1.000	1.000	1.000	1.000	0.254	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.140	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
31	Sales Qty February 2011	1.000	1.000	1.000	1.000	0.933	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.541	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
32	Sales Qty March 2011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
33	Sales Qty April 2011	1.000	1.000	1.000	1.000	0.199	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.109	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.003	1.000	1.000	1.000		1.000	1.000	1.000
34	Sales Qty May 2011	1.000	1.000	1.000	1.000	0.016	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.000	1.000	1.000	1.000	1.000		1.000	1.000
35	Sales Qty June 2011	1.000	1.000	1.000	1.000	0.019	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.000	1.000	1.000	1.000	1.000	1.000		1.000
36	Sales Qty July 2011	1.000	1.000	1.000	1.000	0.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.028	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.001	1.000	1.000	1.000	1.000	1.000	1.000	
37	Sales Qty August 2011	1.000	1.000	1.000	1.000	0.865	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.021	1.000	1.000	1.000	1.000	1.000	1.000	

APPENDIX C

MC	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
1 MC August 2008		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.15	1.00	1.00	0.12	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.83	0.75	0.00	1.00	1.00	0.03	1.00	1.00	1.00	1.00
2 MC September 2008	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	0.83	1.00	1.00	1.00	1.00
3 MC October 2008	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.01	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4 MC November 2008	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	0.87	1.00	1.00	1.00	1.00
5 MC December 2008	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6 MC January 2009	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.03	1.00	1.00	1.00	1.00	1.00	1.00	1.00
7 MC February 2009	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	0.59	1.00	1.00	1.00	1.00
8 MC March 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.01	1.00	1.00	1.00	1.00	1.00	1.00	1.00
9 MC April 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10 MC May 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	0.11	1.00	1.00	0.09	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.65	0.59	0.00	1.00	1.00	0.02	1.00	1.00	1.00	1.00
11 MC June 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	0.15	1.00	1.00	0.12	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.82	0.75	0.00	1.00	1.00	0.03	1.00	1.00	1.00	1.00
12 MC July 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	0.33	1.00	1.00	0.26	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	0.06	1.00	1.00	1.00	1.00
13 MC August 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	0.55	1.00	1.00	0.44	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	0.11	1.00	1.00	1.00	1.00
14 MC September 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.14	1.00	1.00	1.00	1.00	1.00	1.00	1.00
15 MC October 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.04	1.00	1.00	1.00	1.00	1.00	1.00	1.00
16 MC November 2009	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.01	1.00	1.00	1.00	1.00	1.00	1.00	1.00
17 MC December 2009	0.15	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.15	0.33	0.55	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
18 MC January 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
19 MC February 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20 MC March 2010	0.12	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.09	0.26	0.44	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
21 MC April 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
22 MC May 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
23 MC June 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
24 MC July 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
25 MC August 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
26 MC September 2010	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
27 MC October 2010	0.83	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.65	0.82	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
28 MC November 2010	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.59	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
29 MC December 2010	0.00	0.00	0.01	0.00	1.00	0.03	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.04	0.01	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.03	1.00	1.00	1.00		0.01	1.00	0.42	1.00	0.06	1.00	0.00	0.21
30 MC January 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00	1.00	1.00	1.00
31 MC February 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.42	1.00		1.00	1.00	1.00	1.00	1.00
32 MC March 2011	0.03	0.83	1.00	0.87	1.00	1.00	0.59	1.00	1.00	0.02	0.03	0.06	0.11	1.00	1.00	1.00	1.00	1.00	1.00	0.59	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		1.00	1.00	1.00	1.00
33 MC April 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.06	1.00	1.00	1.00		1.00	1.00	1.00
34 MC May 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00		1.00	1.00
35 MC June 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00		1.00
36 MC July 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	
37 MC August 2011	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.21	1.00	1.00	1.00	1.00	1.00	1.00	1.00