



THE MARKET

The importance of the soft drink market can never be underestimated. Not only is it huge now, but it still has enormous potential to grow. Adults today grew up with soft drinks. For them, a soft drink has become as common a form of liquid refreshment as a traditional hot beverage. The same applies, to an even larger extent, with the children of today, who are growing up in a soft drink culture and consequently have greater expectations from an increasingly sophisticated market. At present, carbonates make up over half of the soft drinks market, with cola flavoured carbonates accounting for a large portion of the carbonates sector. The Australian soft drink market is currently worth around \$1 billion in food stores alone. Coca-Cola holds a massive 65% share of the Australian market

ACHIEVEMENTS

Quite simply, Coca-Cola is the most valuable and powerful brand in the world, as borne out by the annual valuation of the World's Top Brand Names in Financial Review (August 1994). Coca-Cola sells nearly half of all soft drinks consumed throughout the world. In 1996, Coca-Cola held an enormous 48% share of the worldwide soft drink industry. In so many countries, the Coca-Cola drink is the market leader, often taking second place in the rankings with its diet formula or with Fanta, the company's orange carbonated flavour. How does Coca-Cola achieve and maintain this position of pre-eminence?

First and foremost, Coca-Cola is the best recognised commercial trademark in the world today. Three independent surveys conducted by

Landor Associates in 1988 confirmed this. In response, a business magazine in the US stated "Coca-Cola is so powerful it's practically off the charts". The company has pursued a winning policy, ensuring Coca-Cola ubiquity, with powerful global advertising and a well-organised, all-pervasive distribution system. This strategy is

based on the company's belief that every day, every single one of the 5.6 billion people who populate this planet is going to get thirsty, and the onus is on Coca-Cola to ensure that it is available to satisfy this need.

The dedication of Coca-Cola sellers around the world is quite remarkable and bears testimony to the company's determination to provide "a pause for refreshment" at any time, anywhere. A fine example is the father and son team, travelling 7000 kilometres a week through some of the world's toughest terrain, the Australian Outback, to deliver Coca-Cola products to isolated pockets of civilization dotted throughout the wilderness. Or the 73-year old Filipino man who refuses to budge from his selling



post in his local town market until he has managed to sell at least 50 cases of Coke every day. The distributors are supplied by a comprehensive network of bottlers peppered across the globe, who ensure Coca-Cola maintains a world-wide presence. In fact, Coca-Cola's bottling system is the largest, most widespread production and distribution network in the world. As a consequence, Coca-Cola has been able to take full advantage, establishing a firm foothold in new and emerging markets. Today, you can buy a Coke from Beijing to Delhi, from Moscow to Mexico City.

However, Coca-Cola has not stopped at being the best-selling soft drink the world has ever known. By virtue of its singularly powerful brand personality, Coca-Cola has become a vehicle for promotion in its own right and is the backdrop to a number of highly successful artistic and sporting events - The Olympics included. In addition, Coca-Cola merchandise is widespread and fashionable.

HISTORY

The syrup that was to become Coca-Cola, was first manufactured in 1886 in a three legged brass pot in the backyard of Dr John Styth Pemberton, a pharmacist in Atlanta, Georgia. Dr Pemberton took his new product to a local pharmacy where it was considered good enough to be sold at 5 cents a glass. Somehow, the syrup got itself mixed with

carbonated water, resulting in a drink pronounced as "Delicious and Refreshing". This became a popular slogan associated with Coca-Cola, the name dreamt up by Pemberton's partner Frank M Robinson.

Despite some minor advertising - including the first shop signs declaring - "Drink Coca-Cola" - Pemberton never realised the potential of his creation. Before his death in 1888, he sold his interest in Coca-Cola to a wisened-up Atlantan business-man Asa G Candler, who soon assumed complete control. He finally achieved sole ownership in 1891. Candler was a confirmed believer in the power of advertising. He fervently plunged into the world of mass-merchandising, ensuring the

Coca-Cola trademark was depicted on countless novelty products such as fans, calendars, clocks, ornate leaded glass chandeliers and urns. He distributed thousands of coupons offering a free glass of coke. Colourful signs promoting the brand were displayed on trolley cars and in shop windows. His efforts were well-rewarded. Just three years after the official incorporation of The Coca-Cola Company in 1892, Candler was proud to announce that Coca-Cola was now drunk "in every state and territory in the United States". A major leap considering that in its first year on the market, Coca-Cola had sold on average a mere nine drinks per day.

Expansion was so impressive that in 1898, a new headquarters was housed in a large building in Atlanta. Candler naively described the three-storey building as "sufficient for all our needs for all time to come". Needless to say, the building was too small after just a decade.

Marketing concentrated on the pressing need to vanquish pale imitations of the increasingly famous Coca-Cola brand - conversely, a sign of its success. Advertising boards declared the stern warning "Demand the genuine" and "Accept no substitutes". Equal in importance to the marketing of Coca-Cola however, was the question of distribution. The origin of today's vast Coca-Cola bottling system stems from 1894 when a local shopkeeper installed a bottling device at the rear of his store and pro-



ceeded to trade crates of Coke up and down the Mississippi River.

The first major bottling plant was inaugurated soon after.

Coca-Cola made great strides under the guidance of Robert Woodruff who was elected president in 1923. Woodruff instilled some of the main tenets of Coca-Cola's quality and internationalism into the corporate thinking. He insisted on a high standard of product, packaging and service and focused on the importance of the bottled market. As a result, bottle sales soon exceeded fountain sales for the first time. His main objective was to ensure the accessibility of Coca-Cola, introducing the take-home carton concept and the installation of Coca-Cola vendors in key positions at major sporting venues. The introduction of the metal open-top cooler enabled Coca-Cola to be served ice-cold in retail outlets and with the onset of refrigeration, to be stored in the workplace. A distinctive soda fountain glass and the introduction of automatic fountain dispensers, hastened Coca-Cola's brand recognition.

And not only in the States. From 1926 onwards, bottling operations were opened abroad by Coca-Cola's foreign department, renamed The Coca-Cola Export Corporation in 1930. Coca-Cola ensured a major marketing presence at the Olympic Games in 1928 with a troop of vendors signalling its arrival on the international scene.

At the outbreak of the Second World War,

Coca-Cola was bottled in 44 countries, including some of those countries then considered to be the enemy. Ironically, the war favoured rather than hindered Coca-Cola's development as a world brand. American soldiers, all over the world,

demanding huge quantities of their favourite drink, which in turn introduced the locals to their first taste of Coke. Coca-Cola was therefore well-placed to seize the opportunity for growth the post-war boom promised. Coca-Cola's post-war message contrasted strongly with the preceding conflict. It was based on global friendship, harmony - in effect a message for all time.

Since the war, Coca-Cola has successfully introduced other branded products to the Coca-Cola family and has been able to offer the consumer a wider choice in size and style of packaging. In the wake of staggering advances in the communications industry, Coca-Cola has launched highly-successful advertising campaigns, which although varying in style, have never failed to relay Coca-Cola's essential brand values. It would seem the company could do little wrong. In 1982, diet Coke was introduced, the first extension of the Coca-Cola and Coke trademarks. It was a stunning success. By 1984 diet Coke had become the top low calorie soft drink in the world.

THE PRODUCT

Coca-Cola itself is a drink which needs no introduction. Diet Coke is its obvious sister product in a low-calorie format. Most interesting however, is the legendary secrecy that has been built up around the product's formula. The Coke taste has certainly effected an emotional resonance with many of its longtime consumers, as typified by the hue and cry that met the change in Coke's formula in 1985. Coca-Cola duly responded with the reintroduction of its original product under the title "Coca-Cola Classic". Caffeine-free Coca-Cola and Cherry Coke have been also been introduced in recent years.

RECENT DEVELOPMENTS

Coca-Cola has expanded its world-wide share of global soft drink sales. World-wide unit case volume just keeps on growing. Coca-Cola Foods is the largest marketer of juice and juice drink products in the world. Minute Maid has become a leading fruit beverage trademark.

In 1995, The Coca-Cola Company gained over



\$27 billion in market value reaching a phenomenal \$93 billion. By market value, Coca-Cola was rated the fourth-largest US-based company and the sixth largest company worldwide. (Source: Financial Times, FT500 Survey of the World's Top Companies January 1996).

PROMOTION

Coca-Cola's TV advertising campaigns have produced a number of famous slogans and jingles ranging from "Things go better with Coke" (1963), "It's the real thing" (1942 and 1969),

"Coke adds life" (1976), "Have a Coke and a smile" (1979), "Coke is it" (1982), "Can't beat the feeling" at the end of the 1980s, and the "Always" campaign introduced in 1993. Radio and television have provided Coca-Cola with endless valuable opportunities to spread the

Coca-Cola theme.

Coca-Cola sponsors major events and radio\TV programs. The Coca-Cola trademark is a crucially important marketing tool, inspiring recognition wherever it is positioned, whether it be on a billboard, bottle or T-shirt.

Coca-Cola has always been associated with high-quality packaging. The graceful, "sexy" curves of the Coke bottle have been admired since their inception in 1916 when the contour bottle replaced the straight-sided design, thereby distinguishing Coke from its competitors.

Acknowledging its importance to the heritage and authenticity of the brand, the bottle-shape was eventually awarded registration as a trademark by the US Patent Office in 1977, an honour bestowed upon only a handful of packaged products by that time. And rightfully so, it would seem. Coca-Cola's own research has uncovered a consumer preference for the contour bottle as opposed to the straight-sided variety, by a margin of 5-to-1. (The famous signature flourish of "Coca Cola" was registered in 1893, and the short and sweet "Coke" in 1945).

Following a change in legislation, in 1995, the famous contour bottle became the first 3D depiction of a trademark to be registered in the UK.

However, The Coca-Cola Company never rests on its laurels even though in many ways Coca-Cola hardly needs promoting - it is everywhere, at anytime.

BRAND VALUES

In many ways, Coca-Cola's brand values are encapsulated in its marketing messages. Slogans like "It's the real thing", and "Coke is it!" articulate perfectly the core elements of Coca-Cola.

It's the first, authentic, truly genuine article. Coke is portrayed as a life-giving force. Not only does it quench your thirst but it rejuvenates, inspires, instils youth and vitality. And Coke is fun, youthful, wholesome fun. Coke is also a global force, extending a harmony of purpose

across boundaries, as typified by the famous 1971 TV advertisement which brought together children of various nationalities to sing "I'd like to buy the world a Coke". Coca-Cola has no frontiers.

Things you didn't know about Coca-Cola

- In 1941, when the United States entered the Second World War, Coca-Cola's president Robert Woodruff ordered "that every man in uniform get a bottle of Coca-Cola for 5 cents, wherever he is and whatever it costs the company".
- During the Second World War, in 1943, General Dwight Eisenhower urgently telegraphed Coca-Cola from his headquarters in North Africa requesting an instant shipment of three million bottles of Coke as well as materials and equipment for ten bottling plants. Throughout the war more than five million bottles of Coke were consumed by American soldiers, not forgetting the countless servings dispensed through mobile, self-contained units in war-torn areas.
- Coca-Cola was first introduced to Britain in 1900 by Charles Howard Candler, the son of the company's founder. Whilst on holiday, he took a jug of Coca-Cola syrup to Britain and as a consequence an order for five gallons of Coca-Cola was sent to Atlanta.
- Coca-Cola was a sponsor of the 1994 World Cup football tournament and the Euro 96 championships, held in England. Coca-Cola was also a major sponsor of the 1996 Olympic Games, maintaining an unbroken presence at the Games since 1928.
- Coca-Cola comes second to OK as the best-known word in the world.
- Smash hit pop songs have topped the charts as a direct result of having being featured on Coca-Cola ads. The famous "I'd like to teach the world to sing" was derived from the Coca-Cola song "I'd like to give the world a Coke".
- The modern-day image of Santa Claus was actually based on an idea from Coca-Cola! Before Coke, pictures of Santa (St Nicholas) portrayed him in flowing robes.