



THE MARKET

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 youth of today, who are growing up in a soft drink culture and consequently have greater expectations from an increasingly sophisticated market place. Australian soft drink sales are currently worth around \$4.4 billion dollars per year. Yet after 113 years, The Coca-Cola Company sees its flagship 'Coca-Cola' brand as being in its infancy, with enormous potential to grow in a market embracing the full range of beverage choices.

ACHIEVEMENTS

In so many countries, 'Coca-Cola' is the market leader, often taking second place in the rankings with its diet formula, 'diet Coke' or with 'Fanta', the company's orange flavoured soft drink. In 1998, Coca-Cola sold more than one billion eight-ounce drinks per day - that's more than 236 million litres!



How does Coca-Cola achieve and maintain this position of leadership? First and foremost, 'Coca-Cola' is the most recognised commercial trademark in the world today. In fact, it is recognised by 94% of the world's population and is the most widely recognised word in the English language after 'OK.' The Coca-Cola Company has pursued a winning policy, ensuring Coca-Cola ubiquity, with powerful global advertising and a highly efficient 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 The Coca-Cola Company to ensure 'Coca-Cola' is available to satisfy this need.

The dedication of the Coca-Cola distribution system 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 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 'Coca-Cola' every day. A comprehensive network of bottlers peppered across the globe supplies the distributors, who ensure 'Coca-Cola' maintains

a worldwide presence. In fact, the Coca-Cola 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 'Coca-Cola' anywhere from Beijing to Delhi, Moscow to Mexico City.

HISTORY

On May 8, 1886, Dr. John S Pemberton, a pharmacist in Atlanta, Georgia, USA mixed the syrup that became 'Coca-Cola'. His friend and bookkeeper, Frank M. Robinson, thinking that the two C's would 'look well in advertising', suggested the name 'Coca-Cola'. He wrote the words in his now familiar Spencerian script, and the world's most recognised trademark was born.

Selling his creation from Jacob's pharmacy for five cents a glass, Dr. Pemberton promoted his new product by distributing thousands of coupons that could be exchanged for a complimentary sample. In the first year, he spent US\$46 on advertising. Pemberton sold the rights for 'Coca-Cola' to Asa G. Candler who founded The Coca-Cola Company in 1892. 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.

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.

In 1923, Robert Winship Woodruff was elected president of The Coca-Cola Company. A visionary leader, he placed strong emphasis on product quality, establishing a 'Quality Drink' campaign using highly trained service teams. Early advertising discouraged consumers from calling the product Coke. They urged "Ask for 'Coca-Cola' by its full name; nicknames encourage substitution." But people kept asking for Coke and in 1941 the Company gave in to public demand. That year, the trademark 'Coke' received equal prominence in advertising with 'Coca-Cola', and in 1945 Coke was registered as a trademark.

Local production of 'Coca-Cola' began in Sydney in 1937 when The Coca-Cola Company sent out a survey team to assess the Australian market, and the Company's first Australian office was established in Sydney on 26th October 1937. At first sales were slow and representatives were selling it by the bottle, but by the end of 1938 demand had reached 100 cases a day.

In May 1938, the Company plant began filling 6.5 oz (185ml) bottles locally. The wholesale



price was 2d per bottle, retailing at 3d (about 2.5 cents). When World War II broke out in 1939, production dwindled owing to rationing and loss of staff to the armed services. During the War, all production went to the allied forces. The influx of US soldiers into Australia meant the brand became popular through out Australia. The now legendary promise made by Robert Woodruff to General Eisenhower that every American serviceman would "get a bottle of 'Coca-Cola' for five cents, wherever he is and what ever the cost to The Coca-Cola Company" meant that 'Coca-Cola' went wherever the US troops did, making the brand truly international.

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1933 marked the introduction of automatic fountain dispensers in which syrup and carbonated water were mixed as the drink was poured. Recyclable PET (Polyethylene Terephthalate) packaging was introduced in 1978. The Contour Bottle Design has been extended across the entire PET bottle range, with the introduction of 2L contour in 1998. Australia was the first country to have launched the 390ml size PET single serve bottle. The Contour Bottle Design is a proprietary shape and is a distinctive symbol that consumers around the world can immediately identify, and is a unique marketing tool that differentiates 'Coca-Cola' from its competitors.

BRAND VALUES

The core 'Coca-Cola' brand messages are encapsulated through marketing communication. Messages like "It's the real thing", and "Always Coca-Cola" reinforce the core elements of the brand. It's the original, authentic, irresistibly popular leader. Not only does it quench your thirst with the unique 'Coca-Cola' taste, but it also rejuvenates and inspires, providing physical and emotional refreshment.

THE PRODUCT

'Coca-Cola' itself is a drink that needs no introduction. Most interesting however, is the legendary secrecy that has been built up around the product's formula. Only a select few people know the secret formula for 'Coca-Cola'. The concentrate is made in a number of centralised production facilities, and is exported to all countries in the world that bottle 'Coca-Cola'. The name of the flavour base included in the secret formula is referred to as 7X.

'Diet Coke' was launched in Australia on July 18th, 1983. By the end of that year it was already the second highest selling carbonated soft drink in Australia and was already developing its own image in the eyes of consumers.

PROMOTION

Advertising for 'Coca-Cola' has been acclaimed internationally. The first advertising theme was introduced in the early 1900's. The decades since have seen a wealth of popular themes, which quickly became recognisable around the world including: 'Things go better with Coke' (1963), 'It's the real thing' (1942 and 1969), 'Coke adds life' (1976), 'Coke is it' (1982), 'Can't beat the

On the world's sixth continent, Australians welcome Coca-Cola

The great thing about Western Australia is that it's mostly empty. And that's why the world's longest Coca-Cola distribution route is in Australia. To reach the isolated areas of Karratha and Port Headland, a driver travels 1,093 miles from Perth, Western Australia!

DRINK Coca-Cola

'Coca-Cola,' 'Coca-Cola Classic,' 'Coke,' 'The Contour Bottle Design,' 'Fanta,' 'Sprite' and 'Always' are registered trademarks of The Coca-Cola Company.

THINGS YOU DIDN'T KNOW ABOUT COCA-COLA

- The world's longest Coca-Cola distribution route is in Australia. To reach the isolated areas of Karratha and Port Headland, a driver travels 1,093 miles from Perth, Western Australia!
- If all the bottles of 'Coca-Cola' were loaded on to delivery trucks travelling bumper to bumper at 88km per hour, it would take more than 3 years for the trucks to pass a given point!
- The modern-day image of Santa Claus was actually based on an idea from Coca-Cola! Before 'Coca-Cola', pictures of Santa (St Nicholas) portrayed him in flowing robes.