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The future of the soda industry – demise or new dawn?

The most recognized beverage company in the world without doubt is Coca-Cola. The red and white logo is synonymous with joy, happiness and success. But how has the iconic brand managed to stay iconic, and will that continue into the future? Has the road been paved with gold or have there been bumps along the way? What about this organization has not only compelled it to stay relevant, but ensured that it remains an industry leader for well over one hundred years? Marketers the world over know that consumers must be indoctrinated from a young age. But this is becoming increasingly difficult in a world where people are turning away from sugar-laden beverages and towards healthier alternatives. What does a company do when its golden goose is no longer - golden? Enter Santa Claus complete with enlarged girth, clothed in red and white, jolly expression plastered across his face, coke in hand.

The beginning – it all starts with an idea…

The story of Coca-Cola's first years is not easily differentiated from many other companies that began as an idea, started small and spread. However, what is truly unique about Coca-Cola is its ability to permeate every aspect of people's lives. As a business model, a variety of modern systems, taken for granted nowadays, were pioneered by the company.

Coca-Cola was founded in 1886 by Atlanta druggist John Pemberton.[1] American society, towards the end of the 1800s, was transforming from a largely rural and agricultural one, to a more highly urbanized one. The pace of this transformation placed enormous stress on individuals who sought out "nerve tonics" to ease their discomforts. The development of these "patent medicines" was lucrative and Pemberton wanted to earn his fortune by creating one. He researched the health benefits of coca and utilized both it and the kola nut to create a drink. The

[1] Jerry Grillo, "Coca-Cola," *Georgia Trend* 27 (2011): 24-29.

temperance movement of the late 1880s ensured that Pemberton would not be able to successfully develop an alcoholic beverage using wine as a central ingredient. Instead, he focused on the creation of a "soft drink." Once the taste was perfected, he sent samples of the drink to pharmacy soda fountains and Coca-Cola was born.[2]

The drink became popular locally, but it was not until Asa Candler took the reins that the company truly began on a path of expansion and eventually globalization. As a visionary, Candler pioneered the use of the coupon system building a loyal and dedicated following. These coupons included the following statement: "This card entitles you to one glass of free Coca-Cola."[3] A system that is taken for granted in modern contemporary society was revolutionary in the late 1800s. The notion of 'giving away' products was counterintuitive to the idea of building market share. Candler was tireless in his push to make Coca-Cola the number one drink in the United States. He purchased the formula in 1888 and by 1891 had given up his position as a successful drugstore owner and made selling the beverage his number one priority.[4] The brilliance behind Candler's success was his effort not to rest on his laurels. He continued to be aggressive in his approach and in those days that meant working long hours and taking every opportunity to 'push' the product. This determination paid off and "by 1908, Coke ads covered 2.5 million square feet of walls of American buildings."[5]

The company grew rapidly and the initial investment fronted by Candler drew rich rewards. By 1900, "Candler had boosted syrup sales for the decade by four thousand percent."[6] An impressive figure by any standard, but the real expansion of the product had not even begun.

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[2] Ross D. Petty, "Coca-Cola Brand Protection before World War II - it's the Real Thing!" *Journal of Historical Research in Marketing* 4 (2012): 224-244.
[3] "The Origins of Marketing – the Coca-Cola way," *Marketing Week Online* (2011): 1.
[4] Michael Tarsala, "Coca-Cola's Asa Candler," *Investor's Business Daily* (1999): A08.
[5] Ibid.
[6] Bahar Sharareh, "Candler, The Real Thing When It Came To Coke Sell It: The company founder built a soft-drink empire," *Investor's Business Daily* (2012): A03.

The future of soft drink consumption would be forever altered, when two lawyers from Chattanooga obtained the rights to bottle the beverage. This business decision resulted in phenomenal growth and there were nearly 400 Coca-Cola bottling plants in existence by 1909, most of them operated by families.[7] The important point to note is not only the sheer pace of expansion, but the structure created. The company remained a streamlined affair. The outsourcing of bottling operations facilitated the growth of the organization, because the costs of bottling were borne by the individual bottlers and not the company itself. It is debatable whether this was a deliberate strategy or a stroke of luck. However, the end result was an organizational structure that was unique at the time. Entrepreneurs, taking control of their own micro-operations encouraged the growth and expansion of Coca-Cola. Any corporation that can 'give people a stake' is bound to encourage entrepreneurship and loyalty. Nothing is as strong a motivator as self-interest. Modern organizations thrive on this and privatize by selling stocks for this very reason. The rapid expansion of bottling saw an increase in the consumption of Coca-Cola within the United States and a lead developed between it and its major competitors.

In 1920, the company had net sales of over $32 million for the year. Once the cost of operations was deducted, the profit from sales was determined to be $2,774,269.[8] This information may not be particularly impressive in today's terms, but for a company just over thirty years old, the numbers were significant. When comparing this to another soft drink company, in operation around that time, the difference is even more staggering. Canada Dry Ginger Ale was introduced to the market in 1904 and by 1929, had net sales of $13,787,894.[9] This figure represented less than half of what Coca-Cola's net sales were nine years earlier. With

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[7] Coca-Cola Company, "History of Bottling: The Coca-Cola Company," Coca-Cola Company website, http://www.coca-colacompany.com/our-company/history-of-bottling (accessed January 18, 2015).
[8] The Coca-Cola Company Annual Report 1920, 2, *Historical Annual Reports*.
[9] Canada Dry Ginger Ale Incorporated Annual Report 1930, 9, *Historical Annual Reports*.

respect to Coca-Cola's greatest competitor Pepsi-Cola, an analysis of their '1950 Annual Reports,' is relevant to ascertain the strength and growth of the Atlanta based soft drink giant. Coke's rival, had gross profit on sales of $25,068,333 and net income of 1,618,744.[10] Coca-Cola, for the year ended 1950, had a gross profit of $118,591,908 and net profit of $31,826,782.[11] Once the domestic market was conquered and exploited, the organization set its sights on consumers further afield. The international push was instigated by another innovative leader.

The war effort – everything goes better with Coke!

Robert W. Woodruff took over the company in 1923 and over his sixty-year reign made Coca-Cola a global icon and the most valuable product name in the world.[12] He was able to do this with the help of marketing saturation throughout the 1920s and 1930s. However, what one may argue was his boldest move was to take advantage of the catastrophe that was World War II. Woodruff saw an opportunity to intrinsically link the positive connotations of the beverage – feelings of comfort, warmth and American exceptionalism – with the war effort. In order to do this, he made "Coke available to all servicemen for 5 cents."[13] Woodruff was able to connect Coca-Cola with the objectives of the war effort, by convincing the government the beverage was a symbol for a way of life the soldiers were fighting to protect. However, the real work was done by Ben Oehlert, Coca-Cola's Washington lobbyist. Previously a member of the State Department, Oehlert began working for Coca- Cola in 1938 as an assistant counsel.[14] He brought with him extensive political and administrative knowledge that was instrumental in eliciting government support. To ensure Washington would view the corporation favorably, he convinced

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[10] Pepsi-Cola Company Annual Report 1950, 18, *Historical Annual Reports*.
[11] The Coca-Cola Company 1950 Annual Report, 6, *Historical Annual Reports*.
[12] H.W. Brands, "Coca-Cola Goes to War," *American History* 34 (1999): 30.
[13] Associated Press, "COCA-COLA BUILDER ROBERT WOODRUFF," *Chicago Tribune*, March 9, 1985, 9, accessed January 18, 2015.
[14] Associated Press, "Benjamin H. Oehlert Jr., 75; Former Coca-Cola Executive," New York Times, June 5, 1985, accessed April 3, 2015. http://www.nytimes.com/1985/06/05/world/benjamin-h-oehlert-jr-75-former-coca-cola-executive.html

the company to sell its stockpiled sugar to the military as a goodwill gesture.[15] He also worked with the D'Arcy agency to create a "masterpiece of pseudoscience entitled 'Importance of the Rest-Pause in Maximum War Effort,'" which demonstrated how workers performed more efficiently with periodic breaks.[16] Of course, these breaks were only complete when the workers could relax with a bottle of Coca-Cola. Oehlert was also successful in convincing the sugar rationing board to appoint a Coca-Cola executive named Ed Forio.[17] The genius in this move was that Coca-Cola had a man on the inside. Through successful lobbying and with the help of soldiers, who were not subtle in their desire to consume Coke abroad, the organization was able to avoid the sugar rationing other companies faced as "it [sugar rationing] didn't apply to production bound for the American military."[18] The government not only accepted the offer, but paid for the transportation of the soft drink to the troops and more importantly, covered the cost of shipping the parts needed to build bottling plants overseas.[19] This ensured Coca-Cola was viewed favorably by those who had seen it as a comfort and a slice of home, whilst being stationed on the other side of the world.

When the servicemen returned to the United States, they brought with them the positive connotations provided by the beverage, during the war. This led to an increase in domestic sales, but that was not the only outcome. Woodruff's plan had opened up a huge market overseas and his act of globalization was an enormous success. Throughout the duration of the war, there were sixty four bottling plants constructed and five billion bottles of Coca-Cola consumed.[20] It truly was (and still is) the 'world beverage' and proved that consumers really did indeed want to 'Buy

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[15] Mark Pendergrast, *For God, Country & Coca-Cola* (New York: Basic Books, 1993), 185.
[16] Ibid.
[17] Ibid., (186)
[18] H.W. Brands, "Coca-Cola Goes to War," *American History* 34, 1999, 30.
[19] "COCA-COLA BUILDER ROBERT WOODRUFF," *Chicago Tribune* March 9, 1985, 9, accessed January 18, 2015
[20] Ibid.

the World a Coke,' or at the very least, buy a Coke anywhere in the world. [21] It is opportunities such as this, which have ensured that Coca-Cola has become ubiquitous. As in the past, Coca-Cola has been the quintessential representation of the ingenuity of American capitalism and surely this will continue into the future? The future aside, the path to world domination has not been without its hiccups.

New Coke – classic catastrophe!

Throughout its history, Coca-Cola has faced many challenges: from the introduction of direct competitors, to the changing tastes and preferences of consumers. Sometimes these moments of trial have come from external sources; however, occasionally these have come from within the company itself. A definitive moment of crisis, in the history of the iconic beverage, was unleashed in 1985. It was the middle of the 'Greed is Good' decade and Coca-Cola was under growing pressure from its main competitor Pepsi, which since 1979 had been increasing its market share in supermarkets and among young people.[22] The response to this threat was to unleash a sweeter version of Coca-Cola similar to Pepsi. Chairman at the time, Roberto Goizueta said: "'Thousands of consumers across the width and breadth of this entire land have told us this is the taste that they prefer.'"[23] From a financial perspective, there was logic behind the move. Far from being just the 'runner up,' Pepsi had instigated a successful marketing campaign beginning in the mid-1970s, which built upon a marketing push unleashed in the 1960s. Nineteen seventy six saw the introduction of a television advertising promotion, which captured Coca-Cola drinkers confessing their preference for Pepsi after failing the challenge to

[21] Geoff Boucher, "BILLY DAVIS - AD MAN WHO CO-AUTHORED 'I'D LIKE TO BUY THE WORLD A COKE," *Pittsburgh Post-Gazette*, September 11, 2004, 11, accessed February 13, 2015.
[22] Geoff Colvin, Erika Fry, III, Alex Taylor, Scott Olster, Ryan Bradley, Omar Akhtar, and Shelley DuBois, et al, "50 GREATEST BUSINESS RIVALRIES OF ALL TIME," *Fortune International (Europe)* 167 (2013): 82, accessed February 10, 2015.
[23] James Cox, "From the Marketing Hall of Shame," *USA Today*, March 7, 1989, 08B, accessed January 17, 2015,

recognize that distinct Coke taste.[24] The benefit of this campaign was that it convinced consumers that the taste of Pepsi really was superior to rivals and this helped “attract some of Coke’s share of the market.”[25] The Pepsi Challenge promotion was preceded by the successful Pepsi Generation campaign launched in 1963. It was a unique approach at the time as it “did what many campaigns in those days did not: It focused on the attributes of people who buy Pepsi, rather than attributes of the product, such as taste or price.”[26] It was also a campaign that was released at just the right time, capturing the baby boomers as their youthful tastes were changing and they were looking for ways to distinguish themselves as a consumer group.[27]

The Pepsi ascendancy was real and by the mid-1980s Coca-Cola executives were worried. The decades of lobbying, spending and manipulating were about to be undone, because those who were most faithful to the brand could no longer distinguish it from its lessors. Had the unthinkable happened? Had the one and only cola recipe, complete with exotic secret ingredients, been usurped, by a mere copycat? Not to be outdone, Coke unveiled a reformulated product labelled ‘New Coke’ to much fanfare on April 23, 1985 and initially the change proved positive.[28] For the first few weeks after release, the Coca-Cola weekly survey of 900 consumers reported that, ‘New Coke’ was preferred to the old recipe by a margin of 53 percent to 47 percent.[29] However, the celebrations were premature and the honeymoon period was remarkably short. Within a few months, a vocal group of ‘old Coke loyalists’ staged protests and boycotts

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[24] Robert Schindler, “The Real Lesson of New Coke - The Value of Focus Group for Predicting the Effects of Social Influence,” *Marketing Research* 4 (1992): 22.
[25] Bill Abrams and Janet Guyon, “PepsiCo Uncaps its New Generation of Ads with 'Taste for Life' Campaign,” *Wall Street Journal*, October 02, 1981:14.
[26] Jocelyn Stewart, "ALAN MAXWELL POTTASCH - AUG. 13, 1927 - JULY 27, 2007 AD EXEC SPEARHEADED 'PEPSI GENERATION' CAMPAIGN," *Pittsburgh Post-Gazette (PA)*, August 03, 2007: F-6
[27] Ibid.
[28] Tabitha Jean Naylor, “No Day Is Leg Day: Coca-Cola And The 'New Coke' Fiasco,” *Benzinga Newswires*, March 12, 2014, 1, accessed February 13, 2015.[20] Robert Schindler, “The Real Lesson of New Coke - The Value of Focus Group for Predicting the Effects of Social Influence,” *Marketing Research 4* (1992): 23, accessed February 03, 2015.
[21] Robert Schindler, “The Real Lesson of New Coke - The Value of Focus Group for Predicting the Effects of Social Influence,” *Marketing Research 4* (1992): 22, accessed February 03, 2015.

that received intense media coverage; ‘New Coke’ was under attack and the number of consumers who preferred it to the original plunged.[30] The depth of the calamity was soon recognized and by July 1985, the company reversed the decision and brought back the original recipe, branding it ‘Coca-Cola Classic.’[31] The irony of the fiasco (and some argue the actual point of the whole exercise) was that the public interest generated, by vocal consumers, led to a boost in sales for the company. “The industry was calling it a brilliant mistake…”[32] To this day, officials at Coca-Cola deny that it was a planned tactic targeted at creating headlines and interest in the organization. Regardless of the publicity generated, a mistake had been made and lessons learned – surely? Rather than release an alternative product, the company chose to retire the original recipe entirely, which was extremely naïve in many ways. The work Candler and Woodruff had done, to market this beverage to the public as more than just a drink, was reversed on the back of one well intentioned, but poorly conceived move. Was the change necessary? After all, wasn’t Coca-Cola the taste everyone wanted? The executives did not think so and neither did those who drank Pepsi.

Pepsi and the supermarket wars – permanent challenge or idle threat?

The win that came out of the ‘New Coke’ fiasco, an increase in sales and renewed customer loyalty, was not enough to curtail Pepsi’s lead in supermarket sales.[33] Rather than continue to aggressively pursue the competition, the executives at Coca Cola took their ‘foot off the pedal.’ The irony in this is that the reason for introducing ‘New Coke’ to begin with was as an attempt to bring a halt to a preference for Pepsi in supermarket sales. This time, it was the

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[22] Melissa Turner, “NEW COKE: TIME TO PULL PLUG? - Having Done the Unthinkable in 1985, Soft Drink Giant Still Faces the - Unacceptable - An Analysis,” *Atlanta Journal-Constitution,* October 30, 1988, E/1, accessed January 17, 2015.
[23] Ibid.

[33] Melissa Turner, “NEW COKE: TIME TO PULL PLUG? - Having Done the Unthinkable in 1985, Soft Drink Giant Still Faces the - Unacceptable - An Analysis,” *Atlanta Journal-Constitution,* October 30, 1988,, E/1.

marketing and advertising of the beverage (or lack of in this case) that led to a loss. After the introduction of 'New Coke' and subsequent reintroduction of the old formula, Coca-Cola products enjoyed growth, but this could not dull the demand for Pepsi on the supermarket shelves. In June and July of 1985, figures released by marketing and research firm A.C. Nielsen, revealed that for those months, "all Pepsi brands commanded 31.6 percent of soft drink sales in food stores, compared to 29.8 percent for all Coca-Cola brands."[34] In the context of national sales figures, Coke was still the choice overall, but how long would that last, if an aggressive campaign was not launched to help remind consumers that Coca-Cola was the only beverage?

Keeping the timeline in mind, it was as early as "late 1986, that they [Coca-Cola] made a calculated decision to forsake domestic marketing in favor of a much-needed restructuring of their nationwide bottling system."[35] Granted, it was not just a lack of Coca-Cola marketing that contributed to Pepsi's ascendancy, their growth was amplified, by choices they made in marketing their beverage to their target consumers. "When Pepsi-Cola signed Michael Jackson to endorse its soft drink … it got a squeaky-clean but hip image popular with youngsters and adults."[36] The use of popular pop culture figures proved to be a winning formula and for the duration of the 1980s, and indeed into the early 1990s, Pepsi reaped the benefits of their investment. For example, between 1983 and 1986 alone, Pepsi utilized the services of Michael Jackson, Don Johnson, Lionel Richie, Billy Crystal and Michael J. Fox to endorse their

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[34] Wendy Fox, "COKE VS. PEPSI: THE WINNER IS ...; OLD COKE OUTSELLING NEW, BUT THE GREAT DEBATE HELPS; EVERYONE BY EXPANDING MARKET: [THIRD Edition]," *Boston Globe,* October 13, 1985, A1, accessed February 04, 2015.

[35] Melissa Turner, "NEW COKE: TIME TO PULL PLUG? - Having Done the Unthinkable in 1985, Soft Drink Giant Still Faces the - Unacceptable - An Analysis," *Atlanta Journal-Constitution,* October 30, 1988, accessed January 17, 2015, E/1.

[36] "Jackson's Tour Gets 'Dangerous' - Michael's mess could make Pepsi deal go flat," *The San Francisco Chronicle,* August 28, 1993, F1, accessed February 10, 2015.

beverages.[37] The first two commercials, starring Jackson and his brothers, cost the company seven million dollars, but also, they "were rated among the year's most popular with consumers."[38]

By the early 1990s, Pepsi still had a lead in supermarket sales, but continued to trail Coca-Cola overall.[39] Both beverage giants had increased their share of the soft drink market throughout the 1980s, but the Atlanta based corporation began to pull ahead once again. A pivotal year for the turnaround was 1993. At this time, Coca-Cola launched its successful 'Always Coca-Cola' campaign, "and the iconic polar bears [were] introduced in 'Northern Lights.'"[40] Conversely, at Pepsi, things were taking a turn for the worse. Child-abuse allegations were levelled at Michael Jackson and the squeaky-clean image associated with the beverage was in jeopardy. Jackson was not the first celebrity controversy for the company, but this case was indeed the most detrimental to the image of the product. After all, the reason for Jackson's association with Pepsi was his position as a popular figure among young people. In 1989, Pepsi had to pull a two minute commercial featuring Madonna after her video for "Like a Prayer" became embroiled in controversy, due to its negative religious connotations.[41] The combination of Coca-Cola's new campaign and the damage to Pepsi, through the use of fallible celebrities, instigated a turnaround and, "by 1996, 'Fortune' declared that the cola wars had ended…

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[37] Associated Press, "PEPSI SIGNS HIS HOTNESS FOR NEW AD," *Philadelphia Daily News*, May 06, 1986, 33, accessed February 10, 2015.
[38] Herald Staff, "A 'NEW GENERATION' IN AD COSTS," *The Miami Herald*, February 28, 1984, 2A. accessed February 10, 2015; Associated Press, "PEPSI SIGNS HIS HOTNESS FOR NEW AD," *Philadelphia Daily News*, May 06, 1986, 33, accessed February 10, 2015.
[39] Nancy Millman, "As Generation ages, Pepsi takes new tack," *Chicago Sun-Times*, January 20, 1992, 35, accessed February 10, 2015.
[40] "ALWAYS COCA-COLA: AN AD TIMELINE," *Advertising Age* 82 (2011): 8, accessed February 12, 2015,
[41] "Jackson's Tour Gets 'Dangerous' - Michael's mess could make Pepsi deal go flat," The San Francisco Chronicle, THE SAN FRANCISCO CHRONICLE, August 28, 1993: F1.

America's favorite two soft drinks? Coke and Diet Coke."[42] With two world wars, sugar rationing; trademark and competition battles; and a variety of other lawsuits behind them, surely there was nothing on the horizon that could damage fortress Coca-Cola? Enter obesity.

Obesity Crisis - the most formidable hindrance to future growth?

In a corporate history riddled with ironies, it is no surprise that the most recent and probably most difficult battle the organization has had to deal with stems from the very ingredient that made its meteoric rise to dominance possible: sugar. Coke's 'white gold' cost just 26.5 cents per five-pound bag in 1895 and this cheap and abundant ingredient combined with the other major component water (essentially free) fuelled the new organization's growth.[43] Flash forward 120 years and sugar is proving to be Coca-Cola's most recent Achilles heel. The 'Obesity Crisis' can be labelled a 'new' phenomenon, especially when analyzing the impact it has on corporations' profit margins. However, as early as 1952 it was being discussed. Dr. Lester Breslow, who became known as 'Mr. Public Health,' termed obesity "America's No 1 health problem."[44] Governments, corporations and health authorities debate the actual definitive cause of this phenomenon; however, there is evidence "that the prevalence of high calorie and unhealthy convenience food causes obesity."[45] Taking this one step further, there is overwhelming evidence that "advertising is indeed linked to children's increased soda

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[42] Geoff Colvin, Erika Fry, III, Alex Taylor, Scott Olster, Ryan Bradley, Omar Akhtar, and Shelley DuBois, et al, "50 GREATEST BUSINESS RIVALRIES OF ALL TIME," *Fortune International (Europe)* 167 (2013): 8, accessed February 10, 2015.

[43] "U.S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1970, Bicentennial Edition," Part 2, Bureau of Labor Statistics, 2011.

[44] T Maugh, "Dr. Lester Breslow dies at 97; UCLA Dean was 'Mr. Public Health,'" *Los Angeles Times*, April 12, 2012, accessed February 01, 2015; Wendy Mcelroy, "Coca-Capitulation – Coca-Cola Confronts the Politics of Obesity," *THE FREEMAN:FEE.org/Freeman* (2013): 25, accessed January 15, 2015.

[45] Wendy Mcelroy, "Coca-Capitulation – Coca-Cola Confronts the Politics of Obesity," *THE FREEMAN:FEE.org/Freeman* (2013): 25, accessed January 15, 2015.

consumption and obesity rates in the United States."[46] Regardless of whether Coca-Cola would admit there is a direct and justifiable correlation between Coke products and obesity, there is a logical justification for the corporation to assume responsibility and take a lead in tackling the crises. After all, it is "the world's leading source of sugary drinks."[47]

The argument for instigating change, one industry at a time, is not new and was pioneered with the link between tobacco companies and cancer. A more contemporary example of the pressure industries and companies can face is the proliferation of fast food and its impact on obesity as explored through the modern media and in particular, the documentary 'Super Size Me.' As prominent law professor John .F. Banzhaf said, in relation to Morgan Spurlock's myopic focus on McDonald's with regard to obesity: "It's fair to point the big gun at McDonald's… [It] far more than all the others lures in young children."[48] Coca-Cola is also an obvious example of a company that has utilized prolific advertising and marketing to directly target all manner of groups, but especially children. The strategy to use a child's pester power has been effective and "'sugar-sweetened beverage' (SSB) consumption has helped fuel this [obesity] crisis."[49] The discourse surrounding this issue is becoming increasingly dire. Indicating that the consumption of a company's products is a global crisis and a health concern, is far more than dismissive rhetoric; it is an attack, which has and will continue to hurt financial expansion.

As has been observed with past threats, one would expect Coca-Cola to come out swinging and defend its products. In a manner of speaking it has, refusing to yield completely and rather than completely change its flagship creation to adapt to changing tastes, it has focused

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[46] J Schuldt and R Sungjong, "Where there's a will: Can highlighting future youth-targeted marketing increase support for **soda** taxes?" *Health Psychology* 33 (2014): 1610-1613, accessed February 03, 2015.
[47] Wendy Mcelroy, "Coca-Capitulation – Coca-Cola Confronts the Politics of Obesity," *THE FREEMAN:FEE.org/Freeman* (2013): 25, accessed January 15, 2015.
[48] Morgan Spurlock, "Super Size Me," 2004, *Roadside Attractions*, viewed October 12, 2014.
[49] Lori Dorfman et al., "Soda and Tobacco Industry Corporate Social Responsibility Campaigns: How Do They Compare?" *PLoS Medicine* (2012): 1, accessed February 01, 2015.

on making slight product adjustments. In 2009, Coca-Cola introduced the 7.5 ounce mini can and in 2014 Coca-Cola Life, a low calorie offering sweetened with Stevia. The organization has also chosen to highlight its, philanthropic ventures, primarily through the introduction of a 2009 Corporate Social Responsibility (CSR) program entitled Live Positively, to convince consumers it is one of the good guys. In relation to obesity, the 'Balanced Living' program available on-line provides information about how the organization's products can form part of a healthy lifestyle. It is a frequently updated website that contains articles with headings like: 'Choices for Your Lifestyle,' 'The Skinny on Aspartame' and 'Let's Get Physical.' This time the product they want consumers to buy is not tangible; it is the 'goodness' of the organization itself.

Corporate Social Responsibility - taking responsibility or taking it to consumers?

In response to the global obesity epidemic that threatens the health of billions, Coca-Cola has gone on the attack to help the health of its consumers (optimist). In response to the threat of falling sales and the future of profitability, Coca-Cola has gone on the attack to continue to expand and conquer, with minimal concern for its consumers (pessimist). Is it an either or? Is there a middle ground perhaps? It would appear that the real truth behind the organization's motivation lies somewhere in between and this was exemplified by Robert Goizueta who said corporations were neither pious nor evil.[50] The overwhelming evidence that excess sugar consumption contributes to obesity has elicited a response from Coca-Cola. Both Pepsi and Coke have introduced smaller sized containers for their beverages. The optimist would say it is to help consumers make better choices, the pessimist would say it is because, "sales of Coke's smaller sizes were up 9 percent last year … compared with sales of 12-ounce cans and 2-liter bottles

[50] Mark Pendergrast, "Coca-Colonialization," *Atlanta* 53 (2013): 84, accessed February 01, 2015.

being up 0.1 percent."[51] Whether the organization is proactively looking for ways to better the lives of its consumers or expand the size of its shareholders' wallets, is debatable. Regardless of the actual motive being altruistic or profit driven, Coca-Cola's CSR is focused on offering health advice to its consumers, outlining its philanthropic contributions to society and its sustainability efforts.[52] These programs have become increasingly popular as consumers demand that those organizations they engage with take responsibility for their impact on the environment and on social welfare.[53] The use of the words 'social responsibility' conjure an image of an organization that cares and is actively looking to make a change for the better. After all, the very definition of CSR, "the obligation of an organization's management towards the welfare and interests of the society in which it operates,"[54] indicates a sense of duty. However, despite the rhetoric of their CSR at www.livepositively.com, far from taking any responsibility, and adopting a 'we are in this together mentality,' Coca-Cola wants consumers to know that the responsibility for what goes into their mouths is their own.

Epilogue: The case study – can Coca-Cola kill?

The notion that people must accept responsibility for their own choices was on display in Coca-Cola's response to the death of a New Zealand woman who consumed large quantities of the beverage. The coroner for the deceased, David Crerar, "concluded that the sugar and caffeine she got by drinking more than 2.6 gallons of Coca-Cola Classic per day was 'a substantial factor'

[51] Lewis Diuguid, "OPINION: Coke, Pepsi downsize cans and bottles to satisfy consumer tastes," *The Kansas City Star,* January 19, 2015, lewis_diuguid, accessed February 10, 2015.
[52] Lori Dorfman et al., "Soda and Tobacco Industry Corporate Social Responsibility Campaigns: How Do They Compare?" *PLoS Medicine* (2012): 1, accessed February 01, 2015.
[53] "Cambridge Online Dictionaries," last modified 2015, accessed February 01, 2015, http://dictionary.cambridge.org/dictionary/business-english/corporate-social-responsibility
[54] "Business Dictionary," last modified 2015, accessed February 04, 2015, http://www.businessdictionary.com/definition/social-responsibility.html

in her death."[55] There are claims that the woman, Natasha Harris, was addicted to the beverage and would "go crazy if she ran out."[56] Her mother-in-law went even further telling the British Broadcasting Corporation (BBC), "She would get the shakes, withdrawal symptoms, be angry, on edge and snappy."[57] It has long been known that excessive caffeine consumption "can cause insomnia, nervousness and restlessness … increased heart rate and respiration, and other side effects."[58] Harvey Wiley knew this in 1902 and pursed Coca-Cola through the courts to force them to remove caffeine from their product. However, he lost the case and even today Coca-Cola is not legally responsible for people's excess consumption and the associated health impacts of its beverages. While personal versus corporate responsibility is a contentious issue and one where blame cannot definitively be assigned to a specific group, the tobacco industry can be used as a case study to highlight how quickly public affection can change and impact profitability. The experience of big tobacco is one of the main reasons why corporations in the soda industry have adopted CSRs. The existence of Coca-Cola's campaign is verifiable. However, the pertinent question is if it is actually designed to demonstrate that a healthy lifestyle, in conjunction with the responsible consumption of the organization's products, is realistic or whether it is just another shade of lipstick placed on the proverbial pig. Cases like those of Natasha Harris do nothing to compel consumers to believe the organization is serious. Instead, they demonstrate that rather than taking responsibility for the fallibility of their products, Coca-

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[55] K Moisse, "Mom's Death Linked to Coke in Coroner's Report," *ABC News*, February 13, 2013, accessed February 08, 2015, http://abcnews.go.com/blogs/health/2013/02/13/moms-death-linked-to-coke-in-coroners-report/

[56] "Natasha Harris Died From Drinking Too Much Coke, New Zealand Coroner Says," *The Huffington Post*, February 12, 2013, accessed February 08, 2015, http://www.huffingtonpost.com/2013/02/12/natasha-harris-died-too-much-coke-new-zealand-coroner_n_2671931.html

[57] "Natasha Harris Died From Drinking Too Much Coke, New Zealand Coroner Says," *The Huffington Post*, February 12, 2013, accessed February 08, 2015, http://www.huffingtonpost.com/2013/02/12/natasha-harris-died-too-much-coke-new-zealand-coroner_n_2671931.html

[58] "Caffeine Side Effects & Safety," *WebMD*, 2005-2015, accessed February 08, 2015, http://www.webmd.com/vitamins-supplements/ingredientmono-979-CAFFEINE.aspx?activeIngredientId=979&activeIngredientName=CAFFEINE

Cola actively forces the blame onto the advertising saturated, time poor, citizens of the world and continues to reap huge profits at their expense. Ironic indeed.

This idea was exemplified by Coca-Cola's response to the tragedy. There was an expression of sympathy for the victim, but also a level of disappointment from the organization at the coroner's decision "'to focus on the combination of Ms. Harris' excessive consumption of Coca-Cola, together with other health and lifestyle factors, as the probable cause of her death.'"[59] An admission of responsibility is tantamount to an admission of guilt and something the organization cannot afford to do. Not just for the sake of the shareholders, but because the growing trend of "health consciousness … has lately put Coke on the wrong side of just about every consumer lifestyle trend."[60] Not to be outdone, the company has used its CSR to reinforce the fact that it is part of the solution, claiming, "Our products have a place in an active, healthy lifestyle that includes a sensible, balanced diet and regular physical activity."[61] While this may be true, so is the fact that U.S. children doubled their calorie intake derived from soft drink between the years of 1977 and 2004, and now almost one fifth of the weight gain experienced by the population has also been attributed to these beverages.[62] It may be difficult to convince the population that a company, which has long been a part of their lives, is responsible for their expanding waistlines, but there is a movement towards healthier living and that is an economically frightening development for soda manufacturers. By all accounts, Natasha Harris lived an unhealthy lifestyle and a combination of factors lead to her death. However, as the coroner has made clear, the consumption of Coca-Cola was indeed a contributing factor and he

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[59] K Moisse, "Mom's Death Linked to Coke in Coroner's Report," *ABC News*, February 13, 2013, accessed February 08, 2015. http://abcnews.go.com/blogs/health/2013/02/13/moms-death-linked-to-coke-in-coroners-report/
[60] Claire Suddath and Duane Stanford, "Coke Confronts Its Big Fat Problem," *Bloomberg Businessweek* 4389 (2014): 38-43.
[61] K Moisse, "Mom's Death Linked to Coke in Coroner's Report," *ABC News*, February 13, 2013, accessed February 08, 2015, http://abcnews.go.com/blogs/health/2013/02/13/moms-death-linked-to-coke-in-coroners-report/
[62] Lori Dorfman et al., "Soda and Tobacco Industry Corporate Social Responsibility Campaigns: How Do They Compare?" *PLoS Medicine* (2012): 1, accessed February 01, 2015.

called on the organization to communicate the hazards of consuming "excessive quantities of sugar and caffeine contained in carbonated beverages" to the public more obviously.[63]

To expect the world's largest sugar-sweetened beverage producer to 'sit on its hands' would be naïve and Coca-Cola has acted to protect its product, place and profitability. In the face of declining sales and a move by consumers towards healthier lifestyles, the organization has pledged to, "'cease all worldwide marketing efforts to children under 12, put calorie counts on all packaging and labelling and ensure that low-calorie and no-calorie ... beverages are available in every nation on earth where Coca-Cola is sold.'"[64] A sign of altruism, probably not. The company is facing a decline in the sales of its products which has resulted in the fact that in 2014, "Americans are now drinking about 450 cans of soda a year … roughly the same amount they did in 1986."[65] The executives at Coca-Cola are well aware of what the biggest threat to their profitability is - obesity. To assume the beverage giant will fade into obscurity is a simplification. There is too much at risk and too much money to be made. The Chameleon that is Coca-Cola will reposition and re-invent; that is as certain as the setting sun. Even though what presents itself at sunrise may be different, two things are certain. Firstly, it will not be a can of 'New Coke' that rises from the ashes and secondly, any incarnation of the product will be packaged in the trademarked red and white.

[63] Moisse, K, "Mom's Death Linked to Coke in Coroner's Report," *ABC News*, February 13, 2013, accessed February 08, 2015, http://abcnews.go.com/blogs/health/2013/02/13/moms-death-linked-to-coke-in-coroners-report/
[64] Wendy Mcelroy, "Coca-Capitulation – Coca-Cola Confronts the Politics of Obesity," *THE FREEMAN:FEE.org/Freeman* (2013): 25, accessed January 15, 2015.
[65] Claire Suddath and Duane Stanford, "Coke Confronts Its Big Fat Problem," *Bloomberg Businessweek* 4389 (2014): 38-43, accessed February 12, 2015.