

# The Coca-Cola Company

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... ta. Photo by Michael

Coca-Cola is perhaps the best known brand name in the world; certainly it has served as an icon for the good life for more than a century. At the writing of this book, sales of Coca-Cola and other company products exceeded 1 billion servings a day; even so, the company is still very much in its infancy.

More than 113 years ago, John Pemberton created Coca-Cola. Later came Asa Candler, the originator of twentieth-century Coca-Cola marketing, and Robert Woodruff, who for more than 60 years was the architect of the company's success and father of The Coca-Cola Company's international expansion. After these famous visionaries came a long line of less famous but no less crucial individuals skilled in a myriad of disciplines that, combined, have led Coca-Cola to a worldwide presence admired by businesses around the globe and throughout the history of commerce.

But even with more than a billion servings per day gracing counters and tables worldwide and creating a simple moment of pleasure for people who speak more than 1,703 languages and 39,304 dialects, Coca-Cola is still only beginning to quench the world's thirst for refreshment.

In China, the world's largest market, Coca-Cola volume continues to grow. But the average resident of China drank just seven Coca-Cola products a year. Coca-Cola overtook its largest competitor in 1996 in Russia; still there is considerable untapped opportunity in that country.

And so the story goes, country by country and town by town. Coca-Cola is by far the world's leading soft drink, but it still has enormous opportunities for growth.

Company leaders see the traditional coffee break evolving into a Coke break, the widespread and ever-present water fountain accompanied by a Coca-Cola dispenser, The Real Thing replacing substitutes everywhere, and a Coke glass as standard a fixture as the wine glass in table place settings worldwide. The old adage "for all the tea in China" may someday transform to "for all the Coke in the world." When this



happens, and happen it surely will given the success of Coca-Cola in tempting taste buds of every culture, a billion servings a day will be no more than a drop in the proverbial bucket.

At the cusp of a new millennium, it is difficult to determine which is the more breathtaking—the history of Coca-Cola or its future.

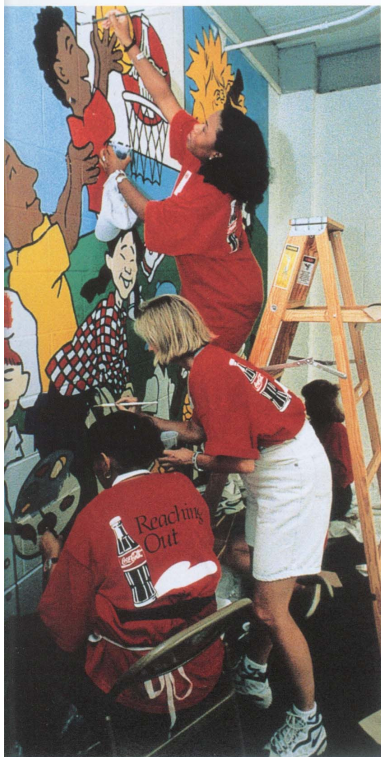
It all began just a few blocks down the street from the current location of The Coca-Cola Company's world headquarters in Atlanta, Georgia. On May 8, 1886, pharmacist Dr. John Stith Pemberton stirred up the fragrant caramel-colored syrup in a three-legged brass kettle and carried a jug of his formula down the street to Jacob's Pharmacy, Atlanta's largest drugstore at that time. That same day, the new product made its debut as a soda fountain drink for five cents a glass. At some point, either by accident or design, no one is sure which, carbonated water was mixed with the syrup to create what would become the world's favorite soft drink.

Thinking that "the two Cs would look well in advertising," Dr. Pemberton's partner and bookkeeper, Frank M. Robinson, suggested the name "Coca-Cola" and penned the famous trademark in his now-familiar script.

A simple oilcloth sign hung from the pharmacy's awning encouraged passersby to "Drink Coca-Cola." And on May 29, 1886, the first newspaper advertisement appeared in *The Atlanta Journal* pronouncing the drink as "Delicious and Refreshing," a theme that still echoes today. Sales in 1886 averaged nine drinks per day.

Dr. Pemberton never fully realized the potential of the beverage he had created. In poor health and in need of funds, he sold portions of his interest in the venture. In 1888, the year of Pemberton's death, Asa G. Candler began to actively purchase the outstanding shares of Coca-Cola. An Atlanta druggist and businessman, Candler recognized great potential in the beverage and acquired complete control by 1891 for a total investment of \$2,300.

Asa Candler, a master marketer, expanded the advertising







strategy to include countless novelty items, which were displayed and given away at sales locations and have since become valuable collectibles. In 1894, the first outdoor painted wall on a drugstore in Cartersville, Georgia, featured Coca-Cola, the company's first "billboard."

As bottling became widespread and availability of the product skyrocketed, advertising developed too. Now-famous print ads, featuring fine illustrations by beloved artists such as Norman Rockwell, projected memorable images in leading magazines of the day. Commercial slogans like "The Pause That Refreshes," which first appeared in *The Saturday Evening Post* in 1929, began to make

a lasting impact.

In 1931 holiday advertising for Coca-Cola, artist Haddon Sundblom introduced the world to the image of Santa Claus as people know him today—the man with the flowing white beard, rosy cheeks, brilliant red suit, and portly silhouette. Until then, Santa had been depicted as everything from a pixie to an elf to a frightening gnome. Sundblom's popular Santa "portraits" continued as holiday favorites in the '50s and '60s and are still part of holiday packaging and advertising at the turn of the millennium.

Coca-Cola became one of radio's first commercial sponsors during the 1930s. And in 1950, the company's first network television advertising appeared during a live Thanksgiving special featuring Edgar Bergen and Charlie McCarthy.

Throughout the century and into the future, Coca-Cola reflects the mood and the look of the time while maintaining a universal and timeless appeal.

Long before buzzwords "going global," "multinational," and "global village" flowed from the tongues of the business savvy set, Coca-Cola was living the adventure. Coca-Cola first traveled beyond U.S. borders with its introduction in Canada at the turn of the last century. About the same time, Coca-Cola crossed the Atlantic when Charles Howard Candler, the eldest son of company founder Asa Candler, made a trip to Europe to celebrate his graduation from college. Young Candler took along a gallon of syrup and introduced the new

◀ Artist Haddon Sundblom is credited with helping to develop the modern-day image of Santa Claus in a series of oil paintings commissioned by The Coca-Cola Company from 1931 to 1964.



◀ The Coca-Cola Valued Youth Program provides middle and high school students who are at risk of dropping out with the opportunity to tutor younger students who are also struggling in school. In their role as tutors, students learn self-discipline, develop self-esteem, and improve their own academic performance. Photo by Richard Cunningham.



Coca-Cola has been involved with sports since the turn of the century. Today, Coca-Cola and its bottlers are involved in more than 50 different types of sports and thousands of sporting events and activities on the local, national, regional, and global levels.

Offering refreshing experiences to consumers, the Coca-Cola Cool Zone is part of the company's innovative marketing effort. Photo: Michael Pugh.

drink to the American owner of a London soda fountain. An order for five gallons made its way back to the United States shortly thereafter. Occasional shipments also went out to Germany, Jamaica, and Panama in the early years, and by 1906, the first overseas bottling plants had been established in Panama and Cuba.

Efforts to make Coke available around the world began in earnest when Robert W. Woodruff took the helm of the company in 1923 as its newly elected president. In 1926, with only nine bottlers of Coca-Cola outside the United States and Canada, Woodruff established the Foreign Department. By 1930, it had been renamed

The Coca-Cola Export Corporation. Woodruff's vision of worldwide availability for Coke had profoundly changed the destiny of the company. Overseas sales climbed steadily and, by 1940, Coca-Cola bottlers had set up shop in more than 45 countries.

After the United States' entry into World War II in 1941, Woodruff declared: "We will see that every man in uniform gets a bottle of Coca-Cola for five cents wherever he is and whatever it costs." In cooperation with the United States Armed Services, the company shipped and put in place 64 complete bottling plants to serve Americans in combat in Europe, Africa, and the Pacific. By the time the war ended, American servicemen and women overseas had enjoyed more than 5 billion bottles of Coke, and the soft drink had become known as the "Global High Sign." In the meantime, Coca-Cola had been integrated into local cultures and had taken up permanent residence among new friends.

By the mid-1970s, more than half the Coca-Cola served worldwide was sold outside the United States. By the mid-1990s, more than 80 percent of the company's operating income was generated outside the United States.

Indeed, one of the company's greatest strengths lies in its continuous ability to conduct business on a global scale while maintaining a local

identity. While Americans proudly point to Coke as a historic achievement and the embodiment of the American Dream, people from all over the world have a common bond with Coke products and the people who make them. As a result, Coke is typically viewed as part of the local community.

Much of this unique connection with consumers springs from the bottler system and the diversity of the people working within Coca-Cola headquarters and affiliated organizations.

The company and its geographic operating units are led by a management team of seasoned business veterans from every corner of the globe. Diversity in the background and talent of its associates is a strength reflected throughout the company's global business system, from its engineers to its marketing teams to its finance division. Women and minorities serve in leadership roles on the board of directors, as company officers, as directors of business units, and in key international positions.

The company extends its daily commitments to diversity through partnerships with its suppliers. Coca-Cola operates as a local enterprise everywhere it does business. It hires and trains locally. It purchases goods and services from local businesses. In the United States, for example, the company and its bottling partners work with more than 3,000 women- and minority-owned suppliers to meet the demands of the company's growing business.

Given its global presence, it's not surprising that The Coca-Cola Company is a leading sponsor of some of the world's largest and most visible humanistic efforts. Perhaps none of these affiliations is maintained with greater pride than the Olympic Games. No other company has a relationship with the Olympic Games that is as deep or as long-lasting as The Coca-Cola Company's relationship. The company is, in many ways, more than a sponsor; it has been a true partner in the Olympic movement.

In addition to its involvement in efforts that span the globe, a vital element of The Coca-Cola Company's success in establishing a local identity in multiple markets springs from its commitment to supporting educational, cultural, and civic endeavors in every community in which it operates.

This commitment includes contributions by The Coca-Cola Foundation, the philanthropic arm of The Coca-Cola Company.





The Foundation will contribute \$100 million to education worldwide by the year 2000. Coca-Cola funding supports partnerships between universities and local schools, global education programs, and "first generation" scholarships to help students become the first in their family to attend college, among other initiatives. The company believes strengthening educational opportunities for individuals represents a sound investment in those particular individuals and in our collective future. Since 1990, The Coca-Cola Foundation has awarded more than 2,500 scholarships; two-thirds of those scholarships have been awarded to minority students.

The company also supports a variety of organizations that improve the quality of life in our communities. Organizations such as The College Fund/UNCF, Hispanic Scholarship Fund, 100 Black Men, and Catalyst receive funding from The Coca-Cola Company. These organizations provide scholarships, support for mentoring programs, and funding to youth and economic development programs.

Another focus of the company's philanthropic efforts is the Native American population. A variety of Native American organizations have received support through 1999 from The Coca-Cola Company, among them The American Indian College Fund, First Nations Development Institute, Futures for Children, and the National Museum of the American Indian. Coca-Cola provides funding for innovative Native American educational programs at a number of colleges and universities around the country.

Additionally, the company supports several health organizations, including the American Cancer Society, the Sickle Cell Anemia Foundation, Juvenile Diabetes International, and the National Kidney Fund.

In Atlanta, Coke also contributes to approximately 40 organizations and endeavors in support of the arts and culture. A particularly innovative example is The Coca-Cola Foundation's partnership with The Atlanta History Center to create a program—the only one of its kind in the nation—designed to introduce minority college students to careers in the museum professions.

The Coca-Cola Company is the largest annual corporate contributor to the Woodruff Art Center with gifts that also help to support The Atlanta Symphony Orchestra, the Alliance Theatre Company, the High Museum of Art, and the Atlanta College of Art. As part of a series of grants that support the Cultural Olympiad in its goal to bring international exposure to the arts organizations in the southeastern United States, Coke contributed generously to area arts organizations. Other local arts organizations supported by the company and the Foundation include 7 Stages Theatre, Horizons Theatre Company, JOMANDI Productions, Atlanta Ballet, Inc., Academy Theatre, The Atlanta Opera, Ballethnic Dance Company, Nexus Contemporary Art Center, Arts Festival of Atlanta, Actors' Express, the Center for Puppetry Arts, and many others.

In addition, the company demonstrates its commitment to its hometown by sponsoring fund-raising events for dozens of non-profit organizations based in Atlanta. And through the company's Reaching Out program, employees donate their time to work on projects to improve their local community. Through the Coca-Cola Tutor Program, employees take time each week to tutor students in neighborhood schools.

The Coca-Cola Company's longtime leader, Robert W. Woodruff, used to say that everyone who touches Coca-Cola should benefit; the company continues to act on that principle. Today, The Coca-Cola Company satisfies consumers, creates jobs, generates economic growth, and works to improve the quality of life in nearly 200 countries around the world. ●



◀ Each day, the 30,000 employees of The Coca-Cola Company work hard to deliver the company's beverages to thirsty consumers everywhere. Photo by Jeff Corwin.

◀ Each day, Coca-Cola provides a simple moment of pleasure to more than 1 billion consumers every corner of the world. Photo by Mic Pugh.

