

Are All Calories Created Equal?

An Analysis of the Coca-Cola Company's
Communication in the Fight Against Obesity



Coca-Cola Company

Background

- **1886**– Asa Candler begins selling Coca-Cola in Atlanta. As it gains popularity, the company expands outside Atlanta.
- **1929**– After Candler’s death, the company continues a tradition of marketing success.
- **1970s**– Marketing shifts to associate the brand with fun, friends and good times.
- **2012**– Net revenue exceeds \$48 billion, and Coca-Cola has the highest market share for soft drinks, with daily servings to 1.8 billion people.

Core Values: Leadership. Collaboration. Integrity. Accountability. Passion. Diversity. Quality.

Notable Controversies

- **New Coke Failure (1985)**
 - Coca-Cola made the first formula change in 99 years. Although taste tests suggested the product would be a success, consumers were outraged. Within a few months, “ old” Coke was back on shelves.
- **Channel Stuffing Lawsuits (2000-2008)**
 - Coca-Cola was accused of forcing bottlers to purchase surplus beverage concentrate to make sales seem higher than they were. In the first case, the company received a warning. In the second, the company settled for \$137.75 million, with no confession of guilt.
- **Deceptive Vitaminwater Marketing Lawsuit (2009—)**
 - The Center for Science in the Public Interest (CSPI) accused Coca-Cola of deceptively labeling and marketing Vitaminwater. The case has yet to be settled. Similar lawsuits have been filed against PepsiCo and Dr Pepper Snapple Group.

Coca-Cola and Social Responsibility

- Sponsors **more than 290 active and healthy living programs** across the world
- Giving back with **charitable donations** through the Coca-Cola Foundation since 1984 to support:
 - Water stewardship
 - Healthy and active lifestyles
 - Community recycling
 - Education
- **2009**– committed to providing calorie labels on the front of packaging



The Obesity Problem

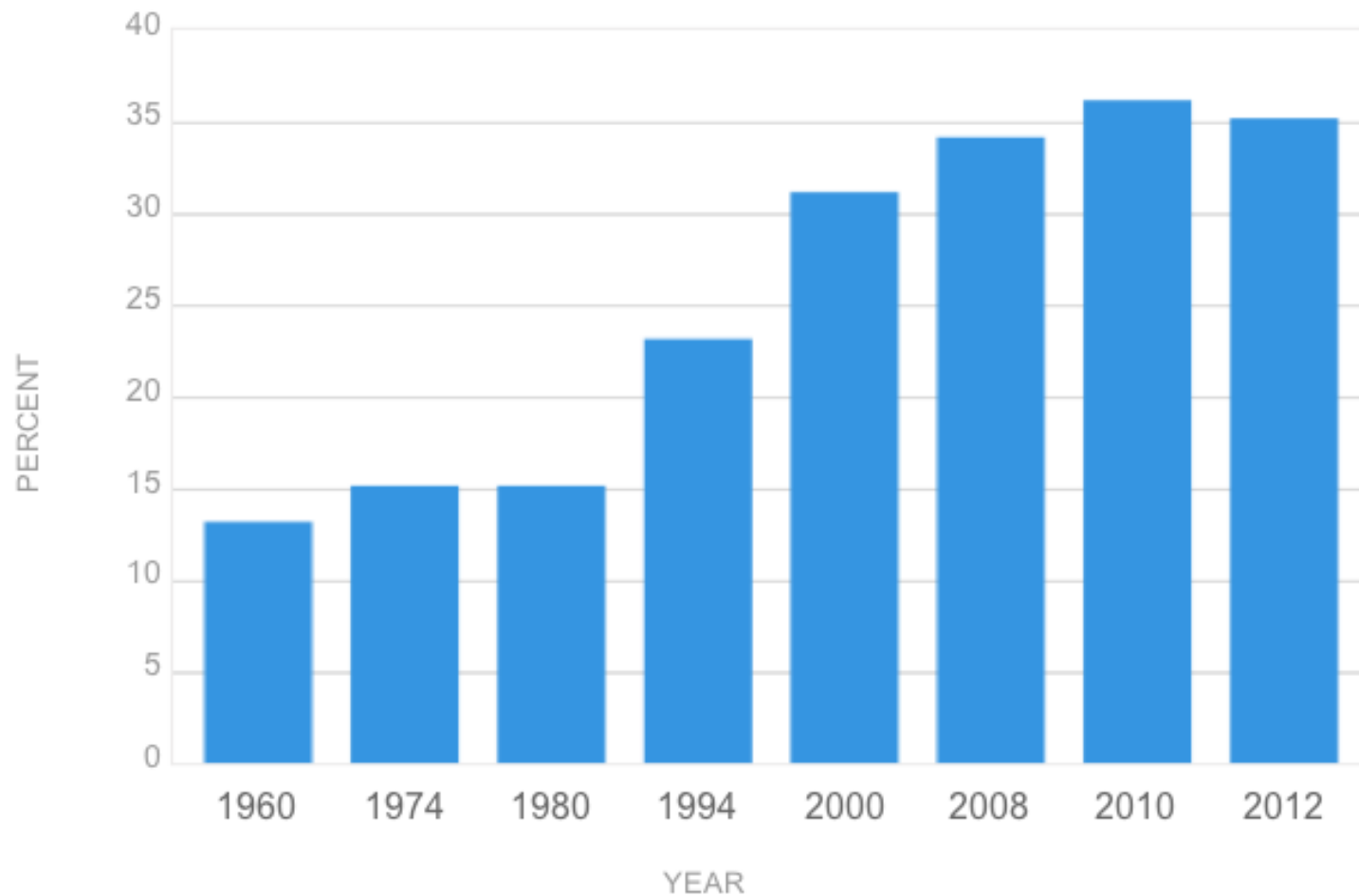
Obesity: Having a body mass index (BMI) of 30+.

BMI is calculated by dividing weight in kilograms by height in meters squared.

- More than **35 percent** of U.S. adults are obese.
- **32 percent** of children are either overweight or obese.
- **Soft drinks blamed** for contributing, **2012 sales down 3.4 percent**
- To help, soft drink companies have:
 - joined the First Lady's Let's Move! anti-obesity campaign.
 - reduced beverage calories delivered to schools by 90 percent.
 - supported numerous community fitness programs.

OBESITY OVER TIME

Percentage of adults who were obese in:



Source: National Center for Health Statistics, part of the Centers for Disease Control and Prevention

Kevin A. Kepple, USA TODAY

Why a communications campaign?

- **Reputation management. Soft drink consumption blamed** for obesity rates, even though there are many factors involved
- Soft drink **sales declining**
- Coca-Cola **needed to engage in conversation** about the obesity problem and communicate its corporate social responsibility efforts or risk further blame.
- A need to meet **changing consumers demands** and lifestyles

Timeline of Coca-Cola Anti-Obesity Efforts

- **February 2010:** Coca-Cola North America joins First Lady Michelle Obama's obesity initiative with the "Clear on Calories" commitment.
- **October 12, 2012:** Coca-Cola spokesperson Susan Stribling calls the a CSPI video attacking soft drinks "irresponsible and the usual grandstanding from CSPI."
- **January 14, 2013:** Coca-Cola launches its anti-obesity campaign with its two-minute "Coming Together" video.
- **January 16, 2013:** Coca-Cola launches its second video, "Be OK," to communicate that Coke has 140 "happy calories."

Timeline of Coca-Cola Anti-Obesity Efforts

- **May 8, 2013:** Coca-Cola announces its four global commitments to contributing to healthier, happier, more active communities.
 - “We are committed to being part of the solution, working closely with partners from business, government and civil society” – Coca-Cola Chairman and CEO Muhtar Kent
- **May 13-14, 2013:** To combat concerns about the safety of sweeteners in diet soft drinks, Coca-Cola releases a series of announcements that these sweeteners are safe, stating, the concerns are “often fueled by inaccurate information found on the Internet.”
- **August 14, 2013:** Coca-Cola begins to run print advertisements that address the safety of low- and no-calorie sweeteners.



COMING TOGETHER

At Coca-Cola, we believe active, healthy lifestyles lead to happier lives. That's why we are committed to creating awareness around choice and movement, to help people make the most informed decisions for themselves and their families. Coca-Cola commits to:

Offer low- or no- calorie beverage options in every market

18 OF OUR TOP 20 BRANDS have a low- or no-calorie alternative or are low- or no-calorie.

Nearly **25%** of our portfolio of 3,500+ still and sparkling beverages is low- or no-calorie.

45+ PRODUCTS **15+ COUNTRIES** are sweetened in whole, or in part, with **natural, zero-calorie stevia.**

180+ low- and no-calorie options in North America

80+ low- and no-calorie options in Europe

110+ low- and no-calorie options in Latin America

125+ COUNTRIES offer Coca-Cola's glass bottled sparkling beverages in serving sizes of 250 mL (about 8-fl. oz) or less.

70+ LOW-/NO-CALORIE OPTIONS. The innovative **Coca-Cola Freestyle** fountain dispenser offers

Provide transparent nutrition information, featuring calories on the front of all of our packages

Became the first beverage company to commit to front-of-pack calorie labeling globally on nearly all of our packaging in 2009, and we've met that target.

Committed, together with our beverage industry peers, to display calorie information on the front of company-owned vending machines in the U.S.

Help get people moving by supporting physical activity programs in every country where we do business

WE CURRENTLY SUPPORT 280+ PHYSICAL ACTIVITY OR NUTRITION EDUCATION PROGRAMS. **115+ COUNTRIES AROUND THE WORLD.**

6M connections with young people through the **Boys & Girls Clubs of America's Triple Play program** since its inception in 2005.

2M+ people have been reached through our support of **community walks across 30 cities in China.**

1.5M+ young players in **India and Pakistan** have participated in **Sprite Street Cricket Tournaments.**

1M+ young people in **Mexico** alone have participated in **Copa Coca-Cola™**, one of our largest and most successful physical activity programs reaching football players in over 50 countries, including an additional **1M+** in **Eurasia and Africa.**

26M people have been reached through our **physical activity programs in Latin America.**

150k+ students were engaged in our **Mission Olympic** initiative in the **Netherlands** in 2011.

500k students have been reached since 2003 through the **Stop With It, Singapore!** program.

200k children in **Turkey** have benefited from new elementary school playgrounds built in partnership with the National Ministry of Education.

Market responsibly, including no advertising to children under 12 anywhere in the world

Our responsible marketing guidelines include a global industry policy to **not buy advertising** directly targeted at audiences that are **more than 35% children under 12.** This applies to TV, radio and print, and, where data is available, to the Internet and mobile phones.

Our **Global School Beverage Guidelines**, developed in 2010, guide our practices across the **200+ markets** in which we operate.

Find out more about our commitments at comingtogether.com

“Time and again, these low- and no-calorie sweeteners have shown to be safe, high-quality alternatives to sugar.”

Quality products you can always feel good about.



For over 127 years, people have been coming together over Coca-Cola products to refresh, to celebrate, and to enjoy a moment with something they love. One reason why is that people have always been able to trust the quality of our products and everything that goes into them.

That's something that will never change.

But changing with the times and people's tastes is something we've always done. Today, that means offering more great-tasting, low- and no-calorie choices. And while nearly everyone can agree that providing choices to help people manage the calories they take in is a good thing, we understand that some people have questions about the use of low- and no-calorie sweeteners.

Our use of high-quality, low- and no-calorie sweeteners, including aspartame, allows us to give people great-tasting options they can feel good about. Time and again, these low- and no-calorie sweeteners have shown to be safe, high-quality alternatives to sugar. In fact, the safety of aspartame is supported by more than 200 studies over the last 40 years.*

Today, we're proud to offer a wide range of Coca-Cola products that fit different people's lifestyles. Because we believe that when people come together with more choices that are right for them, good things happen.

For more information, including third-party studies on the benefits and safety of low- and no-calorie sweeteners, go to beverageinstitute.org



Coca-Cola

Media and Medical Responses

- As soon as “Coming Together” premiered, media and medical professionals expressed **skepticism**.
 - Many considered it **damage control** or an attempt to revitalize declining sales.
 - Considered **disingenuous**
 - Journalists cited studies that show soft drink consumption leads to obesity and other health issues.

“The beverage companies see the writing on the wall and will lobby, cajole, beg, plead, propagandize, lie, spend and do anything else they have to do to prevent that regulation, just as the tobacco industries did.”

– Mark Bittman, *New York Times*

Media and Medical Responses

How can Coca-Cola be part of the solution to the obesity epidemic?



Truth Be Told | The cause will never be the solution.

mt



“These [ads] are part of a concerted effort by Coca-Cola to bring people back to diet drinks.” – Rebecca Jarvis, ABC News

Advocacy by the CSPI

- **January 25, 2013:** Released “Coming Together” Translated” to attack the original “Coming Together” video
- Claim the campaign is an attempt to convince policy makers not to tax or limit soft drink consumption.
- Asserted artificial sweeteners have caused cancer in laboratory animals and claim that is enough reason for people not to consume them.



CSPI @CSPI

8 May

Coca-Cola is desperately trying to disassociate itself with [#obesity](#).
Too bad the core product causes it. ow.ly/kPHQs

Financial Impact

- KO stock price has fluctuated, suggesting uncertainty among shareholders.
- 2012 sales for all soft drinks were **down 3.4 percent**.
- Since Coming Together launched, Coca-Cola's **net revenue is down 2 percent** for 2013.
- 2013 North America sparkling beverage **sales are flat**.

“Soda is not doing great overall in the U.S., but the Coke brand is the leading soda brand, and so the company continues to push it forward.”

– Tom Mullarkey, Morningstar analyst

Page Principles Application

1) **Tell the truth.**

Coming Together releases information relevant to consumers' concerns about healthy living. To address concerns about the safety of diet sodas, Coca-Cola released a series of posts with information about natural and artificial sweeteners. Coca-Cola is also being **transparent about its nutrition information** through programs such as Calories Count.

However, company spokespeople who deny that soft drinks contribute to obesity are missing an opportunity to gain stakeholder trust and build better relationships. In a time when people still accuse public relations professionals of "spinning the truth," **Coca-Cola needs to face the truth and acknowledge scientific studies** that show regular consumption of its beverages can lead to obesity, while also communicating the key message that everyone, including Coca-Cola, must come together to find healthy solutions to America's obesity problem.

Page Principles Application

2) Prove it with action.

Coca-Cola embraces the Coming Together spirit by collaborating with the government and joining with competitors in making long-term commitments to support anti-obesity initiatives. The company uses its website to inform the public about these efforts.

The company also **offers consumers relevant information about obesity** and how they can fight it through infographics and informative posts on the company website and www.comingtogether.com.

Coca-Cola's recent efforts to pursue alternative sweeteners seem to contradict the company's statement that no evidence can connect its products to obesity. While this may contradict Coca-Cola's stance, it shows **the company is following its commitment to listening to consumers and being innovative in finding solutions.**

Page Principles Application

3) Listen to the customer.

Listening to customers led to the Coming Together campaign, through which Coca-Cola has communicated its commitments to fighting obesity and helping consumers live healthy lifestyles. Coca-Cola also listened to people's concern about artificial sweeteners by releasing announcements to reassure customers of the safety of aspartame and by pursuing natural sweeteners such as stevia.

Coca-Cola went a step farther by creating an email account for consumers to share their own ideas for living a balanced life, a good start to the two-way communication needed for public relations success.

While Coca-Cola is focused on increasing sales, its research and development for alternative sweeteners shows listening to the consumer is the best way to achieve that goal. **It is imperative that Coca-Cola finds a way to bring together loyal consumers and health-concerned parties to find solutions that support Coca-Cola's mission of inspiring happiness.**

Page Principles Application

4) **Manage for tomorrow.**

Coca-Cola is not just communicating its belief that its products can be part of a healthy lifestyle. **The company is putting efforts into research and development** for products with natural sweeteners.

However, by neglecting to agree that its beverages can lead to obesity, **the company is not responsibly managing for the future because it appears more focused on selling Coke and Diet Coke than it is on enhancing these products' nutritional value.** The company's four global commitments to creating healthier communities do not include efforts to change products, only efforts to market them smarter.

To prepare for the stream of media backlash that resulted from Coming Together, **Coca-Cola should have prepared a statement to express its genuine concern for improving beverage nutritional values**

Page Principles Application

5) **Conduct public relations as if the whole company depends on it.**

Coming Together has been criticized for its lack of genuineness. Instead of becoming defensive, Coca-Cola has increased its offensive measures by pushing out more information for how consumers can live healthy lifestyles, sponsoring more programs that promote activity, and encouraging consumers to share their stories about living balanced lives.

By continuing to put efforts into fighting obesity, **Coca-Cola shows consumers it has a genuine interest in people's wellbeing and will continue seeking solutions to this issue.** While Coca-Cola could engage more in discussion about the negative effects sugar and sugar substitutes can have if not consumed in moderation, its spokespeople have stuck to their key messages during interviews, demonstrating the public relations importance of consistent messages and team collaboration.

Page Principles Application

6) **Realize a company's true character is expressed by its people.**

People are Coca-Cola's top core value. The company strives to be a workplace that inspires its employees. When Coca-Cola Americas leaders state their commitment to fighting obesity and coming together with others who can make a difference, they demonstrate that Coca-Cola believes in working with others for the good of everyone. In interviews, employees frequently mention how they drink Coca-Cola products in moderation, setting an example for how consumers can fit Coca-Cola into their healthy lifestyles.

Although the occasional remarks of frustration at criticism come from Coca-Cola employees, **the leaders who continue to focus on "inspiring moments of happiness" demonstrate the Coca-Cola Company's true character and should be the most visible spokespeople.**

Page Principles Application

7) **Remain calm, patient and good-humored.**

Although Coming Together has been criticized for being focused on damage control more than on solving obesity, Coca-Cola continues to contribute to anti-obesity efforts and promote healthy lifestyles. **The company's anti-obesity advertisements stay true to Coca-Cola's focus on bringing happiness to consumers** with light-hearted music and photos of smiling consumers.

Company leadership has demonstrated a few pitfalls in staying positive in the midst of criticism. Spokesperson Susan Stribling demonstrated this in her remarks against the CSPI. Instead of expressing resentment over campaign backlash, **employees need to focus on the campaign's motto of coming together**, even if that means working with groups like the CSPI.

Discussion Questions

1. Why is it important for Coca-Cola to join anti-obesity efforts? What would be the consequence of doing nothing to fight obesity?
1. What is the public relations value of a company telling its own story on the company website and/or blog, rather than allowing the public to generate all of the conversation?
2. How can Coca-Cola utilize public relations to stand out from competitor PepsiCo as the two companies come together to support the same issue?
1. Is Coca-Cola's stance that its products do not contribute to obesity unethical? Does Coca-Cola mislead consumers by refusing to acknowledge the validity of studies suggesting soft drinks contribute to obesity?

Discussion Questions

5. Do you think Coming Together is just an attempt at “damage control,” or is it an ethically responsible measure a leading global company is taking to serve the public interest? Could it be both?
5. As a public relations professional, how would you recommend soft drink companies educate consumers about living healthy lifestyles while also encouraging them to purchase a company’s products?
5. As Coca-Cola moves forward, what strategies can the company implement to establish mutually beneficial relationships with journalists and turn Coming Together criticism into praise?

Coca-Cola's Challenge

As the public continues to fight obesity, **Coca-Cola must remain involved as part of the solution** and work to manage its reputation through public relations efforts. As Coca-Cola seeks solutions to the obesity problem, it faces the challenge of communicating the value of products many claim contribute to the very issue it is trying to solve.

Coca-Cola must be open and honest about the nutritional information of its products and strive to contribute to consumers' wellbeing, even if that means experimenting with changes to its traditional products. **Coca-Cola needs to continue to release relevant information to the public, but it should also embrace the public's idea that its products may contribute to obesity.** Coca-Cola should continue its efforts to be a socially responsible company and truly come together with stakeholders to find the best possible solutions to obesity.