

FIRST STEPS ON THE WAY TO THE WORLD SUCCESS

One day in 1894, Joe Biedenharn, a candy retailer in Vicksburg, Missisipy, had an idea. Every day people flocked to his candy store to escape the heat and down a glass of Coca-Cola, a drink that was then less than a decade old. So, Bierdenharm thought, why not supply Coca-Cola to residents in outlying areas? He already delivered stoppered bottles of soda water throughout the Vicksburg vicinity, all he had to do was add some Coca-Cola syrup to the carbonated water. Thus was born the first Coca-Cola bottler. Other cities have played up their role in the history of the world's most popular fizzy drink, notably Atlanta, where Coke was first concocted.

Leadership by all Means

The strategy of wholesalers is based on a complicated system of exclusivity bonuses and discounts which are designed less to boost sales of Coke than to «oust... Pepsi (the main rival) from the market». It singles out so-called partnership discounts «which are tied not to objective criteria such as increases in sales, but to cutting out Pepsi. In the most lucrative part of the market-fountains which pump out soft drinks in restaurants and hotels - rather than going for virgin territory. Coke targets the competition by offering discounts and bonuses to replace rival's equipment with its own.

The strategy has been spectacularly successful. *Today the Greatest Company Is Facing Serious Problems*

One of the bull market's outstanding companies is stumbling. Coca-Cola has had a tremendous time in past 15 years. But after three warnings about its performance in six months Coke seems to have run out of fizz- Most worrying of all, worldwide unit-case volumes of syrup that goes into Coke - the firm's proffered measure of underlying growth- fell by 1% in the first quarter of 1999 compared with a year earlier, the first such decline in years.

In addition to the ail economic problems the world's most famous consumer brand became embroiled in worst-ever health scare in June 1999, when around 100 people in Belgium, many of them children, and 88 people in France suffered nausea, headaches and diarrhoea, some of them seriously enough to be admitted to hospital. ***Plans for 21- st Century***

Different ways out of crisis. The most successful step of the Coca-Cola company was the alliance with McDonald's and Disney company. Coca-cola is the main and the only fizzy drink that sells McDonald's all over the world. And McDonald's is the only company that has restaurants in the Disney Park. The growth of Coca-cola is quite vivid.

The strategy proves effective.

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