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A Beverage Behemoth Awakens as Coke Adds Energy



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It's still the real thing. But Coca-Cola hasn't been shy about change over the decades. The company that launched in 1886 has gone through dozens of taglines to convey its brand, from "Drink Coca-Cola" to "Life Tastes Good," "Taste the Feeling" and many more. Now it's going beyond spin and slogans to stay relevant with today's customers, launching a new portfolio of products – possibly its biggest ever — led by energy drinks.

The company made headlines at the National Association of Convenience Stores Expo in Atlanta in October when it said it's debuting energy drinks in the United States next January. But that's only part of the story.

Coca-Cola's also launching a baker's dozen of other drinks and many more flavors, a major change for a company that until not long ago focused on classics and continuity. At a time when soda sales overall are flat (or declining), Coke's looking for growth in new areas.

The company, in addition to being a giant in the carbonated beverage category, lately has been trying to enter and dominate other non-alcoholic beverage categories, such as coffee and energy drinks. Coke's seeking to harness its brands, resources, distribution and marketing. It's focusing on growing and expanding into new sectors, which could lead to a bigger company and, if things work out, other, growing brands.



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The company, based in Atlanta where the show took place, doesn't only want to take over shelf space. It wants to eliminate the competition. The goal is to become a leader in each of the categories. The mission is to improve profitability for shareholders, grow market share, enter new markets, leverage brands and ride the tides of taste, while growing top and bottom line. Coke's second quarter revenues and margins rose— a double punch. At least for now, Coca-Cola is growing – even as soda is under fire.

The behemoth awakens? With a 60 percent market share in non-alcoholic beverages, it's about time that Coca-Cola jumped on board with the trends. There is, nevertheless, room for growth. Simply deciding to debut Coca-Cola Energy in the U.S. already took a bite out of Monster's stock. Expect the same with Monster's sales. Coke is also making waves from coffee to vitamin water to energy drinks to fruit juices, smoothies and on. It's going after nearly anything without alcohol, adding energy to the business – and not just as a drink.

Coca-Cola CEO James Quincey talks about a “strategy to transform as a total beverage company” in the non-alcoholic beverage space. He isn't kidding. The company already has more than 500 brands (from Minute Maid to Powerade and beyond) in more than 200 countries and territories. What's another dozen more? These are often in new categories.

When Coca-Cola paid \$5.1 billion to buy Costa Coffee, it was betting big. Coke launched Costa Coffee ready-to-drink chilled product in Great Britain. The company wants to own the morning, building on other big brands with Dunkin' Cold Brew Coffee. Expect Coca-Cola to try to stir up coffee sales with more debuts. You couldn't be a “total beverage” company without tea. Coke's expanding Peace Tea with three new flavors next March.

It's rolling out Coca-Cola Cherry Vanilla and Cherry Vanilla Zero after debuting Coke Orange Vanilla this year as the first new flavor added to the Coca-Cola brand in over a decade. The company this year also rolled out Sprite Lymonade. It's trying to cash in on the holidays with Coca-Cola Cinnamon and Sprite Winter Spiced Cranberry.

Coke even filed a number of patents in 2019 to expand its range, including a way to buy food and beverages from vending machines with cell phones. Add to that methods to produce potable water from otherwise undrinkable sources. A classic company is innovating.

It's always nice to be number one. When Coke puts its marketing and distribution muscle behind products, magic can happen. The behemoth has woken. Let's see where it goes now that it's awake.

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