CORPORATE PARTICIPANTS

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

OTHER PARTICIPANTS

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

MANAGEMENT DISCUSSION SECTION

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Okay. Welcome back, everyone. I am Charlie Higgs, one of the consumer staples analyst here at Redburn, in-charge of the soft drinks companies and the food companies. And I'm delighted to welcome along today James Quincey, Chairman and CEO of The Coca-Cola Company, for a discussion on how the transformation sets it up for faster, more resilient long-term growth.

Behind us, we've got many of the company's brands, some of or if not the strongest brands in consumer staples. It needs no introduction. They sell in over 200 countries with 200 bottlers. It's been delivering 8% organic sales growth over the past five highly disruptive years, with 2% coming from volumes. Last year alone, they added over 3,200 customers a day, so it's a growing system.

And I'm delighted to welcome James today to talk about some of the transformations that driven that marketing, brand, et cetera.
QUESTION AND ANSWER SECTION

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

But maybe the one to start with is on the consumer side of things. And perhaps you could just give us your sense of the consumer today, the health of consumer. But then also how your consumer segmentation tools have evolved over the last five years. We heard a lot more about weekly plus consumers, for example, to help you deliver resilient growth under all operating environments.

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Sure. There was sort of two questions sort of bundled up together. So I'm bound to get one of them. Let me start with the state of the consumer and then we'll come on to how segmentation and how capability is enabling segmentation. I mean, firstly, this side of the consumer, we talked about it on the first quarter earnings call. It truly is a moment of the cup half full or the cup half empty depending on what you want to – which bit of the world you want to look at. In aggregate, there's still a very robust global economy out there and robust consumer spending in total. Certainly, as you saw, we were continuing to deliver volume growth and a normalizing level of price mix.

So there's some pretty strong consumer spend out there. Now, obviously, some of that is under pressure in some pockets. So if you're in the lower end of the income spectrum in the US, you're under pressure from inflation. You can take one of those inflation baskets which looks at the inflation by the basket you buy depending on which income decile you're in. And it's pretty high if you're at the bottom end in the US. And you can see that pressure coming through – saw that pressure coming through in QSR restaurants in a number of areas where footfall or basket size was under pressure and, of course, consequent behaviors like looking for affordability. So I think that's very – we talked about it in the first quarter on the US and I think there are lot of people who have come out and kind of highlighted it, that as one area.

To some extent, that is also true in Europe. There's not as much dispersion of the income spectrum in Europe, but I think there's some of that in Europe and there are variance across the different countries. But Europe is pretty good with again people under pressure [indiscernible] (00:03:28). But then if you want to see the glass half full around the world, you've got places like Latin America where the consumer is in great shape, very strong growth; India, the same; parts of Southeast Asia. So for every kind of slightly off the median story you want to look at, there's one the other side as well. And I think the reality is it's likely to always be that way. If everyone was doing well everywhere, the only thing that could happen is you could go down. So I think we're in a pretty good place in terms of the overall consumer. I'm sure that will continue to change and evolve over the coming quarters and years, but robust consumer globally.

And I think the segmentation journey, there's always been the kind of the Holy Grail thought of the marketing to one being able to market and talk to for each person individually. And if you went back 20 years or so, maybe even only 10, there just wasn't the information and the mechanisms to do that. And so you could fantasize about ever increasing degrees of segmentation and perhaps even sometimes generate the analysis to do it, but the ability to actually market and execute against it was much more limited. But I think what we've seen over the last 10 years or so is really the coming into being of not just the ability to analyze and identify consumer segments, but to actually be able to act on that information and insight, whether it be in the marketing, the product design and reaching them where they want it to be reached. So I think it's really the realization of a much more tangibly segmented opportunity to market and sell to people. And that wasn't physically possible perhaps in the past, and
now is much more so. And there are lots of examples across each bit of the spectrum as to how that actually happens.

Charlie Higgs  
**Analyst, Redburn (Europe) Ltd.**

Perfect. And earlier this year at CAGNY, you also introduced this concept, I think, of the consumer need states, things like refresh, enhance, delight, connect, et cetera. And you've long spoken about having consumer-centric portfolio and wanting to take bigger bets around that. Can you maybe just flesh out this consumer need state? Are there some of it faster long-term growth than others? And do you have any gaps do you think?

James Quincey  
**Chairman & Chief Executive Officer, The Coca-Cola Co.**

Do we have any gaps? I mean, of course, we have gaps because we're not number one in every category in every country and not every category exists in every country. So there is – ultimately, if you want to be total beverage, there is a journey to go on in establishing those positions. But the segmentation in that sense is really looking at the big need states, because notwithstanding the comments about being able to segment consumers, you still when you're The Coca-Cola Company need to look for scale. And whilst you might be able to identify lots of segments, it needs to ladder up to something big in terms of delivering against a brand or a category. So it's not that those need states, refuel, et cetera, et cetera, are that we're absent in one and we're all concentrated in the other. We're distributed across them, we're very focused on understanding them and then breaking them down into how different consumers are acting and responding within the segments, ultimately, though, to drive scale brands. We're not going to be in the business of zillions of small things. We're going to be in the business of putting together consumer segments that add up to something big under brand heading.

Charlie Higgs  
**Analyst, Redburn (Europe) Ltd.**

Great. And then obviously, it's been a very turbulent five years, a lot has happened. I wondered if you had any changes in thought in any of your categories on the long-term growth prospects. For example, coffee, I think, is now a bit more around selective prioritization, whereas in sparkling, it's been under just a renaissance in arguably mature markets like the US and Mexico.

James Quincey  
**Chairman & Chief Executive Officer, The Coca-Cola Co.**

Yeah, there I would distinguish in the way you put the question between what's the category attractiveness and what do we need to do next. I think the long-term category attractiveness, actually the beverage industry in total and each of the main categories or each of the main consumers, so it's there. And actually one of the things I always – I'm sure it was in the CAGNY that we always put out there is actually the beverage industry has a vast runway of growth ahead of it. If you look at and you can go and look at the slide in the CAGNY deck, the developed world and the developing world, 20% of the people live in the developed world. Roughly speaking, they pay money for 7 or 8 out of 10 drinks they buy and we have a relatively small share of that. But in the developing world, they only spend 2 out of every 10 drinks that they actually spend money on. And we have a single-digit share of that in commercial beverages.

And so what that tells you is actually the predominant feature of the beverage industry is yet to be created. The beverage industry [indiscernible] (00:08:50) is yet to be created and it will be created largely in the developing economies. And so there's actually a huge runway ahead. And so, I see, the industry itself is profoundly attractive going forward. And actually, the categories within it all having robust growth potential, some slightly more than
other. I know that we've changed the numbers a little bit in the last 7 years, but fractions of the margin, like plus 1% here (00:09:17) 6% instead of 5% or 4% (00:09:19) the categories all have their attractiveness. And then within that, the things like, say, okay, coffee (00:09:26) I mean really this is a new category from our point of view. The industry has, has been growing rapidly and is profitable even though it's relatively fragmented. We have to learn to walk before we can run. And so by the selective prioritization to suddenly run around and try and do coffee everywhere without knowing what we're doing. Now similarly, (00:09:49) fairlife. We need to get it right in certain places before we start trying to expand into lots of other places. And that's really what the selected prioritization in that case is about. It's not a comment on the industry attractiveness. It's a comment on what do we need to do next so that we can think about where are we going.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

It's a good segue because I love fairlife and (00:10:13) cows. But how do you think about scaling brands across this incredibly powerful Coke bottling network you have to drive faster, long-term growth while also being mindful of not perhaps destabilizing or reducing the resiliency of their supply chain?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah, I mean, scaling brands is – the first starting point is just because it works in country A is not a reason that it will work in country B. There may be many of the same consumer needs, retail needs, et cetera, et cetera, but you have to say, why is it going to work in this country. So yes, we want to scale brands. We would rather have more global brands than be a stable of lots of – 200 countries worth of local brands. That's just the business we're in. And so, we do look to expand. Clearly, step one is working out whether the brand actually has a unique reason to exist in the next country and a reason to win and is not just because it's from The Coca-Cola Company. That's not going to cut it.

As it relates to categories like fairlife, there the supply chain is a factor. There are a number of categories where supply chain is important. Perhaps most locally is the fairlife. And so what exists in the US as features of the dairy market there is not the same in Europe. US farms tend to be much larger. The ability to process milk is – I mean, the scale of some of these factories is that huge. When we're building one in New York State at the moment, I think it's $650 million, one factory. I think it's – is it number 4 or number 5? I can't remember. But these are mega facilities. And so they're not going to just plonked down anywhere in the world. And so there is a question of whether the supply chain is there to bring some of these products at the scale they need to be in order to make the economics work.

Interesting. And then maybe onto investing in the business. You've long said investment behind the top line is a key priority. How do you think about investing in kind of that core, very strong brand portfolio whilst also taking strategic bets in kind of up and coming categories, a bit like the alcoholic ready to drink? And then on the flip side, kind of what is the decision making that you and the bottlers make when you say now is the time to stop investment a bit like bulk water in China late last year?
The stopping doing things tends to be the easier one to identify because it's largely going badly. That's kind of easier despite well, no, we're not growing and we're losing money and we have no share but why are we doing this. And so in the middle of COVID, we actually reduced the number of brands by half and not — even that was quite painful. But in the end, it's like if it's small, it's not growing, it's got no share and it's irrelevant in the category, if doesn't make any money, let's get rid of it. And so those, as I said, in a way are the easier decisions if you can't find a path to growth and profitability.

Deciding where to invest next, the system, the beverage industry and the nature of it, it's kind of an optimistic industry. Like, we're in the business of selling some optimism, some joy, some happiness. It's a positively orientated industry and a set of categories. And one of the features of that is people see lots of opportunities. So generally speaking, we see more opportunities than we have — it's like going to the buffet. It's like the buffet is big, like, how do I not pile it all on the plate. Well, it doesn't all fit on the plate. And so, of course, there has to be some degree of process of saying, okay, where are we going to prioritize. Like, what do we need to do to fix the basics on category X in country Y? So we actually have a relatively robust process of looking across all the countries and all the categories and saying, okay, where does the money need to go, what are the priorities for the next step of the journey in terms of building out the portfolio around the world. And that's the harder part because people are going to see more opportunities than there is money or time or human capability to actually execute on.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Fascinating. And you mentioned the brand trim back in 2020 where you cut down in half to 100. I want to just move on to innovation and again around this slimmer portfolio. How do you maintain that experimental mindset whilst also being mindful of not leading up to a long tail that you used to have?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah. I mean, the — our biggest [indiscernible] (00:15:04), maybe not our biggest problem, but certainly one of the problems we had is we were not sufficiently disciplined in terms of curating the things that weren't working, the long tail. So not only was the comment about getting rid of the half the brands, but we have a lot of SKUs because each brand can have multiple SKUs or variants, flavor or package. And so being ruthless about curating the portfolio is one of the hardest parts of innovation. Actually, in a way, it's easier to come up with an idea and come up with an idea on our way to market, product in terms of its ingredients, its flavors, the brand idea, whatever it is, you can come up with ideas and there are a lot of ideas out there. Clearly, the more powerful ones tend to put together multiple elements of innovation at the same time, but the chances of it working perfectly the first time are low. Very few product innovations or even new companies got it right with the first idea they have. They tend to have evolved in some way, shape or form and honed in on the best rounded out solution.

And so the challenge becomes in curation, distinguishing between those that are not doing well, but have the seeds of future growth and success and those that are just not doing well. Clearly, you have the ones that are failing and that — therein is the hardest judgment we look at studies of the beverage industry. And you go back and there was one done on the US which had looked at all launches over some long period of time. There were like 10,000 of them. And you could cluster them into the best 10% all the way down to the worst 10% and show what their sales performance was over 10 years. And of course, by 10 years, the best were like in the billion-dollar brands and the worst were out of the market.

What's interesting about that analysis is the difference in the sales line between the top 10% and the bottom 10% was almost nothing in the first three years. And it was still pretty small in the 4 to 5. And so this need for patients and we're really trying to distinguish between which ones are gaining loyal and evangelical consumer base
[indiscernible] (00:17:39) bases of consumers and which ones are just struggling along is actually one of the hardest parts of the innovation in the beverage – managing innovation in the beverage industry.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Fascinating. And then as a system, you sell a pretty staggering 2.2 billion servings a day. On my math, it's about 800 billion a year. So 800 billion data points going on around the system. A few years ago, you also moved it to more networked organization with platform services. So I'd just be interested on your perspectives on just the sharing of data in the system to try and enhance your revenue growth management tools and how that's benefiting the resiliency of your – the top line growth.

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah. Yes, we sell a lot of products, I mean 2.2 billion, 8 ounce servings every day. It's a lot of physical product, just as a matter of reference that comes out of about 1,000 factories for the Coke system globally. So there's – it's a huge physical system. We're serving, I don't know what the number is like, 30 million retailers every week. There's a huge amount of data points. And of course, as everyone's into data these days, there's an opportunity to drown in it. What we have to focus on is not just getting the data and linking it together, but doing something with it. And so as it relates to RGM, so the idea of really having the best strategy on what's the price per brand, per pack, by channel for the occasion that's being marketed to, clearly having that data, we've got vast amounts of internal data. But the optimization of that revenue growth management strategy [indiscernible] (00:19:30) is not just about our own internal data, it's also about linking it to external data about what's happening. And that then can be brought together in – effectively with AI, which is a wildly overused term, which I was trying to avoid saying. But let's just say, put the AI word out there, bring it all together and do something that is actually very powerful.

If you went back 10 years and you were in an emerging market and you were a mom-and-pop retailer of which we serve tens of millions each week, in order to order your beverages, you had to wait for the Coke salesperson to turn up, and then you would have a chat with them and they would enter it, in the old days on the paper and then into on to a handheld device of some type.

What you can do when you bring together your data, the external data, particularly the forward-looking stuff and AI is you can do two things. You can both give the retailer a predictive order [ph] form, you can do all sorts of things and you (00:20:35) can come in and use a camera to scan the store and tell the owner what they need to order. But essentially it's all variance on the same idea, which is you can provide them with a predictive order on what they should get, which firstly is more right than human like intuition, and secondly allows the salesperson when they are in the store to do account development activities. So it's a win-win and it doesn't replace the salesperson.

That's not the strategy we're pursuing. We're pursuing the two together strategy. And where we've implemented that, we've demonstrated we get a sales uplift. And the second benefit is the retailer can now just connect to the Coke bottling platform and so they forget to order something or whatever. So and so from down the street says, I'm having a birthday party. Can you order the extra whatevers? They can just go on to the platform and add to the next delivery. So the data linked with the platforms on IT have vastly increased the potential to interact with the retailers in RGM and also to optimize what they're buying and the inventory they hold, not just for us, but for them.
Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Yeah, from memory, the bottle is B2B platforms grew 20x from 2019 to 2022. It's just phenomenal, but maybe moving to the topic of the bottling system, and it does feel as an outsider that everyone now is much more aligned behind the idea of growth and top line growth and it feels very aligned. You've obviously been in the system a lot longer, I think in 1996 or so.

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

So could you perhaps maybe just characterize how the relationship with the bottlers has evolved and how – what your assessment is of it today?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah. Yeah, I joined a long time ago, 1996. Look, the relationship with the bottlers is – and then you can I ask Damian because he's on next, in CCEP, he wanted to make sure you save some questions for him. Look the relationship with the bottlers is in the end, we both have the same objective. We want to have a growing, profitable, successful business centered on the brands with the Coca-Cola Company – I mean not like it's the Coca-Cola bottling system.

So when it has gone off track, in the end, it was largely in my mind, a lack of the company doing its job because it's – it exists to help create the framework and the strategy that then makes it attractive for the bottling partners to invest capital, to pursue growth and profitability. And I was lucky to join the Coke system in the part of the world, which was actually very effective at the time, which was the Latin American part of the operation. And so in a way, what you have seen over the last 20, 30 years is each part of the world getting more and more centered on, we're both in it for growth and moving out all the things that get in the way of us succeeding together. And I think that's what we have to do. I hope we don't reach the day when we had nothing left to argue about because actually the power of the franchise system is being able to leverage the different points of view and create something and create something better.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

And then within the company specifically, there's been a big marketing transformation led by Manolo over the past few years. You've shifted to this new StudioX and network system. I think about two thirds of your spend now is on digital. Can you maybe just outline what have been some of the key benefits of moving to this new StudioX system? And then just in the one third that is still traditional advertising your view there on how you improve the return on spend?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Well, let's start at the back end. And return on spend is a function of two things. One what are the consumers paying attention to, so you – there's no point advertising on digital if they don't have the phones or vice-versa. And
so one is what our people actually consuming; and two what is the price we're being offered by the media owner or the vehicle of the thing relative to how much airtime we get. And so there is an interplay between [ph] this is not (00:25:14) spend on digital because it's more effective at any price. No, there's a price at which – there is a market clearing price between the different media platforms, in the end, some are much more effective for certain things. Check. But the price is also there.

So we're very focused on what do we want our marketing programs to achieve and diligently making sure we get the right return on investment for whichever platform it goes. And so it's about the effectiveness of the platform, but also what are they charging us and working all those two things [indiscernible] (00:25:51). I mean the marketing transformation in a sense – we, the social media and the digital, because the digital consumption by everyone with their phones was a transformation we were late to and we were late to for some – in a way logical reasons, but we were light and really StudioX has been about catching up and getting back on the forefront because we think in the long trajectory of history, this is just the latest transformation in what people consume.

I mean if you look at when we started doing marketing, we were one of the first companies to do coupons in newspapers, and take this to the soda fountain store and get one free. Then there were outdoor advertising, then it was radio, then it was TV. Each of these waves we were right at the front of. And if you look at the emergence of the internet and social media and digital advertising up until about let's – 2015, maybe a couple of years later, but in those 15, 20 years up to 2015, the 100% mix of media, television and radio and outdoor did not change. There was as much television, radio and outdoor in 2015 as there was in 2000 say.

What a change was, it went from whatever it was, 20% newspapers to zero more or less, and you had 20% in search because the specificity of – I've got a car to sell in Minnesota and I'm advertising in the local paper, and then I can put it on a platform like Google and sell it [ph] through Google (00:27:33). It was a very specific need, but when you – when the TV was still effective, it was not a world we had participated in a lot because we didn't need to sell cars in Minnesota. We were selling Cokes 2.2 billion a day like I only to go one by one. And that made us late to the social media revolution.

And so the transformation has been about catching up and getting on to the front foot, which we've done with some of the – how could I – the whole transformation [ph] is goes there (00:28:01) and it was a painful journey in part because we were optimized for the strategy we were pursuing, we were going to buy media. So we had thousands of agency, but there's a marketing process which looks like this. And so they – someone in procurement broke it down into all the pieces and they bid out each piece, which made it, yeah, it made it cost effective, but fiendishly complicated and very hard to change. So that had to be broken down and taken away on a completely new process put in which has now been much more effective.

Charlie Higgs

 Yeah, I think proof in the pudding for me was Sprite in the US, the number one brand with Gen Z millennials. I mean...

James Quincey

 Chairman & Chief Executive Officer, The Coca-Cola Co.

 Yeah, ahead of all competitive brands.

Charlie Higgs

 Analyst, Redburn (Europe) Ltd.
Yeah. And I wanted to talk about refranchising and you've stated publicly your ambition to be the world's smallest bottler. I think after selling the Philippines to CCEP, the bottling assets, about 12% of your sales. So could you maybe just talk us through what are the characteristics you look for in a partner when deciding whether or not to refranchise in the bottling territory?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah, bottling partner, we're after people who want to be long-term investors in the Coca-Cola business. We want people who have and generally we're talking about I mean I'm talking ownership now because then you get into management kind of the – long-term investors in the Coca-Cola system, they all understand the nature of a franchise system and all of pros and cons in the way it works differently to vertically integrated company, that they bring something to the table in terms of the locality that they're going to be over. One of the great strengths of the Coke system is, yes, we're global with all of these great global brands, but we're also profoundly local. And in many parts of the world, that's still very important and so really having a connectivity to the local environment, the consumer, the retailers, the stakeholders is very important for us.

And then they bring the capabilities and the willingness to invest in the right talent for management. And once you get those things, you can put together a great bottling system. And so, yes, we've been focused on becoming the world's smallest bottler. We're getting close, even though it's 12% of our revenue. Really, at the end of the day, if you look at the global bottling system in terms of volume, we still own about 3% of it, which given that we will – at almost 40% is a substantial shift.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Yeah. I want to talk about the talent in the business where you've obviously got a very strong bench. And I think one of the great hallmarks is just being how willing you are to show your leadership team around the world. How do you and the Board of Directors think about developing kind of the next level of leadership that are going to propel the company forwards for the next 138 years?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Yeah, absolutely. I mean, whether it's the board or me or the executive leadership team, I mean the focus on talent, the one thing we spend most time on at the executive leadership team is on what we call the PDF or the People Development Forum and also with the board, we have a tremendous focus on the talent pipeline in its aggregates. The talent pipeline by individual when you're looking at the top 50 or 100 people and who can ultimately make it to the top table. And the board has always been very focused on this question.

It hasn't always gone smoothly for us. And so I think they're very clear on what they need to do to make sure we continue to focus on driving talent and development, driving the culture of the enterprise, and stewarding that from the board level. And then the executive leadership team has to make it happen. And I think, partly as you said, we give more people the opportunity, for example, to meet with investors and analysts. But that's all part of developing the next cadre of leaders. So we're very intentional, we're very focused, obviously, we're very global company so we look to move people around, but it's absolutely top of mind.
Perhaps just as an addendum to that, I mean what kind of culture do you think you've been driving specifically within the company that's perhaps different to your competitors?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

I don't – I don't, I mean I don't want to – can't really go and say, well, competitors on this or that. But the one thing I've been very focused on is when we started this transformation, said we needed to get back to growth because we had spent a decade at 3% revenue growth and $2 EPS. And now we've more than doubled the revenue growth rate and we're almost on our way to $3 EPS. When you have a large – the more successful you are and we've been around for 138 years, the more successful you are and the longer you've been around, the more – the large you get and therefore, gravity takes hold.

And what appears in the center of the organization is a black hole. And so, it sucks everyone in. And so the bigger in the more and more successful you are, the more the culture turns internally because it just becomes very big and it takes a huge effort that actually coordinate internally. And that's true, in my mind it's true of companies, governments, institutions, all sorts of things, which is why a lot of people try and have the idea of the portfolio of smaller companies. So that is something that's going to happen by its nature.

But it's not that we wanted to get rid of all that culture. We need to recognize [ph] that as a fact (00:34:01), recognize the deep pride that people have in working for the Coke company. So we're not – we don't need to change and constantly try and push to correct everything. We need to focus on supporting one aspect, which is, what I know – which has been used by a number of companies to decide the growth mindset and to really say, like, talking to ourselves is not going to be successful. We need to focus on a [ph] growth mindset (00:34:27) and it's very simple.

We need to be curious like if – there's a famous speech written by Robert Woodruff, who is kind of the eponymous not quite the inventor, but the creator of the Coca-Cola Company and as we understand it today, who wrote a speech on the 50th anniversary of Coke in 1936, and the headline of the speech was, The World Belongs to the Discontented, which is so profoundly true of Coke. Like, if you win and everything is great, then got to be discontented and look for the opportunities going ahead. But that's all driven by a degree of curiosity. Curiosity about the consumer outside or curiosity about the retailer or just curiosity about whether all the reports you're producing internally, anyone is reading or not what are you curious about.

The second one is to have some degree of empowerment or proactivity. Curiosity is great. Okay, now I see this thing, but if I do nothing with it and tell no one about it, who cares? It's kind of intellectually interesting so there has to be some degree of proactivity to go and do something with it. The third one was, don't automatically assume that you're the first person who's ever had this idea in the history of the world. The chances are someone has thought of it before and done something like it. At least try and find out what they did and what mistakes they made before you make the – all the same ones, at least make some new mistakes. So try and have a degree of inclusivity of like looking around the enterprise to see what's happening.

And the last one is, which is very much about the transition from a TV ad centric world to a social media centric world is don't wait to perfect it. If you make five TV ads a year, if you take an extra week making it better, just like when you make a movie, nothing really goes wrong. You can make it perfect. But in social media, the train has already left – I mean, it's like everything has moved on. You need to be able to iterate much faster. So we just said growth mindset, those four characteristics just push on those and if we can keep pushing on those, then we will avoid the kind of – we can just stay slightly ahead of the gravitational effect of the black hole.
Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Excellent. And then the last one from me is, just looking back on your time as CEO since 2017, what have been some of your proudest achievements throughout the organization? And then going forwards, what are some of the biggest opportunities that investors should take away from for the Coca-Cola Company?

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Well, I think the accomplishment, I think is simply put, that we've got back on a growth track. As I commented, we went from 3% revenue growth to growing more than double that on the profit. But it's the revitalization of the Coke system. It's not just about the company, it's about the bottlers. You look at the performance of the bottlers over the last seven, eight years, it's all there to see that we have put ourselves back on a growth trajectory as the company collectively is the Coke system.

But I go back to the speech from Robert Woodruff from 1936, the biggest danger in being successful is you get comfortable. And so the most important thing is to start thinking what are the opportunities that to be discontented, not in a miserable and kind of annoying way, but in an optimistic way about what's ahead of us. I made the comment earlier about the beverage industry is actually yet to be created. If you think about all the consumption, whatever it is, eight drinks a day from the nine billion people, the vast majority of those are not commercial beverages yet. The opportunity is huge ahead of us and we need to be discontented with today enough so that we create an even better tomorrow. And so that's what I think it's all about, is getting us in that mindset to keep driving, keep driving it forward.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Perfect. James, thank you very much for that.

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Thank you.

Charlie Higgs
Analyst, Redburn (Europe) Ltd.

Yeah.

James Quincey
Chairman & Chief Executive Officer, The Coca-Cola Co.

Thank you.