

## Coca-Cola's biggest mistake

**Level:** Intermediate upwards

**Timing:** 90 minutes plus

**Material needed:** One copy of the student worksheets and Vocabulary record per student

**Group size:** Any

### Overview

This lesson plan for both pre-experience and in-work business students is based around an article first published in *Business Spotlight* Issue 3/2013. The article is about Coca-Cola and a far-reaching marketing decision the company made in the 1980s. It compares advertising and market strategies of Coca-Cola and its nearest rival Pepsi, and looks at Coca-Cola's rise and fall in the soft drinks market share.

The tasks in the worksheets encourage the students to learn and use new business vocabulary and functional language, and also to practise useful business skills such as researching and note-taking.

The teacher's notes provide suggestions for teaching and learning strategies as well as ideas on how to present the tasks in the classroom, any necessary answer keys and extension tasks (for in class or as homework).

### Lead-in

These questions are meant to introduce the topic of soft drinks in general, and Coca-Cola and Pepsi in particular. After asking the students which drink they prefer, ask them to write down the first three things that pop into their heads when they hear the name *Coca-Cola*. They can then either compare their list with that of other students or you can collect their ideas on the board.

### Key words and expressions

Ask students to match the key words from the article with their definitions, then look for those key words in the article to read them in context. In doing this, they will get an idea of what the article is about.

**Key a:**

1. board; 2. launched; 3. baby boomers; 4. nostalgic; 5. market share; 6. consumers; 7. diet soda; 8. sacred cows; 9. formula; 10. backlash; 11. ironically; 12. soared

**Key b:**

kosher – from Yiddish and Hebrew – meaning approved or allowed by Jewish laws concerning food

faux pas – from French – used to describe something embarrassing that you say or do in a social situation

### Teaching and learning strategy: dealing with non-English words in English

It is generally quite challenging for students to identify non-English words or phrases that appear in a text. You may do this by simply stumbling over them and realizing that they 'don't sound English' or that their pronunciation and spelling patterns aren't easy to work out (sometimes not even for native speakers!).

If you come across words or expressions like this, look them up, find out which language they come from and how to pronounce them correctly (by reading the phonetic transcription and clicking on the audio link if there is one). If possible, try to find out whether they are now commonly used in English or whether they were only included in the text at the whim of the writer.

Sometimes non-English words are written in italics which makes them easier to spot but those that have been commonly used in English for many years are no longer written in italics. *Faux pas* has, according to dictionaries, been in common use in English for 300 years and is therefore no longer italicized when used in context. Therefore, we can conclude that it is a phrase worth learning. Even so, learners of English will probably prefer to have some English-sounding alternatives, so try to find some synonyms. For *faux pas*, synonyms include: *blunder*, *social indiscretion*, *gaffe* (which also has French origins), *impropriety* and *slip*.

### Find the information

Ask students to read the questions and look for the answers in the article.

**Key:**

1. He wanted it to become the most popular drink on Earth.
2. Coca-Cola's advertisements were nostalgic, while Pepsi's wanted to show that its product was young and world-changing.
3. that consumers preferred the sweeter Pepsi to Coca-Cola
4. Coca-Cola changed its formula and made a sweeter drink.
5. Coca-Cola received 400,000 angry letters and calls. / There was a written attack in the Chicago Tribune. / Cuban radio

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station, Radio Havana, mocked the decision as a symptom of decay in the US. / Protest groups demanded a return to the old formula. / Consumers stocked up on the 'old' Coke. / Shops imported the 'old' Coke from countries where it was still on sale. 6. After the Second World War, Coca-Cola had a 60% market share. This fell to less than 24% by 1983. After the reintroduction of the 'old' Coke, the company's sales rose again dramatically.

### Expressions

Tell students to first put the words in the right order to make expressions that are used in the article. Then, ask them if they remember what the expressions were used to talk about. As an extra task you could ask them to choose the expressions they think are the most useful. They should make example sentences of their own with their chosen expressions.

#### Key:

1. a symptom of decay – Radio Havana in Cuba called New Coke a symptom of decay in the US.; 2. call for a return to something – Protest groups called for a return to the old formula.; 3. take advantage of a situation – Pepsi took advantage of the backlash by producing advertisements that mocked New Coke.; 4. stock up on something – Consumers stocked up on 'old' Coke.; 5. make front-page news – Coca-Cola's announcement that it was bringing back 'old' Coke made front-page news.

### Discussion

These questions give students the chance to think about what they have read and talked about so far and give their own opinions. With lower level groups, you could allow five minutes for them to think about how they might answer and to make preparation notes.

### Research task

Get the students to search the internet for Coca-Cola advertisements and choose four or five from different decades. Then, in small groups or as a whole class, ask them to compare them using the three bullet points as a guide. Finally, they should say which one appeals to them most and why.

**Extension:** Students should analyze Pepsi advertisements in the same way, then compare the rivals' advertising styles.

### Writing and research task: Marketing flops

Ask students to carry out some internet research to find other examples of bad marketing decisions or brand extension failures. There are many to be found, so you might want to set a time limit if you are doing the task in class rather than as homework.

Using the four section headings, students should make notes in the template provided about one of the flops / bad marketing decisions that they have found.

After they have made their notes, students could use them to either write a case study in the style of the article or as an aid to talk informally as a discussion or formally as a mini-presentation.

### Vocabulary record

Here, students should be encouraged to record all the new and useful vocabulary they have learned during the lesson, not only in the form presented in the article but also in related forms.

### Related topics on onestopenglish

For follow-up lessons on the same or related topics go to the following lesson plans in the Business section on onestopenglish:

Business Spotlight: Henry Ford's \$5 pay offer  
<http://www.onestopenglish.com/business/business-spotlight/business-spotlight-henry-fords-5-pay-offer/552690.article>

Business tasks: Decisions  
<http://www.onestopenglish.com/business/business-tasks/decisions/>

You may also find topical and relevant *Guardian* news lessons here on onestopenglish:  
<http://www.onestopenglish.com/skills/news-lessons/>

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### 1 Lead-in

Answer the questions below.

- Do you drink Coca-Cola or Pepsi? If so, which do you prefer?
- What are the first three things you think of, or picture, when you hear the name *Coca-Cola*?

### 2 Key words and expressions

a. Write the key words and expressions from the article next to their definitions. Then, find them in the article to read them in context.

baby boomers	backlash	board	consumers
diet soda	formula	ironically	launched
market share	nostalgic	sacred cows	soared

1. the most important people in a company, who make decisions about the way that the company is managed \_\_\_\_\_
2. brought on to the market; when a product was first sold \_\_\_\_\_
3. people who were born soon after the Second World War \_\_\_\_\_
4. making someone remember happy times in the past \_\_\_\_\_
5. the percentage of the total amount of sales of a particular product that a company has \_\_\_\_\_
6. people who buy goods \_\_\_\_\_
7. a low-calorie sweet fizzy drink (American English) \_\_\_\_\_
8. things that many people think are too important to change, question or criticize \_\_\_\_\_
9. a list of the exact amounts of the ingredients that are used for making something \_\_\_\_\_
10. a strong, negative and often angry reaction to something that has happened or has changed \_\_\_\_\_
11. used for saying that a situation has developed in an unexpected and sometimes humorous way \_\_\_\_\_
12. quickly increased to a higher level \_\_\_\_\_

b. Find two non-English words or expressions in the article. Which languages do they come from and what do they mean?

word	meaning
_____	_____
_____	_____
_____	_____

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by Vicki Sussens

Years ago, in competition with their rivals, Coca-Cola decided to change its formula – a bad decision that had far-reaching consequences. However, there was a way out, Vicki Sussens reports.



#### The background

Robert W. Woodruff, The Coca-Cola Company's president from 1923 to 1954 and its unofficial leader until he retired from the board in 1984, wanted Coke to become the most popular drink on Earth. He succeeded. As it spread around the world, it became a symbol of American culture. Pepsi-Cola, which had been launched as "Brad's Drink" in 1893, just seven years after Coke, struggled to compete. Then, in 1963, Pepsi cleverly repositioned itself. The 1960s saw baby boomers increasingly questioning their parents' values, and Pepsi targeted them with the slogan 'Come Alive! You're in the Pepsi generation'. Where Coke advertisements were nostalgic, PepsiCo promoted the Pepsi drinker as young and changing the world. From 1970, it began to take market share from Coke.

#### The problem

In 1975, PepsiCo began a new battle in the cola wars that Coca-Cola could not win. Consumers were asked in the 'Pepsi Challenge' campaign to compare the taste of the two colas. They preferred the sweeter Pepsi. In the 1980s, the market for Coke worsened. Weight-conscious baby boomers turned to diet sodas,

and the biggest market for sugary cola, young drinkers, preferred Pepsi. By 1983, Coke's market share had dropped from 60% just after the Second World War to less than 24%.

#### The solution

Coca-Cola decided to make a sweeter Coke. Roberto Goizueta, who became chief executive in 1981, famously said that there would be no "sacred cows" in how the company did business, including Coke's formula. In 99 years, the formula had been changed only slightly, to make it kosher. And it is so secret that the only written version remains locked away. Goizueta quietly formed a group to create a new formula, which was tested on 200,000 consumers. While the majority preferred the new taste to both old Coke and Pepsi, a small group said they would stop drinking Coke if it changed its taste. Marked 'NEW', the cola was launched on 23 April 1985.

#### What happened next

The result was a massive consumer backlash. Coke's headquarters in Atlanta received 400,000 angry calls and letters, including one given personally to Goizueta, addressed to 'Chief Dodo, The Coca-Cola Company'. A *Chicago Tribune* writer attacked Coke for changing the formula. And Cuba's Radio Havana said the death of the 'Real Thing' was a symptom of decay in the US. In the meantime, protest groups called for a return to the old formula. PepsiCo took advantage of the situation, producing advertisements mocking New Coke. But Coke fans didn't switch to Pepsi. They stocked up on old Coke, and shops began to import it from countries where it was still available. Three months after New Coke was launched, Coca-Cola announced the return of old Coke. This made front-page news, and 31,600 consumers phoned Coke's hotline to say thank you. New Coke remained in a few markets until 2002 but it was hardly promoted. Ironically, the marketing faux pas gave Coke back its original advantage over Pepsi – its symbolic status – and Coke sales soared.

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### 3 Find the information

Scan the article and answer the questions below.

1. What was Robert W. Woodruff's vision for Coca-Cola?
2. What was the main difference between Coca-Cola's and Pepsi's advertising styles?
3. What did the 'Pepsi Challenge' campaign reveal?
4. What was Coca-Cola's response to the Pepsi Challenge?
5. How did people respond to the new Coca-Cola? (name six ways)
6. What does the article tell us about Coca-Cola's sales and market share from after the Second World War until today?

### 4 Expressions

Put these words in the correct order to make expressions from the article (you will need to add a hyphen in one case). Can you remember what they were used to describe?

1. decay of a symptom
2. return to call something for a
3. of a take situation advantage
4. up something on stock
5. news make page front

### 5 Discussion

Discuss the questions below in small groups.

**flop** noun [countable]  
a complete failure

- Was Coca-Cola's famous marketing flop really a flop?
- Should successful brands try to change their products? Why? Why not?

### 6 Research task

a. Search the internet for Coca-Cola advertisements. Choose four or five from different decades. Compare:

- how they have changed;
- what has remained the same;
- who they are targeted at.

b. Which is your favourite advertisement and why?

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### 7 Writing and research task

a. Use the four section headings from the text to make notes or write a case study about another marketing flop.

<p style="text-align: center;"><b>The background</b></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p style="text-align: center;"><b>The problem</b></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p style="text-align: center;"><b>The solution</b></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p style="text-align: center;"><b>What happened next</b></p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

b. Find other examples by typing *marketing flops* into a search engine and answer the following questions:

- How many of the websites you visited mentioned Coca-Cola?
- Can you find an example of a Pepsi marketing flop?

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### Vocabulary record: Coca-Cola's biggest mistake

verb	noun	adjective (+ opposite)	adverb (+ opposite)
promote			
	taste		
		original	
			increasingly

Vocabulary record

