

Coca-Cola looks to attract new consumers with a mini-can

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A 7.5-ounce can of Coca-Cola (right) stands next to a 12-ounce can, Jan. 12, 2015. Photo: AP/Matt Rourke

ATLANTA, Ga. — Coca-Cola's Super Bowl ad this year featured Ant-Man and The Incredible Hulk battling for a mini-can of soda. Ant-Man is tiny, and the Incredible Hulk is huge.

After a lot of twists and turns, the two comic book characters are satisfied by the same 7.5-ounce drink.

What the ad did not say is that the two superheroes had to pay a lot more for the tiny can.

Coke is trying to win back consumers, who have lost their appetite for soda. Selling smaller amounts of soda but getting more money from each sale has become a cornerstone of Coke's plan to get them back.

Regular cans vs. Mini-cans



	<u>12-ounce can</u>	<u>7.5-ounce mini-cans</u>
Calories	140	90
Sugar	39 grams	25 grams
Sodium	45 milligrams	30 milligrams
Total carbs	39 grams	25 grams
Price per ounce	2.6 cents	5.3 cents

Mini-Bottles Gain Popularity

For years, people have debated whether Coke is responsible for making Americans fatter. As that debate heated up seven years ago, Coke decided to sell soda in smaller bottles and cans. The mini-cans and bottles were a hit for Coke. Mini-bottle sales have grown over the last three years and increased 15 percent in just the first five months of 2015.

The mini-cans of Coke are so popular that they now compete with 12-ounce cans and 2-liter bottles for grocery shelf space. Originally, the company only made smaller versions of Coke and Diet Coke. Now, several different soda brands owned by Coca-Cola come in small bottles, including Sprite, Fanta Orange soda and Seagram's Ginger Ale.

Sandy Douglas is president of the North America division of Coke. He says the mini-cans are making the company a lot of money.

A regular 12-ounce can of Coke, for instance, sells on average for 31 cents. A 7.5-ounce mini sells for 40 cents. Even though the mini-cans have less soda, they cost more than a regular can, Douglas said.

Owners of shares in the Coca-Cola company are no doubt impressed. The plan to sell Coke in mini-cans and bottles has helped the company's stock price soar for the last seven years. But not everyone thinks this is a good thing.

Less Coke, Less Damage

Michael Jacobson is president of a health advocacy group. He says the smaller bottles do carry fewer health risks. They are less likely to give consumers tooth decay or diabetes.

Still, he worries that some people who do not drink sodas may want to try the mini-can because of its size.

"I don't know how this is going to shake out, but we should know soon as the popularity increases," he said. He urged Coke and its rival, Pepsi, to reduce other soda sizes, including the 2-liter bottle and 12-ounce can.

For the past 10 years, sodas have become less and less popular in North America. Americans, given more choices in teas, coffee and water, have pulled back on drinking sodas.

A poll last year found that more than half of adults avoided all types of soft drinks. Even Diet Coke, which has fewer calories than regular Coke, is becoming less popular.

Many cities are concerned about the effects of soda on people's health. They have tried to get soda companies to pay higher taxes or provide smaller portions.

Last year, many people were upset with Coke. Newspapers reported that the company was paying a group of scientists at a university. The scientists said the reason Americans were getting fatter was because they did not exercise enough, not because they drank too much soda.

Coke cut ties to the group and the organization later shut down.

People Don't Mind Spending More For The Right Size

Through its mini-cans, Coke has found a way to make money even though fewer people drink soda.

People are willing to pay more for smaller bottles. They are more convenient and let you control how much you consume, said Duane Stanford, who works at a soft drink magazine.

The mini-cans can also bring back consumers who see soft drinks as a treat, Stanford said.

The mini-bottles have changed the way Coke calculates its business, though slowly. The company still measures the amount of soda it sells in volume. The volume of soft drinks that the company sold in North America at the end of last year grew 2 percent.

But because of the mini-bottles, it is now reporting the amount of money it makes per purchase.

“The past focus of both our company and the industry was how many gallons were sold,” Douglas said. “That’s not a good approach for anticipating and meeting consumer needs in a world exploding with choices.”

Douglas said mini-cans and bottles are popular with all people, but especially upper-income consumers and mothers.

“Moms want to treat their kids, but they don’t want them to have too much,” he said. “They want to be in control, and these packages give them control.”

Quiz

- 1 Which of the following describes CENTRAL ideas of the article?
- (A) Due to falling sales of Diet Coke, Coca-Cola is funding studies at universities to link obesity to lack of exercise.
 - (B) Because Americans are choosing to drink less sugary soda, Coke is no longer going to sell 12-ounce cans or 2-liter bottles.
 - (C) Due to declining popularity of sugary soft drinks, Coca-Cola is changing its business model by offering smaller cans of soda.
 - (D) Because of the increase of sales of mini cans of soda, Coke is changing the way it calculates its business from volume sold to amount of money per purchase.
- 2 Which two of the following sentences from the article include CENTRAL ideas of the article?
- 1. *Coke is trying to win back consumers, who have lost their appetite for soda.*
 - 2. *Even Diet Coke, which has fewer calories than regular Coke, is becoming less popular.*
 - 3. *Newspapers reported that the company was paying a group of scientists at a university.*
 - 4. *For the past 10 years, sodas have become less and less popular in North America.*
- (A) 1 and 3
 - (B) 1 and 4
 - (C) 2 and 3
 - (D) 2 and 4
- 3 Look at the chart "Regular cans vs. mini-cans."
- The mini-can would likely be MOST popular with people who:
- (A) want to avoid high soda taxes
 - (B) want to taste a new soda flavor
 - (C) want to save money on beverages
 - (D) want to reduce sugar in their diet

4 Look at the chart "Regular cans vs. mini-cans."

Which sentence from the article is BEST supported by the information in the chart?

- (A) The mini-cans of Coke are so popular that they now compete with 12-ounce cans and 2-liter bottles for grocery shelf space.
- (B) Even though the mini-cans have less soda, they cost more than a regular can, Douglas said.
- (C) The plan to sell Coke in mini-cans and bottles has helped the company's stock price soar for the last seven years.
- (D) He urged Coke and its rival, Pepsi, to reduce other soda sizes, including the 2-liter bottle and 12-ounce can.