**Coca-Cola Transcript**

Hi, good morning, everybody. Thanks for coming today. It's cold in this room. The heat is not on. It's very, very cold today. Anyway, today, I'm going to talk to you for ten minutes about Coca-Cola. Here we go. Three, two, one, go.

OK. Coca-Cola was invented by a man called John Pemberton. Now John Pemberton, he fought in the American Civil War and he was injured in the war. And like many people that were injured after the war, he started taking morphine for his pain. And he became addicted to the morphine, as happened quite a lot. Now, he wanted to wean himself off this morphine. He wanted to fight his addiction. And he wanted to create a new drink to help himself do that. At the time, there were a lot of medicines appearing, a lot of new medicines. These were not real medicines. They were tonics made with different kinds of ingredients. And they were supposed to help different things. They were made by quack doctors or snake oil salesmen. The word quack, quack doctor comes from the Dutch "quacksalver", which means someone who boasts about their salves, medicines. And snake oil salesmen, I think it comes from snake oil is actually supposed to be quite good for you. And people were selling medicines labeled as snake oil that didn't actually have any snake oil in them. So, it became synonymous ... synonymous with conman, I suppose.

Anyway, so John Pemberton wanted to create a drink like this. He came up with Pemberton's French wine Cola. Now, in that drink, he had a number of things. He had coca and coca wine. Coca, of course, is where we get cocaine from. It's an addictive substance. And coca wine is basically alcohol with cocaine in it. He had a kola nut which has caffeine in it. And he had a plant called Damiano, which has quite a bitter taste. Anyway, he mixed all the ingredients together and he made his Pemberton's French wine cola and started selling it. He was moderately successful.

However, in the 1870s 1880s, temperance started to take off in America. Temperance is the belief that people shouldn't take alcohol. People shouldn't drink. Now, these temperance societies became huge and a lot of alcohol was actually banned. A lot of people couldn't ... wouldn't buy alcohol. So, John Pemberton, he realized he was going to have to remake his drink. He'd have to make it without the coca wine. So, he did. He basically tried a lot of different substances, a lot of different ingredients. And he came up with his cola. Now, in the beginning, it was just a drink. However, in 1886, he accidentally mixed the syrup with some soda water and made the fizzy coke that we have today, of course. He started selling the syrup. The very first shop that bought his syrup was called Jacob's Pharmacy in 1886. They started selling it. But of course, it was sold as a medicine. It was a nerve tonic. It was supposed to help headaches, stomachache, indigestion. A lot of things like that. Impotence. It was supposed to basically cure anything that was wrong with you. It was a medicine.

Now, in 1887, a man called Asa Griggs Candler, who's going to become huge in the Coca-Cola story, he became interested in this product and he started buying bits of the company from Pemberton. Now, 1888, about two years after it starts, Coca Cola is being sold in four stores, only four shops. Now, of course, it's sold as a syrup. What people did back then was that you had the soda fountains, you had shops that would sell drinks, restaurants or cafes. People would go in there. The shop assistant would have the syrup for the drink. They would mix the syrup in a glass and they would add soda water, fizzy water. And that was how you got your coke. You couldn't buy cola. Only the shop could give it to you.

Now, 1888, the business of Coca-Cola is owned by three people. Each person owns one third. Candler owns a third. Pemberton, John Pemberton owns a third. And Pemberton's son, Charlie Pemberton, also owns a third. Now, Candler, he wants to purchase, he wants to buy Coca-Cola. He wants to take it off. He wants to start increasing the number of shops and sales. But he can't do that. Now, in August 1888, John Pemberton dies and Asa Griggs Candler, he thinks, well, this is an opportunity. He thinks he can buy the business, but he can't. He still owns his one third. The other two thirds goes to Charlie Pemberton, Pemberton's son. Now, he was an alcoholic. He was not a great person, I suppose. But he will not sell his part of the business. He will not sell it. However, in 1894, conveniently, he dies. And through various business deals, through paying off various people, Asa Candler is able to purchase the whole of Coca-Cola. Everything he spends comes to about $2,300. He buys Coca-Cola for $2,300.

When we hear stories like that we think, "wow, he bought this multi-billion-dollar company for such a small amount of money?" But of course, we're using hindsight when we talk about that. Back at the time, Coca-Cola was not what it is now. Yeah, we do that a lot. When Howard Schultz bought Starbucks from the three people that started it for such a small amount of money, we think, "Woo!" When ... when McDonald's was bought from the brothers, people think, "whoa!" But of course, we're applying hindsight. The companies were nothing like they are now. The people that bought them made them what they are.

So, Asa Griggs Candler. He is now the sole owner of Coca-Cola. He starts doing something that basically shapes Coca-Cola from there on. He starts advertising like crazy. He starts pumping almost all of the profits from the Coca-Cola business back into advertising. He puts the Coca-Cola name on anything: clocks, calendars, buckets, posters, signs. Any way you can think of, he puts the Coca-Cola name. Why? Because if you see Coca-Cola, you start thinking about Coca-Cola. And then when you go into your shop, when you go into your soda fountain and you ... the person asked you what you want to drink. Well, Coca-Cola is the first thing that comes to mind, of course. He starts giving coupons away, coupons in newspapers or handing out coupons on the street. You get a cheaper glass of coke. You're going to go into the shop and buy coke. So, he starts pumping almost all of the profits back into advertising. And that is something that Coca-Cola still does today.

Okay. Thanks to Asa Candler, by 1894, Coca-Cola is in every state across America. It is still sold only at soda fountains, of course. Coke sells the syrup with instructions of exactly how much syrup should be put into a glass and mixed with soda water. 1899, a man called Joseph A. Beiderhein ... Biedenharn. Sorry. He comes up with the bottling idea. He noticed that a lot of people at the soda fountain wanted to take Coca-Cola home. They wanted to drink it at home with their meals. But of course, there was no way to do that. He came up with a system of bottling the Coca-Cola. He came up with glass bottles. He came up with a way of sterilizing them and a way of putting the coke in and sealing it. So, once the glass bottle is invented, of course, it takes off. Asa Candler realizes, of course, that if people can take Coke home, what are they going to do? They're going to buy more Coke. They're not only going to drink it when they go to the soda fountain, they're going to drink it all day round. So bottling starts taking off. Now, one thing Coca-Cola did and still does is they don't own the bottling plants. The bottles, the Coca-Cola bottlers are franchises. You can apply for a franchise in any country. And what that company does is they buy the Coca-Cola syrup from Coca-Cola and then they mix it to a specified amount in the bottles and they sell the bottles. Coca-Cola doesn't actually own the bottles you are buying. They just own the syrup.

Ok. So, bottling takes off and Coca-Cola starts to increase. Advertising is still insane. Advertising all the time. Then World War 2 is a huge, huge step for Coca-Cola. They managed to secure a deal where Coca-Cola is given to all of the soldiers. Coca-Cola is shipped everywhere that people are fighting. And from this point on, Coca-Cola basically becomes connected with the American image. If you see American soldiers fighting in other countries and they have Coca-Cola, you start to connect Coca-Cola to America. And it starts to take off. It starts to become more than just a drink.

So where is Coca-Cola now? Well, around the world, we buy 1.7 billion bottles of Coca-Cola every day. The company is worth $74 billion. There are 2.8 million vending machines around the world. Coca-Cola, the company, owns 500 ... more than 500 brands around the world. Many different kinds of drinks. There are two hundred and seventy-five bottling plants around the world. So, Coca-Cola is huge, as you know.

Who drinks the most, Coke? Which country do you think? Mexico, Mexico, Chile and America. People think America would be number one, but it's actually not. Mexico is number one.

Now, Coke, of course, has a lot of problems associated with it. One of them is obesity and tooth decay. I'm sure you've seen pictures like this. There is a huge amount of sugar in Coca-Cola. That's one of the reasons why we like it. But people drink Coca-Cola, not thinking that they're just empty calories. I mean, if you eat a Big Mac. Yeah, there's lots of fats and lots of bad things in there. But you're also getting some protein, some good things. If you drink two liters of Coca-Cola every day, you're only getting sugar. So, this is a cause of obesity. One of the reasons for obesity in countries like America. You have enormous cup sizes these days. Like double gulp, these giant almost two-liter size cups. Anyway, obesity is another topic for another day. So... ah! I'm running out of time.

So how does Coca-Cola exist? How does Coca-Cola keep going the way they are? Well, they're still using Asa Griggs Candler's idea. They're still pumping almost all of their profits back in to advertising. Almost all of their profits goes into advertising. Every year, they spend about three billion dollars on advertising. That's more than Apple and Microsoft put together. Basically, all of their money goes into advertising. Everywhere you go, you see Coca-Cola. Out of all the brand names in the world, Coca-Cola is the most recognized around the world. There are very few people on our planet who do not know what Coca-Cola is. Ah ... I ran out of time. A little bit more.

Okay. Now, one of the problems Coca-Cola is facing now is that sales are stagnating. In the world, everybody drinks Coca-Cola ... in the developed world. There are very few people who are going to start drinking Coca-Cola. Everybody already drinks it. So, Coca-Cola has to find new markets. Now, what Coca-Cola are doing at the moment is they're entering Africa. Some of the poorer countries in Africa. They're entering into Africa, they're coming up with sponsorship deals, with schools, with shops, with industries. And they are also fixing the infrastructure. Coca-Cola is putting money into countries to build up their roads, to build up their infrastructure, the railway lines. Why would they do that? Is it from the goodness of their own heart? Is it altruism? No, of course not. If you have better roads, if you have better railway systems, you can distribute Coca-Cola much more easily. You can sell Coca-Cola much more easily. So, Coca-Cola is doing some background work, some groundwork to try and fix up these countries in order to sell more coke. That's basically it. They are a business, of course. However, I mean, it is having positive impact. It is having positive effects on certain countries, even if it is just for profit. OK. Nearly finished.

So, Coca-Cola is recognized around the world. Coca-Cola is globalization, one might say. However, people don't feel the same way about Coca-Cola as they do about, say, a company like Starbucks. When you see Starbucks shops appearing all around the world, people think, "ah, globalization! America! Starbucks is taking over the world! This is terrible!" But we don't think the same way with Coca-Cola. Coca-Cola is associated with America, was associated with America, but now it's just a drink. Coca-Cola has become to us what water is. We don't think about Coca-Cola as American. We don't think about Coca-Cola as a giant company taking over our world. We think about Coca-Cola purely as a drink. It has become to us basically what water is. So, Coca-Cola has managed to do what Starbucks has not managed to do. They have managed to become more than just the company. They have managed to become something that we cannot live without. And that started because of Asa Griggs Candler. And that's Coca-Cola.

Thank you for listening. Don't forget, if you click in the link, in the description, if you click on the link in the description below here, you can go to my home page "stevenaskew.com" and you can find the transcript for this talk. You can find questions, multiple choice and essay type. You can try and answer them. You can improve your English. There are answers there as well. And you can download the MP3. If you try the questions, if you work, if you practice, if you listen, your English will improve. I hope. Anyway, thank you. I'll talk to you next week. Goodbye.

Listening Questions

1. Why did John Pemberton become addicted to morphine?

A: He found it to be very cheap.

B: He drank too much of his own medicine.

C: He was injured in the civil war.

D: He bought it from Dutch people.

2. What can you assume that “quack doctor” means?

A: A Dutch doctor

B: A duck doctor

C: An animal doctor

D: An untrustworthy doctor

3. Which of these was not in John Pemberton’s French Wine Cola?

A: Coca

B: Coffee

C: Damino

D: Kola nut

4. What is “temperance”?

A: The belief that people should go to church on Sundays.

B: The belief that people shouldn’t drink alcohol.

C: The belief that people shouldn’t use medicine.

D: The belief that people should drink wine.

5. What was John Pemberton’s Cola first sold as?

A: morphine

B: a bottled drink

C: a wine

D: a medicine

6. How would you drink Coca-Cola when it was first sold?

A: In bottles at your house.

B: From a soda fountain.

C: As a thick syrup.

D: In very small amounts.

7. How was Asa Griggs Candler able to buy all of Coca-Cola?

A: John Pemberton sold it to him.

B: John Pemberton died.

C: Charlie Pemberton died.

D: Charlie Pemberton sold it to him.

8. How much was Asa Candler able to buy all of Coca-Cola for?

A: $230

B: $2,300

C: $23,000

D: $230,000

9. Why shouldn’t we be amazed that Asa Candler bought a billion-dollar company for such a small amount of money?

A: It wasn’t a big company until after he bought it.

B: The amount he paid is worth a lot more money now.

C: He was just very lucky.

D: There was more money paid later.

10. What is one thing that Asa Griggs Candler started that Coca-Cola still does today?

A: They buy up many smaller companies.

B: They charge a lot more for a bottle than the drink is actually worth.

C: They sell the syrup at soda fountains.

D: They put almost all of their profits back into advertising.

11. Why did Joseph A. Biedenharn come up with the idea for bottling Coca-Cola?

A: He had invented the glass bottle.

B: He saw that people wanted to drink it at home.

C: He had more of the Coca-Cola syrup than he could use.

D: He owned a bottling plant franchise.

12. What do Coca-Cola bottling franchises do?

A: They buy bottles from Coca-Cola and distribute them.

B: They are fully owned by the Coca-Cola company.

C: They mix the syrup to an exact amount and sell the bottles.

D: They work throughout the USA.

13. Why did the Coca-Cola company want to give cola to the American troops in World War 2?

A: because they would get tax breaks for doing it.

B: because they thought it was the healthiest drink in the world.

C: because they wanted the American army to win.

D: because the drink would be seen around the world.

14. How much is the Coca-Cola company worth now?

A: $1.7 billion

B: $2.8 billion

C: $74 billion

D: $500 billion

15. Which country drinks the most coke?

A: America

B: Chile

C: Peru

D: Mexico

16. How can Coca-Cola be a cause of obesity?

A: There is so much sugar in it.

B: It comes with Big Macs.

C: You can buy 2-liter cups.

D: Not many people drink it.

17. What is a problem Coca-Cola is facing today?

A: Their market has stagnated.

B: They can only sell in Africa.

C: They have to spend too much to ship the drink.

D: People have stopped drinking Coca-Cola because it is a symbol of globalization.

18. Which of these is Coca-Cola not doing in Africa?

A: Sponsoring schools

B: Building roads

C: Funding hospitals

D: Building railway lines

19. Steven says, “Is it altruism?” What does he mean by this?

A: Are Coca-Cola trying to become the world’s biggest company?

B: Are Coca-Cola fixing up the infrastructure in these countries?

C: Are Coca-Cola trying to move into the construction industry?

D: Are Coca-Cola doing this just because they want to help?

20. Why don’t we dislike Coca-Cola the way we dislike Starbucks?

A: because it has become a truly global product.

B: because they don’t make coffee.

C: because of all the sugar they have in their drinks.

D: because they don’t buy fare trade products.

**Answers**

1. C

2. D

3. B

4. B

5. D

6. B

7. C

8. B

9. A

10. D

11. B

12. C

13. D

14. C

15. D

16. A

17. A

18. C

19. D

20. A