

Coca-Cola Company (KO)

New Diet Coke and Coke Zero Sugar offerings show modest mindshare gains

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Consumer
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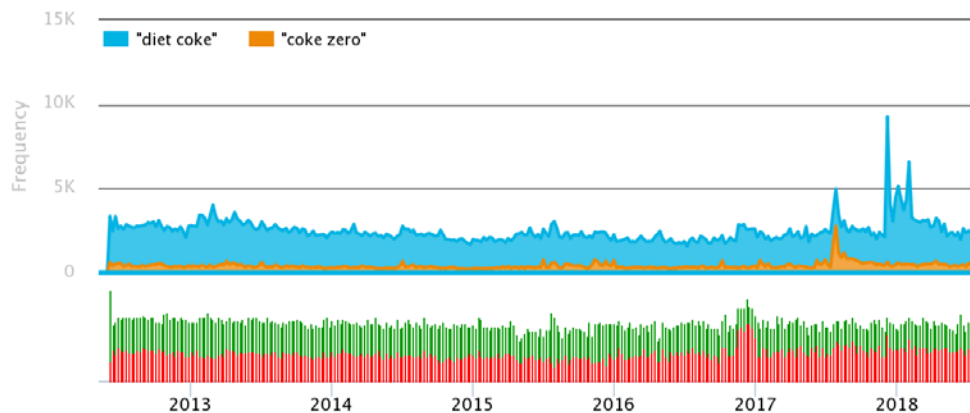
New Diet Coke flavors and Coke Zero Sugar show modest gains in conversations after their respective releases. In FQ1 Diet Coke was introduced with a thinner can as well as with the addition of four new flavors: Ginger Lime, Feisty Cherry, Twisted Mango, and Zesty Blood Orange. Coke Zero Sugar was introduced to replace Coke Zero, with the intention of having a taste profile similar to Coca-Cola original.

- **Y/Y FQ2 mention frequency for ["diet coke"] is up 11% and adjusted mention frequency for [diet coke -trump] is up 13%.** It appears that Diet Coke has gained mindshare, but much of the new content we are seeing relates to Trump and a report from December 2017 that he drinks 12 cans of Diet Coke a day. When we adjust to remove any mentions of Trump and Diet Coke together, mention frequency is up 13%. See Figure 1.
- **Y/Y FQ2 mention frequency of ["coke zero"] is up 12%.** The release of Coke Zero Sugar to replace Coke Zero has caused a slight increase in the Y/Y conversation. See Figure 1.
- **Y/Y FQ2 mention frequency of ["coca-cola"] is down 16%.** We looked at the term [coke] as well, but it is difficult to differentiate between mentions referring to the drink and mentions referring to cocaine. See Figure 2.
- **On the week of the release of the new Diet Coke flavors, the search term ["diet coke"] hit a five-year high.** This can be attributed to interest in the new flavors, but searches returned to just above baseline shortly after and appear to be steady. US searches for sparkling water are outpacing those for Diet Coke. See Figure 5.
- **For comparison, Y/Y FQ2 mention frequency for [lacroix] increased 46% and Y/Y FQ2 mention frequency of ["sparkling water"] increased 54%.** Flavored sparkling water continues to show large Y/Y increases as consumers look to healthier options. See Figure 3.
- **Note that the panel we utilize comprises English-language tweets only.** We have no geographic attributes to determine the source-location of each tweet. North America comprises 24.4% of Coca-Cola's net revenue.

BACKGROUND

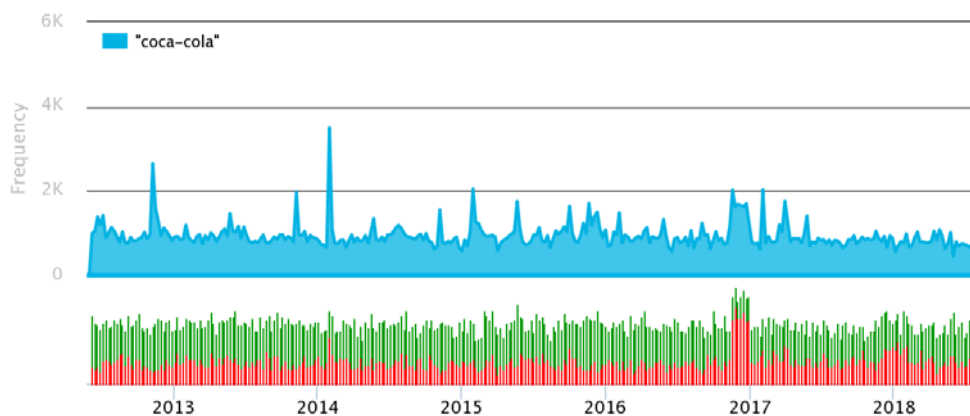
- New Coke flavors were introduced to compete with newer flavored sparkling waters and other zero calorie drinks that millennials are drinking.** Diet Coke sales have been falling since 2006. The growing consumer focus on health aspects of what consumers drink has been a large driver of the increase in sparkling water and coffee consumption as they have essentially replaced diet soda in many people's diets. Coca-Cola reported last quarter that the new flavors and the redesigned can have helped to improve sales. The level of chatter seen in FQ2 can act as a benchmark moving forward if Coca-Cola releases new versions of Coke and Diet Coke.
- On top of releasing the new Diet Coke flavors, Coca-Cola also previously purchased Topo Chico to better compete in the sparkling water arena.** Topo Chico has shown positive growth Y/Y in FQ2, increasing by 31%, but it should be noted that Topo Chico volume is still significantly lower than LaCroix. See Figure 6.

FIGURE 1: TWITTER MENTION FREQUENCY ["diet coke"]



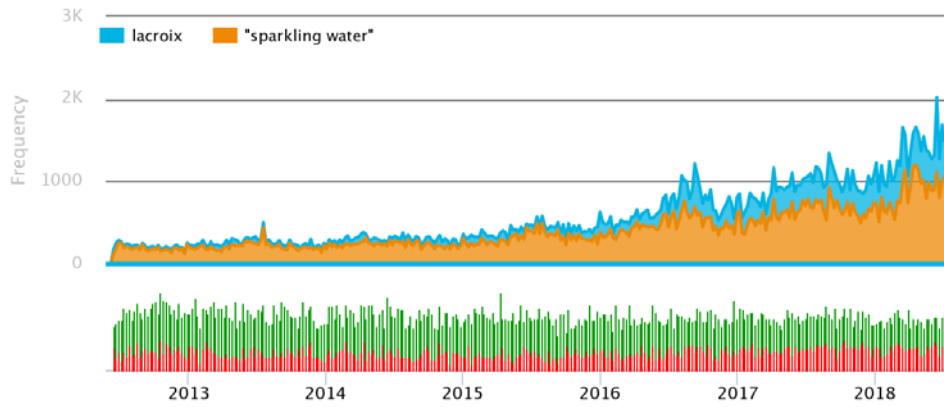
Source: TickerTags

FIGURE 2: TWITTER MENTION FREQUENCY ["coca-cola"]



Source: TickerTags

FIGURE 3: TWITTER MENTION FREQUENCY OF [lacroix] AND ["sparkling water"]



Source: TickerTags

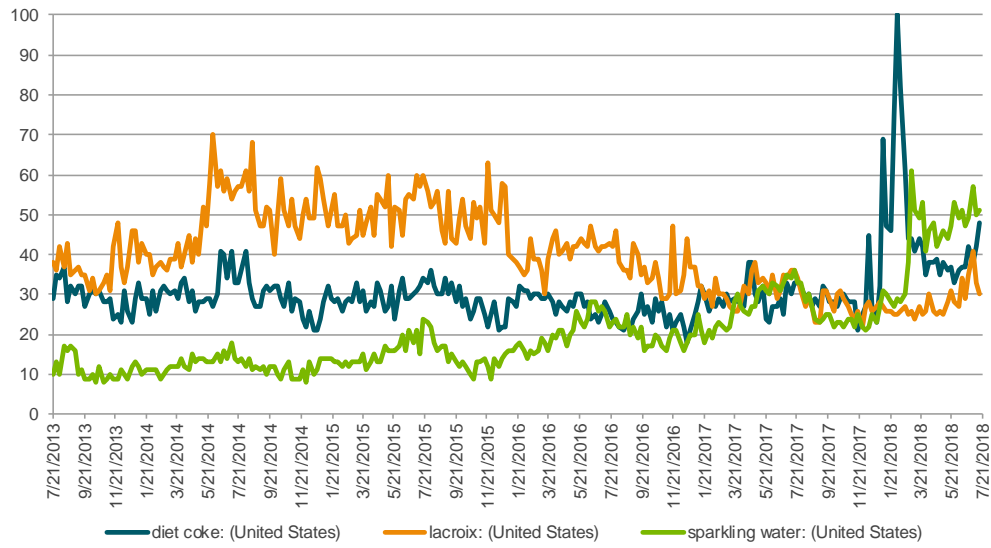
FIGURE 4: FQ2 TAG MENTION DATA TABLE

Tag	Approximate Mentions	Y/Y Change in Mention Frequency
"sparkling water"	16640	54%
lacroix	8230	46%
"topo chico"	1330	31%
"coke zero"	7650	12%
"diet coke"	35080	11%
"coca-cola"	13740	-16%

Source: TickerTags

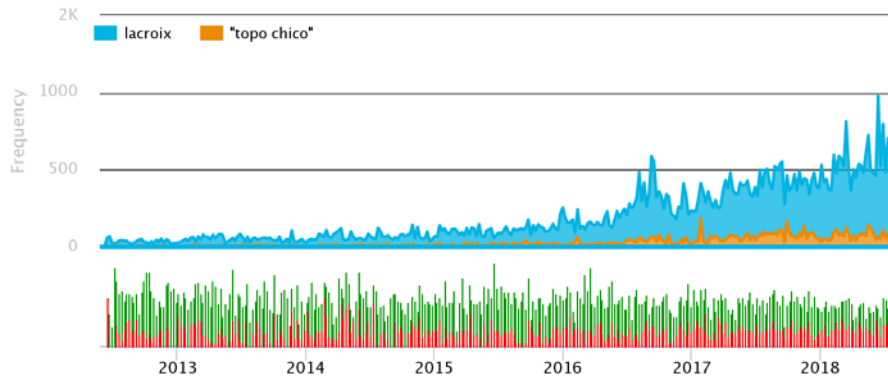
As a minimum barometer of reliability, the volume of estimated quarterly tag mentions on Twitter (different from normalized tag frequency) should be no less than 1,000. Tags with quarterly mention volume of less than 1,000 should be viewed with caution. Estimated Twitter mention volume is deduced by applying a 10x multiplier on the tag's volume of mentions originating from Twitter's Decahose. Twitter's Decahose comprises approximately 50 million tweets daily.

FIGURE 5: US SEARCH DATA FOR [diet coke], [lacroix], AND [sparkling water]



Source: Google Trends

FIGURE 6: TWITTER MENTION FREQUENCY FOR [lacroix] AND ["topo chico"]



Source: TickerTags

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**ABOUT TICKERTAGS**

TickerTags maps the digital ecosystem and recognize insights in everyday conversation. With approximately 1 million tags mapped to nearly 3,000 public and private companies, TickerTags maps and monitors the multitude of tangible and intangible business drivers that move and influence companies and markets. Structuring alternative data for the investment industry is often a laborious, resource-intensive and time-consuming exercise. As a leading word mention frequency investment tool, TickerTags converts conversation activity into investment insight that is useful for investment analysis.

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ABOUT M SCIENCE

M Science is a data-driven research and analytics firm, uncovering new insights for leading financial institutions and corporations. Founded in 2002, M Science is revolutionizing research, discovering new data sets and pioneering methodologies to provide actionable intelligence. Our research teams have decades of expertise working with massive amounts of unstructured data in near real-time to discern critical insights that help clients make more informed decisions. We combine the best of finance, data and technology to create a truly unique value proposition for both financial services firms and top corporations.

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REFERENCES

On May 31, 2018, M Science LLC acquired substantially all of the business of TickerTags, Inc. Prior to this date, reports were prepared and distributed by TickerTags, Inc.

Mention frequency is derived from the total number of tag mentions divided by the number of total mentions. This is represented as tag mentions per 100 million total mentions. If total mentions fail to meet 100 million mentions in a period, then the data is scaled.

Data reflects English language messages excluding messages suspected to be spam and messages deemed NSFW. Organic mentions reflect tag mentions excluding retweets and tweets containing hyperlinks.

As a minimum barometer of reliability, the volume of estimated quarterly tag mentions on Twitter (different from normalized tag frequency) should be no less than 1000. Tags with quarterly mention volume less than 1000 should be viewed with caution. Estimated Twitter mention volume is deduced by applying a 10x multiplier on the tag's volume of mentions originating from Twitter's Decahose. Twitter's Decahose comprises approximately 50 million tweets daily. The context of 300 representative Tweets for comparable periods has been reviewed and has been found to be contextually similar.