

## Coca-Cola (Japan) Company, Limited (Mr. Tim Brett)

The Coca-Cola Company, which is a global leading soft drink manufacturer, entered the Japanese market in 1957. They are not only expanding their business in Japan while cooperating with bottling partners but also deploying Japan's original products in other countries. We interviewed Mr. Tim Brett, who is the Representative Director and President of Coca-Cola (Japan) Company, Limited, to ask him what their view is on the business in Japan as a foreign-affiliated company rooted in Japan.

The Coca-Cola Company, which is a globally-deployed drinks manufacturer, entered the Japanese market early. They established the Japanese affiliate in 1957. 2014 marked the 57<sup>th</sup> anniversary for their business in Japan. They still continue to expand the business with 8 bottling partners. They have also developed a number of original products in Japan. Japan's original "Georgia (coffee drinks)," "Aquarius (sports drinks)," etc. are sold throughout the world. The Coca-Cola Company has penetrated Japan so much that we almost forget that they are a foreign-affiliate company. We interviewed Mr. Tim Brett, who is the Representative Director and President of the Japanese subsidiary Coca-Cola (Japan) Company, Limited (hereafter referred to as "Coca-Cola Japan"), to ask him what their view is on the business in Japan.



Photo: Mr. Tim Brett, President of Coca-Cola Japan  
(Behind him is a peak shift machine developed by the company)

### What is your strength in the Japan Coca-Cola brand?

It's the business heritage that we have cultivated in the last 57 years since our entry to the Japanese market. We say "Coca-Cola System," but not only Coca-Cola Japan, which I lead, but also our bottling partners provide products to support the "System." We have been deploying the business with Japanese bottlers since 1957. There are 8 bottlers throughout Japan now.

One of the strongest reasons for our business is the strength of our bottling network not only in big cities but also throughout Japan from Okinawa, which is the southernmost end of Japan, to "Hokkaido," which is the northernmost end. Our bottlers are part of the local communities with regional focus, and we as a system employ 23,000 people across Japan.

### Do you have any difference between other countries and Japan?

The concept of the "Coca-Cola System" itself is the same as other countries. What is unique about Japan is the people that work in that system. They understand their local markets; they understand each city and community. Another great element of Japan is their "passion for high quality." They also bring a "passion for innovation." Some of the products developed in Japan are now brands sold worldwide. Not only that, but also Japan's original innovations, such as "marketing," "new ideas," "production,"

“techniques,” etc., have led our global business in a number of different ways.

### **What are examples of Japan’s original products and services that are deployed in other countries’ markets?**

“Aquarius” sports drink is a product that was made in Japan for Japanese consumers, but has now traveled around the world and it’s extremely successful in some markets in Europe, such as Spain, etc., and also some markets in Latin America, as well as Asian countries.

“Georgia,” which is a coffee drink, was invented and released in Japan in 1975. It’s now a very core part of our business in Japan, and it’s also sold in other markets. “Ayataka” green tea has also been very successful in other markets for the reason that it’s a high quality good tasting product.

Another good example of Japan’s original products is “I LOHAS,” which is a mineral water bottle. This is a very eco-friendly plastic bottle, which uses plant-based materials, and can easily be crushed for recycling. This bottle technology was developed in our R&D facility in Tokyo and is now introduced throughout the Coca-Cola system around the World. This is an example of a great combination of Japanese great “desire to be eco-friendly” being combined with Japanese “innovation” and the two working very well together.

### **Are there characteristic products or services that are different from other countries?**

“Vending machines” are one example. Vending machines had appeared elsewhere in the world, but what makes the Japanese vending business so unique is the scale of it. There are round about 2.5 million drinks vending machines in Japan if you take all the manufacturers who are selling drinks. We have about 980,000 machines within this.

Coca-Cola system started the vending machine operation in 1962, and they originally sold

Coca-Cola in a glass bottle. They used to only take coins as the payment method, but vending machines in Japan now accept electronic money and of course paper money. We sell not only glass bottles but also drinks in various packages, such as plastic bottles, cans, etc. We sell all our portfolio; we sell soda, tea products, energy drinks, coffee drinks, etc.

What I want to emphasize the most is that these new machines use quite a bit less energy than the first machines despite the fact that the functions are more complex. After the Great East Japan Earthquake in 2011, we worked very hard to look at how could we make a vending machine that during the whole day doesn’t use much power. As a result, Coca-Cola system in Japan and our colleagues at the vending manufacturers jointly developed these “peak shift machines” that don’t use any power for cooling products in the day-time, when power consumption reaches its peak. What’s most impressive is that the number of these “peak shift machines” continues to smoothly expand since the first introduction in the market in 2013.

### **What is your impression on Japanese local regions?**

I always feel that there are different areas within Japan and that each area has very different dietary customs and ideas. Because of many differences between regions, the company has been utilizing the regional franchise system with bottlers for different regions with the understanding of regional characteristics since the beginning. We now have a network of 8 regional franchise partners throughout Japan which was originally 17. We do different activities in each region.

Japan has a wide variety of regional characteristics, so I believe greatly in giving people the right products for their region. We even sell different products in different parts of the country. Our customers actually appreciate that very much that we are able to give them products

with a regional focus.



Photo: Wide variety of products sold in the Japanese market

(November 2014)

## History of the company

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- 1886 “Coca-Cola” is born in Atlanta, Georgia, USA
- 1892 The Coca-Cola Company is established
- 1957 Nippon Inryo Kogyou K.K. (predecessor of Coca-Cola Japan) is established.  
Manufacturing of “Coca-Cola” starts in Japan
- 1962 TV commercials start in Japan. Bottle vending machines are introduced in the market
- 1965 Canned “Coca-Cola” is released
- 1975 Coffee drink “Georgia” is released (Japan’s original product)
- 1983 Sports drink “Aquarius” is released (Japan’s original product)
- 2009 Mineral water brand “I LOHAS” is released (Japan’s original product)
- 2010 Next generation PET bottle “PlantBottle,” which uses plant-based materials, is introduced  
(Introduced throughout the world)

## Coca-Cola (Japan) Company, Limited (Japan subsidiary)

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Establishment: June 1957 (The company name was changed to Coca-Cola (Japan) Company, Limited in 1958)

Business: Manufacturing and sales of soft drinks (Procurement of liquid concentrate, planning and development of products, and marketing activities such as advertisement, etc.)

Parent company: The Coca-Cola Export Corporation (wholly-owned)

Address: (Head office) 4-6-3 Shibuya, Shibuya-ku, Tokyo

URL: <http://www.cocacola.co.jp/company-information/company-profile/>

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Parts of this interview can be viewed on the 「CEO Voices in Japan」section of the Ministry of Economy, Trade and Industry website. [「CEO Voices in Japan」](#)