States, represented the group and was skilled at leveraging the power of the media, creating a true crisis for the Coca-Cola Company and exerting tremendous pressure for settlement. In 2000, the lawsuit was settled for $192.5 million after the company had sent mixed messages and damaging statements regarding the merit of the suit for over a year. Analysts identified the bias suit as a prime reason for the $100 billion decrease in Coca-Cola's stock price between 1998 and 2000.[44]

BELGIUM—1999[45]

On June 8, 1999, 33 Belgian school children became ill after drinking Coke bottled at a local facility in Antwerp. A few days later, more Belgians complained of similar symptoms after drinking cans of Coke that had been bottled at a plant in Dunkirk, France, and 80 people in northern France were allegedly stricken by intestinal problems and nausea, bringing the total afflicted to over 250.

In the days following the first outbreak, 17 million cases of Coke from five European countries were recalled and destroyed. It was the largest product recall in Coke's history, and Belgian and French authorities banned the sale of Coca-Cola products for 10 days. Germany placed a temporary import ban on Coca-Cola produced in Belgium and the Netherlands, and Luxembourg banned all Coca-Cola products. Health ministers in Italy, Spain, and Switzerland warned people about consuming Coke products.

Coca-Cola sources explained that the contamination was due to defective carbon dioxide (CO_2) used at the Antwerp plant and that a wood preservative used on shipping pallets had concentrated on the outside of cans at the Dunkirk plant. The European Commission, however, believed production faults and contaminated pipes were more likely to be the cause of the problem.

Although CEO Ivester was in Paris when the news broke, he flew home to Atlanta and kept silent, waiting over a week to issue his first public statement on the crisis, citing that "Coke would do whatever necessary to ensure the safety of its products." A Netherlands-based toxicologist Coke had hired issued a report on June 29 exempting the company from blame for the CO_2 impurity in Antwerp and the fungicide at Dunkirk. Although the product ban was lifted, Coke had a tremendous amount of work to do to win back consumer confidence.

An aggressive PR campaign included vouchers and coupons for free product delivered to each of Belgium's 4.4 million homes; sponsored dances, beach parties, and summer fairs for teenagers; and significant television advertising reinforcing, "Today, more than ever, we thank you for your loyalty."

KINLEY BOTTLED WATER—2003

On February 4, 2003, the Center for Science and Environment (CSE) in India released a report based on tests conducted by the Pollution Monitoring Laboratory (PML) titled "Pure Water or Pure Peril?" Analyses of 17 packaged drinking water brands sold across the country revealed evidence of pesticide residues, including lindane, DDT, malathion, and chlorpyrifos. The CSE used European norms for maximum permissible limits for pesticides in packaged water, "because the standards set for pesticide residues by the Bureau of Indian Standards (BIS) are vague and undefined."[46] Coca-Cola's Kinley water brand had concentration levels 15 times higher than stipulated limits, top-seller Biserli had 79 times, and Aquaplus topped the list at 109 times.[47] In the wake of this statement, Coca-Cola remained largely silent, and the buzz went away.

[44] K. MacArthur and R. Linnett, "Coke Crisis: Equity Erodes as Brand Troubles Mount," *Advertising Age*, April 24, 2000, p. 3.

[45] "Coke & Pepsi in India," p. 8.

[46] "Pure Water or Pure Peril?" CSE press release, February 2003.

[47] Ibid.