Coca-Cola India produced its beverages with the help of 7,000 local employees at its 27 wholly owned bottling operations, supplemented by 17 franchisee-owned bottling operations and a network of 29 contract packers to manufacture a range of products for the company. The complete manufacturing process had a documented quality control and assurance program, including over 400 tests performed through out the process (see Exhibit 10.5).

The complexity of the consumer soft drink market demanded a distribution process to support 700,000 retail outlets serviced by a fleet that included 10-ton trucks, open-bay three wheelers, and trademarked tricycles and pushcarts that were used to navigate the narrow alleyways of the cities.[25] In addition to its own employees, Coke indirectly created employment for another 125,000 Indians through its procurement, supply, and distribution networks.

Sanjiv Gupta, president and CEO of Coca-Cola India, joined Coke in 1997 as vice president of marketing, and was instrumental to the company's success in developing a brand relevant to the Indian consumer and tapping India's vast rural market potential. Following his marketing responsibilities, Gupta served as head of operations for company-owned bottling operations and then as deputy president. Seen as the driving force behind recent successful forays into packaged drinking water, powdered drinks, and ready-to-serve tea and coffee, Gupta and his marketing prowess were critical to the continued growth of the company.[26]

EXHIBIT 10.5 **Routine Tests Carried out by Bottling Operations and External Laboratories**

	Process Parameter	No. of Tests
1.	Water	71
2.	Water treatment and auxiliary chemicals	68
3.	CO_2	50
4.	Sugar	13
5.	Syrup	17
6.	Packaging material	25
7.	Container washing	17
8.	Finished product	18
9.	Market samples	15
10.	External lab	147
	Total	441

Source: The Coca-Cola Company, http://www.myenjoyzone.com.

THE INDIAN BEVERAGE MARKET[27]

India's 1 billion people, growing middle class, and low per capita consumption of soft drinks made it a highly contested prize in the global CSD market in the early twenty-first century. Ten percent of the country's population lived in urban areas or large cities and drank 10 bottles of soda per year, while the vast remainder lived in rural areas, villages, and small towns, where annual per capita consumption was less than four bottles. Coke and Pepsi dominated the market and together had a consolidated market share above 95 percent. Although soft drinks were once considered products only for the affluent, by 2003, 91 percent of sales were made to the lower, middle, and upper-middle classes. Soft drink sales in India grew 76 percent between 1998 and 2002, from 5,670 million bottles to over 10,000 million (see Exhibit 10.6), and were expected to grow at least 10 percent

EXHIBIT 10.6 **Soft Drink Sales in India**

Fiscal Year	Million Bottles Sold
1998–1999	5,670
1999–2000	6,230
2000–2001	6,450
2001–2002	6,600
2002–2003	10,000

Source: "Soft Drink Sales Up 10.4%" *PTI*, September 29, 2004.

[25] http://www.coca-colaindia.com.

[26] Gupta biography.

[27] http://www.indiastat.com.