

News

Coca-Cola signs \$1.1bn deal with Microsoft in generative AI push

The drinks group has been working with generative AI for nearly a year and is using Azure OpenAI throughout its business.

Henry Mathieu | April 23, 2024

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Coca Cola sign on building. Credit: Robson90 / Shutterstock.com

The Coca-Cola Company has signed a \$1.1bn deal with [Microsoft](#) to improve its cloud computing and adopt the tech giant's generative AI capabilities on a global scale.

Through the five-year “strategic partnership”, Coca-Cola and Microsoft will jointly experiment with new technology like Azure OpenAI Service to develop

“innovative generative AI use cases across various business functions”, according to a statement.

Coca-Cola has moved all its applications to Microsoft Azure, with most major independent bottling partners following suit.

The drinks group has been working with generative AI for nearly a year and has already implemented Azure OpenAI Service in “marketing to manufacturing and supply chain and beyond”.

“Through our long-term partnership, we’ve made significant progress to accelerate systemwide AI transformation across The Coca-Cola Company and its network of independent bottlers worldwide,” Microsoft chief commercial officer Judson Althoff said.

See Also:

[Coca-Cola HBC plans \\$1bn investment into Nigeria](#)  
[Former Amber Beverage Group boss to invest in Italian aperitif brand](#)  

“We’re proud to support Coca-Cola as it continues to embrace the era of AI and looks to solutions like Azure OpenAI Service and Copilot to drive innovation across every area of its business.”

The Sprite owner is exploring the use of generative AI-powered digital assistants on Azure OpenAI Service to help employees improve customer experiences and streamline operations, the company wrote in a statement today (23 April).

“This new agreement builds on the success of Coca-Cola’s partnership strategy with Microsoft, showing our commitment to ongoing digital transformation,” The Coca-Cola Company CFO John Murphy said.

In 2020, the company signed a five-year deal worth \$250m to use Microsoft's cloud and business software.

Josep Bori, research director at GlobalData, *Just Drinks'* parent, said: "This is a classic play in the technology world, whereby a player uses its dominant position in one product or service to help a fledging new offering. Microsoft itself has done this before, with products such as its Internet browser, its media player, and even its cloud computing services.

"Microsoft has made a big commitment to OpenAI technology and is now trying to find ways to monetise the technology. It seems the right approach to use leading customers such as Coca-Cola to explore the ways in which this could be achieved, both from a technological and a marketing perspective. For instance, Coca-Cola eventually deciding to use CoPilot for Microsoft 365 internally if the testing is successful would certainly be an excellent reference for further sales."

Meanwhile, [Coca-Cola HBC](#), a major bottler working in 29 countries in Europe and Africa with The Coca-Cola Company, has recently been looking to optimise its operations and make its business more sustainable through investment in technology.

During an [interview with Just Drinks](#), chief digital and technology officer Mourad Ajarti discussed the company's plans with Microsoft and digital twins technology.

He said: "We have a plan that we are executing against to get into 50-plus lines by 2027, applying exactly the same digital twin technology and AI technology on top of every line that we have.

“We are talking energy efficiency, water efficiency, changeover efficiency, in a way that not only delivers productivity from an operation point of view but also sustainability because we are cutting the usage of energy, we are cutting the usage of water.”

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