

Coca-Cola Removes Adverts from 4 Russian TV Channels

By [The Moscow Times](#)

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Coca-Cola removes advertisements from four Russian television channels.

Coca-Cola Co confirmed Wednesday that it had taken advertisements off four Russian television channels, saying a fall in second-quarter sales had prompted a rethink of its marketing plans.

Russian business daily Kommersant reported earlier that Coca-Cola had stopped placing ads on REN-television, Channel Five, Domashny and the Russian Defense Ministry's channel, Zvezda.

The newspaper quoted sources as saying this was probably linked to U.S. and European sanctions over Ukraine because a businessman hit by the Western measures is linked to three of the television channels in question.

Coca-Cola denied there was any political motive behind its decision to change its television

advertising.

"As a result of the evaluation of Coca-Cola's beverage sales in the second quarter of 2014 in Russia, we have made a decision to change the plan of promotional activities on television and focus on key federal channels and most efficient channels with regards to our target audience," a company spokeswoman said by email.

"There is no political motive in this decision," she said.

The first two channels mentioned by Kommersant — REN-television and Channel Five — are part of the media holding company National Media Group, which is owned by Yuri Kovalchuk's St-Petersburg-based Bank Rossia.

A close ally of President Vladimir Putin, Kovalchuk was hit by U.S. sanctions in March and blacklisted by the European Union last month. Washington said Kovalchuk had been targeted because he was a "personal banker" for Putin and other officials.

Kovalchuk also owns a 25-percent stake in CTC Media, the parent of the Domashny Channel, through Bank Rossiya's subsidiary Telcrest.

Coca-Cola, however, pointed out that it had not withdrawn ads from the other two channels controlled by CTC Media — CTC and Peretz. The U.S. company said it would still be advertising on 13 Russian channels, after dropping the four.

The company said in its second-quarter report last month that it saw a mid single-digit decline in Russian sales volumes and recorded a loss of \$25 million related to restructuring its Russian juice operations.

It had earlier predicted that volume growth in Russia would slow to "mid single digits" this year after high single digit volume growth previously.

According to Kommersant, Coca-Cola is one of the biggest advertisers in Russia with annual spending of 2.5 billion rubles (\$69 million), while rival Pepsico spent some 7 billion rubles (\$193 million) on promotions in Russian media last year.

See also:

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