

REFRESHING AN ICON

Can a bottle of soda stand for something more than a carbonated drink?

This case describes how a strategic platform galvanized the positioning, behavior and operations of a hundred year-old household brand – Pepsi.

This isn't a case where Planning wrote the brief, then fed it into the magic box and waited with bated breath for a "big idea."

Throughout the communications development process, Planning blurred the lines between strategy and execution. In fact, it was directly responsible for the campaign's singular, rallying iconography and resulting tagline.

To address crucial business and brand issues, Pepsi needed communications to prevent it from becoming a commodity.

“ *It seems that Pepsi is going through an image crisis. What can it do to turn its fortunes around? Is the brand simply too old to start anew?* ”

MarketingWeek

November 2008

By unearthing an unknown truth about Pepsi and an often-overlooked mindset that unified the brand's diverse audiences, Planning formulated a deceptively simple yet powerful strategic idea --- REFRESH. Instead of quenching thirst, we used "Refresh" to establish that Pepsi was an icon of positive energy.

Beyond an advertising concept, "Refresh" became a living, breathing platform that championed new energy and new optimism.

The boldness behind this campaign was rewarded with the highest consumer interest for Pepsi in nearly three years and a remarkable +6% increase in sales volume against an aggressively shrinking category.



Background: A Brand That Had Significantly Lost Its Fizz

While Pepsi had been at the center of popular culture in the past, it was steadily losing relevance in recent years. Apart from lacking a strong brand perspective, Pepsi had little newness and novelty around it as it didn't have any fresh innovations.

The strategy of attaching itself to celebrities to build brand meaning and provide differentiation was beginning to lose potency.



To compound this, the soda business was becoming commoditized. The perception of what a soda was worth had practically been obliterated since you could get one “super-sized” for almost nothing.

Without direct efforts to remedy these problems, Pepsi's sales and retail momentum began to decline which further widened the gap with Coke and left it vulnerable to store brands.

Task: Help Pepsi Find A Deeper Cultural Meaning

The severity of the situation was captured in an interview with Credit Suisse analysts:

“ You're not going to fix this with just a new can or graphics, or ad campaign. This requires a major, comprehensive approach to the category and a refocusing to optimally capture the value of the brand at every beverage occasion. ”

This was going to be no small task. To help Pepsi regain its footing, we had to infuse the brand with a greater cultural significance and role. The key would be deconstructing this 106-year old icon to find a platform that would make it mean more than simply sugared water.

Brand Insight: An Original Cultural Catalyst

Acting much like brand archeologists, we sifted through over a hundred years of Pepsi's history and analyzed its iconography, innovation and evolution. A combination of examining artifacts, reviewing archived materials and speaking to marketing historians yielded a powerful truth about the brand.

In reviewing its past, we stumbled upon a seeming treasure trove of data depicting a brand teeming with confidence, purpose and empathy as we matched Pepsi behavior with key periods in culture:

Pepsi's Culture Leading Points

The Great Depression



Dramatically doubled the ounces of its soda (6 oz. to 12 oz.) for the same price to do its part during tough economic times

World War II



Enabled millions of families to record messages for military personnel overseas

Civil Rights Movement



One of the first companies to hire African-Americans and embrace minorities in a positive light in ads

1970s: Cold War



Global expansion of business and the first U.S. CPG brand available in the USSR

Throughout these points in time, Pepsi was always at the forefront behaving as a catalyst for change and possessing a true challenger mentality.

All these discoveries led us to a key conclusion about the brand that was largely unknown --- **At its best, Pepsi was leading rather than simply mirroring culture, especially during trying moments in history.**

Cultural Tension: Pessimism vs. Positivity

How could we best harness Pepsi's forgotten potential? As we read Time Magazine's cover on October 13, 2008 entitled, "The New Hard Times," the answer was unmistakable. Humanity was facing its greatest crisis: two wars, a planet in peril and the worst financial crisis of the century.

Interestingly, the headline on Newsweek immediately after was, "The Bright Side." The world was at a crossroads and its citizens had to take a stand: cower in fear or take action.



Image from the creative briefing book

We believed that an entity with such a heritage, standing and following like Pepsi had the duty to take action. For Pepsi, this was a moment to act like a cultural catalyst once again. Taking this strategic perspective demanded boldness and relentlessness as most experts pointed to imminent global adversity.

But, whom would we reach out to and issue a call to arms? A deep dive into our audience would resolve this question.

Audience Insight: Agents of Change

One of our biggest hurdles was finding a way to relate Pepsi with generations of consumers. Specifically, we wanted to unite Boomers, who made up majority of Pepsi volume, and Millennials, who represented the future of the brand and society in general.

To find a connection, we used observational research, trend analysis and group discussions. We ascertained that they both grew up in a “broken society” and believed change was in their DNA. They questioned authority not to be disrespectful but to look for ways to improve things.

Our hypothesis was that these were **two generations who shared the same mindset of being *Agents of Change***.



The Woodstock Generation



The YouTube Generation

The Boomers were the first to stand up and acknowledge a world in need of change. The Millennials took up this charge and became footsoldiers of this cause.



Image from the creative briefing book

“ We can change the world with one small action at a time and have fun while we're doing it. It could be doing something for the community, the environment or something for you.

It could be as simple as photocopying on both sides or teaching your Grandmother to text. ”

--- 24-year old agent of change during a group discussion

While the rest of the world saw them as disparate generations with a demographic gulf between them, we unearthed a unifying truth that most people simply dismissed. That is:



Regardless of age, they were change agents who thought they could move the world forward with their ideas, their talent and their unfailing faith that they can do whatever they set their mind to.

Images from the creative briefing book that ended up in the launch advertising

We distilled their attitudes and behaviors into what we called the **CULTURE OF RE** --- a code of conduct that was ingrained in rebooting, renewing, reclaiming and remixing their world for the better.

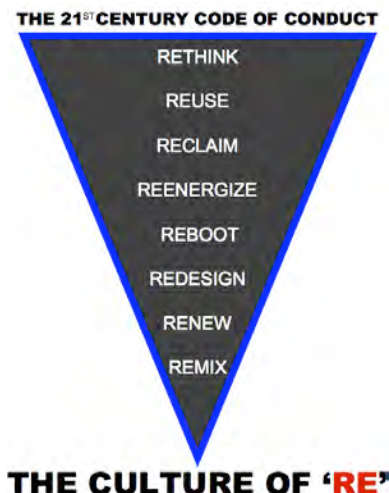


Image from the creative briefing book

Strategy: Not Soda Pop, It's An Icon Of Positive Energy

We employed an iconic symbol to link our audience's behaviors, the Culture of RE, along with the truth of Pepsi being a cultural catalyst. This was to become our strategic platform --- "REFRESH."

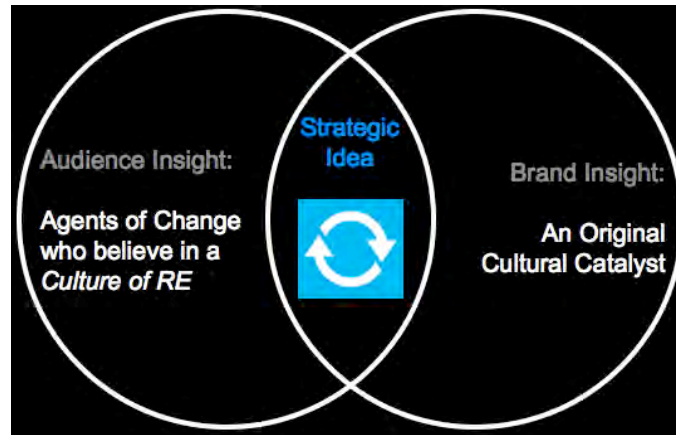


Image from the creative briefing book

The use of the "Refresh" symbol, while subtle, steered us away from the conventionally used context of quenching thirst. Moreover, it helped our teams truly understand and feel the essence of the idea.

For the first time in the category, we wanted to use "Refresh" to strongly and clearly establish that Pepsi was an icon of POSITIVE ENERGY in culture.

From being just about a drink, our vision was for Pepsi to behave like a force for positivity and youthful purpose. While most sodas advocated triviality and superficial happiness, we aspired for "Refresh" to embody social rejuvenation.

If Coke was about "have a Coke and a smile", then Pepsi should be about "have a Pepsi and do something good."

Strategic Shift



Image from the creative briefing book

Big Idea: Fuel A Refresh Movement

“Refresh” was beyond an advertising idea.



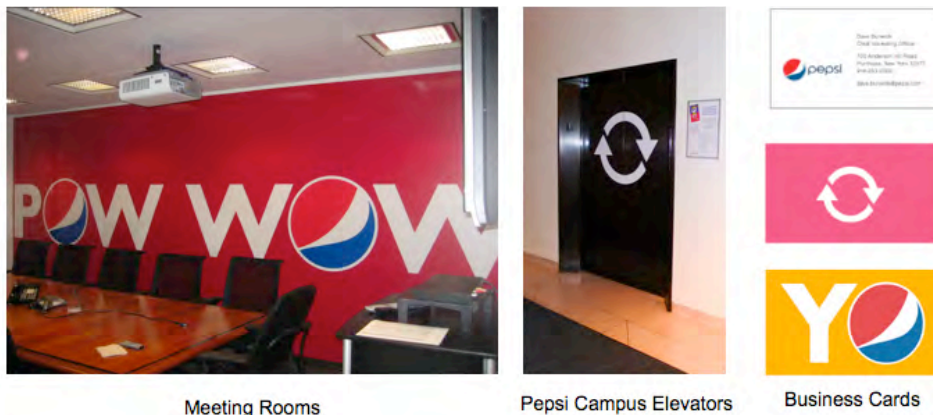
Image from the creative briefing book that became the campaign's icon and visual sign-off

We saw “Refresh” as a belief system and a rallying point for the company and the brand, inside and out. Above all, it was a starting point of a movement to refresh the world.

Phase 1: Refresh From The Inside Out

The campaign began within the Pepsi organization. The intent was to “refresh” its operating principles and internal culture and, eventually, transform employees into brand ambassadors.

From webinars to 20-ft billboards, we used and designed channels to engage employees so they would understand the new brand message and bring it to life in the marketplace.



Meeting Rooms

Pepsi Campus Elevators

Business Cards

In the next few months, the company rolled out programs that were directly influenced by the “Refresh” call such as using environmentally friendly vending machines.

PepsiCo set to debut environmentally friendly vending machines



Who really thinks of the fact that vending machines emit greenhouse gases and use hydrofluorocarbons? Pepsi, apparently. The No. 2 cola maker today said it is rolling out the first eco-friendly vending machines in the U.S. These green machines will begin popping up this month in Washington, D.C. They emit 12 percent less greenhouse gas and use carbon dioxide, a natural refrigerant, instead of HFCs. This marks the first time that vending machines cooled by CO2 have been introduced in America. PepsiCo is also eliminating HFCs from the insulating foam in vending machines, coolers and fountain equipment. It's also testing thousands of machines around the world that rely on other green refrigerants, including isobutane and propane. Pepsi last week also announced the [lightest plastic bottled-water packaging](#) in the country. Maybe Pepsi should change its colors to green and white.

Phase 2: Refresh The World At The Speed Of Culture

The “Refresh” goal was about encouraging small individual acts rather than one big “Change the World” moment.

We envisioned “Refresh” as a living, breathing platform that would champion and celebrate new energy, new optimism and new ways of doing things all at the speed of culture.

To spark and spread this movement, we couldn’t rely on the traditional schedule of quarterly themed campaigns.

Instead, we mapped out planned, anticipated and opportunistic events that Pepsi could leverage, react to and own.



The result was an ongoing communications program with our audience in response to cultural conversations, consisting of a fleet of both mass campaigns and micro-initiatives.

An extensive 12-month calendar of key cultural moments (see below) was built so we could identify which ones we could “refresh.”

ANTICIPATING REFRESH						
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	
1 NEW YEARS DAY 2009 REFRESH THE YEAR	1 SUPER BOWL REFRESH SUPER BOWL	ALL AMERICAN RED CROSS MONTH REFRESH VOLUNTEERING	1 APRIL FOOLS DAY REFRESH PRANKS	5 CINCO DE MAYO REFRESH CELEBRATION	1 CONAN O'BRIEN REPLACES JAY LENO REFRESH 'TONIGHT SHOW'	
5 MACWORLD EXPO REFRESH COMPUTING	14 VALENTINE'S DAY REFRESH ROMANCE	ALL OPTIMISM MONTH REFRESH OPTIMISM	16 NEW YANKEES STADIUM OPENS REFRESH YANKEES	5 NATIONAL TEACHER'S DAY REFRESH TEACHER APPRECIATION	14-28 FIFA CONFEDERATION CUP REFRESH CHAMPION	
19 MARTIN LUTHER KING JR. DAY REFRESH FREEDOM	17 ANALOG TV STOPS, DIGITAL ONLY REFRESH TELEVISION	18-22 22ND SXSW MUSIC FESTIVAL REFRESH MUSIC FESTIVALS	22 EARTH DAY REFRESH THE PLANET	9 STAR TREK MOVIE RELEASE REFRESH STAR TREK	20 SKATEBOARDING & JUGGLING DAY REFRESH ACTIVITY	
20 INAUGURATION DAY REFRESH AMERICA	24 MARDI GRAS REFRESH NEW ORLEANS	20 FIRST DAY OF SPRING REFRESH REBIRTH	APR 3RD GENERATION PRIUS LAUNCH REFRESH HYBRID	10 MOTHER'S DAY REFRESH APPRECIATION	21 FATHER'S DAY REFRESH APPRECIATION	
22-25 WINTER X GAMES REFRESH WORLD RECORDS	Q1 LAUNCH OF NATURAL PEPSI REFRESH REFRESHMENT	MAR RE-LAUNCH OF WOMEN'S PRO SOCCER LEAGUE REFRESH WOMEN'S SOCCER	APR JIMMY FALLON REPLACES CONAN O'BRIEN REFRESH 'LATE NIGHT'	24 BROTHER'S AND SISTERS DAY REFRESH SIBLING APPRECIATION	21 START OF SUMMER REFRESH SEASONS	

With this calendar in place, we re-introduced the brand to the world with messages of hope and optimism on New Year's Day, when people go through self-renewal.



As the Presidential Inauguration approached, Pepsi's positive messages blanketed Washington through out-of-home communications and around the country on TV and online.

Pepsi even sponsored a daylong "Refresh The World" symposium hosted by Spike Lee at Howard University.



Through a TV spot entitled, "Pass," we highlighted how Pepsi had been a part of cultural milestones and called on people to become part of this movement, "Every generation refreshes the world. Now it's your turn."

We saved the grand unveiling of this new campaign for the SuperBowl. With almost half of the entire U.S. population watching this year's event, we launched the "Refresh Anthem" commercial.



Throughout the year, we continued to sustain Pepsi's momentum by "refreshing" other cultural high points such as the opening of the new Yankees stadium, the NFL Draft and the Coachella Music Festival, where a dedicated Pepsi Twitter channel gave attendees and music lovers an exclusive real-time, behind-the-scenes coverage of the festival.

RESULTS

Did this campaign help Pepsi regain its pop?

It certainly did, as it was successful on several levels:

- brand health
- cultural currency
- sales

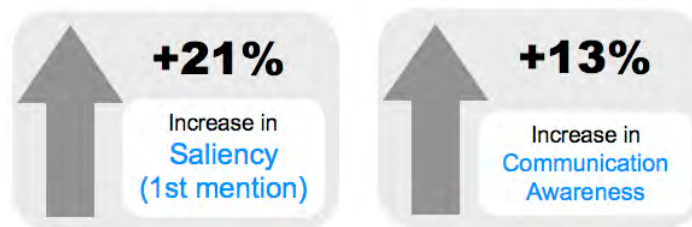
a) Brand Health:

In just six weeks after launch, the campaign strengthened brand health and imagery. It has forced a re-appraisal of Pepsi's meaning and role in culture.

Unaided awareness and communication awareness increased.

Saliency & Awareness

Pre vs. Post Launch (6 weeks after)



Source: Pepsi Brand Health Tracker

Not only were people thinking more about Pepsi, they also were *thinking the right things* about Pepsi. They associated it much more with being optimistic, trustworthy and authentic/genuine.

Brand Imagery

Pre vs. Post Launch (6 weeks after)

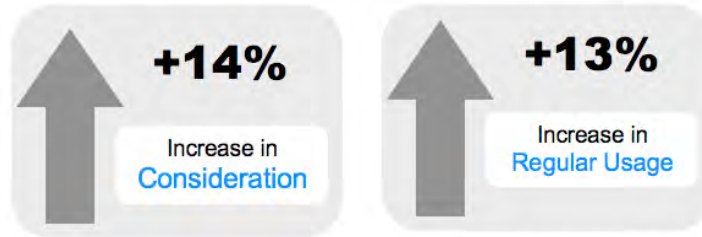


Source: Pepsi Brand Health Tracker

This uptrend boosted both consideration and actual usage.

Consideration & Usage

Pre vs. Post Launch (6 weeks after)



Source: Pepsi Brand Health Tracker

b) Cultural Currency:

The campaign re-ignited consumer interest in Pepsi and jumpstarted the brand's cultural momentum.

Pepsi search volume in February 2009 was the highest in nearly three years.

Web Search Volume: pepsi

Apr 2006-Feb 2009

Google Insights for Search

Interest over time



The campaign became a central part of emerging pop culture.



Parodied by South Park for the show's new season



Jay Leno's Comedy Stimulus Plan



Good Morning America's positive review of Pepsi SuperBowl commercial



Pepsi "Refresh Anthem" was no. 8 on the 2009 SuperBowl Ad Meter

NEW YORK
The New Ad Campaign: Why Pepsi Loves the President

How does one go about rethinking a household brand that's gone virtually unchanged for half a century? Obama power. The Pepsi Optimism Project...reports that these consumers feel a strong sense of optimism about their careers and the future of the country.



Optimism, Thy Name is Pepsi



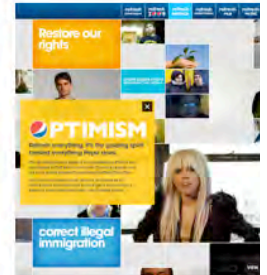
Second most watched and most popular video on YouTube

1,781,467 views

D-CONSORTIUM

Pepsi goes for Optimism...

Seems to be a sudden spate of 'be optimistic in 2009' postings and campaigns - goodness knows we all need cheering up! Pepsi should be applauded for their refresheverything approach and site, but I hope that the next phase is more engaging...In 2009 the online engagement leaders and curators will emerge and Pepsi has a good chance to lead the pack - just need to take the leap from marketing to engagement - fingers crossed!



After just three days, content on Pepsi's online hub refresheverything.com was viewed by over 5 million people.

It also positively engaged the audience.

Word of Mouth (Net Advocacy)

Positive WOM minus neutral/negative WOM



Source: Pepsi Brand Health Tracker

Finally, it has created a network of fans, converts and evangelists.

Among marketers...

Pre

“ It seems that Pepsi is going through an image crisis. What can it do to turn its fortunes around? Is the brand simply too old to start anew? ”



MarketingWeek

➔

Post

“ Other than Pepsi, Madison Avenue blew it. Kudos to them for nailing it. ”

-Donny Deutsch, MSNBC 2/2/09 after the 2009 SuperBowl

Brandweek cover story, Feb 2009

and consumers alike.



“ I am thrilled with Pepsi's new Refresh Everything message to America. The campaign launched in Times Square on New Year Eve and the timing couldn't be better. At the beginning of a new year, we are all in a mindset that is open to change and a fresh start. Check it out and give Pepsi some props for inspiration!

Remember the way the country banded together after the terrorist attacks on 9/11? Americans proved they have the motivation to think positively and unite. Lets band together to fight this! Let's show our optimism and perseverance!”



I'm actually more towards Coke, but this might change my mind.






“...It's weird when major corporations stop being out-of-touch dinosaurs with antiquated ideas about 'what the kids want' and start doing things that border on genuinely kind of 'cool.'”



myabsentmind

I gotta give it to Pepsi -- their "My Generation" TV ad is just too cool!

photos & videos from /r/pepsibots

And Most Importantly:

c) SALES:

In a rapidly declining category, the campaign increased total sales volume by over +6% versus 1st semester 2009 goals.

This narrowed the gap in sales volume between Coke and Pepsi by over +10%.



Source: Pepsi sales tracking