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The Pepsi Refresh Project: A Thirst for Change

Ana Maria "Ami" Irazabal grabbed a Pepsi from the soda fountain in the hallway while dashing to her meeting. She needed a caffeine boost to keep with the pace of her job as the senior marketing director for Trademark Pepsi and the leader of the company's Social Good program, the Pepsi Refresh Project. It was December 2010, and the project was finishing its first year.

In 2009, Pepsi had announced that it would not run advertising for its trademark brands during the 2010 Super Bowl. Instead, the company diverted $20 million—its typical Super Bowl budget—to support grants for a cause marketing program. The Pepsi Refresh Project allowed people to submit ideas for grants to "refresh" their communities. Grants were awarded to ideas that generated the most votes.

Consumer response to the program was tremendous. More consumers submitted ideas to the Pepsi Refresh Project than auditioned for *American Idol*; more votes were cast for Pepsi Refresh projects than in the previous U.S. presidential election. At the same time, Pepsi sales were slumping in the U.S.—down 5% in 2010—and PepsiCo was losing market share to its rival, Coca-Cola.[1] For the first time in 20 years, Pepsi-Cola surrendered its title as the second best-selling carbonated beverage to Coke by slipping to third, behind Diet Coke.[2] PepsiCo's share price was also down 5% in 2010.[3]

Irazabal sat down with her brand team to plan their strategy for 2011. Two questions loomed: Should Pepsi continue to invest in the Pepsi Refresh Project? And, if so, how should the team tweak the marketing strategy and execution to use the project's success to drive Pepsi sales?

The History of the Pepsi Brand

Brand Pepsi was owned and managed by PepsiCo, a global consumer products company that managed a diverse portfolio of snack food, beverage, and food brands—including Fritos, Doritos, Lay's, Gatorade, Tropicana, Sobe Waters, Aquafina, 7-Up, Mountain Dew, Quaker Oats, Cap'n Crunch, Rice-a-Roni, and Aunt Jemima. In 2010, Pepsi was one of the world's most valuable brands. Its brand equity was valued at over $14 billion, and it ranked 23rd on the Interbrand ranking of the best global brands.[4] The Pepsi brand had a long history, originating in 1898 as a hand-mixed carbonated creation developed to delight the crowds at Caleb Bradham's North Carolina pharmacy. The original Pepsi-Cola drink was joined by Diet Pepsi, a low-calorie drink launched in 1964, and Pepsi MAX, a zero-calorie, sugar-free cola with double the amount of caffeine launched in 2007, to form the Trademark Pepsi brand family.

Professors Michael I. Norton and Jill Avery (Simmons School of Management) prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

The Pepsi Generation

In its early days, Pepsi-Cola was sold as a healthful drink. During the Great Depression, it captured consumers' attention with a message of value, offering 12 ounces of soda (twice as much as the competition) for a nickel. During World War II, Pepsi changed its packaging to red, white, and blue, featuring patriotic themes in its advertising.

In the 1950s, Pepsi was positioned as a drink for the young and the young at heart, embodying being sociable and spirited, feeling free, and embracing change. In the 1960s, Pepsi ran award-winning advertising campaigns that designated the generation then coming of age as "The Pepsi Generation." In 1985, Pepsi became "The Choice of a New Generation," with an ad featuring pop star Michael Jackson, putting Pepsi on the leading edge of popular culture. In 1997, Pepsi launched its "GeneratioNext" campaign, reinvigorating the message for a new generation of Pepsi consumers. Pepsi continued to include the most influential music artists (e.g., David Bowie, Madonna, Aretha Franklin, Faith Hill, Britney Spears, Shakira, and Beyoncé), sports heroes (e.g., Joe Montana and Shaquille O'Neal), and fashion models (e.g., Cindy Crawford) in its advertising. Howard Pulchin, EVP and managing director of Brand Stewardship for Edelman, Pepsi's public relations agency, summarized Pepsi's pop culture strategy: "Pepsi has always been at the nexus of cultural shifts, trying different, new things. Pepsi is about bringing together people and ideas at the nexus of culture. When people are together, Pepsi is there."

Frank Cooper, chief engagement officer of PepsiCo Beverages, explained the enduring appeal of this lifestyle positioning:

> In the 1960s, we built a successful ad campaign on the slogan "For those who think young." That idea morphed into "The Pepsi Generation." The Baby Boomers who were coming of age were excited, engaged, and enthusiastic—and started a movement that transformed our culture. In the 80s and 90s, Generation X experienced the transformation from typewriter to computer, letters to email, isolated cultures to global infrastructure. Today's Millennials, the most globally connected group in history, embody and embrace change. They live life in beta.[5]

As the brand team shaped the Pepsi Refresh Project, they were careful to consider Pepsi's rich brand meaning from its long history, with Irazabal noting that "part of Pepsi's DNA has always been the spirit of the challenger, celebration of the next generation, and of optimism and all things young at heart."[6]

The Cola Wars

In the 1970s, Pepsi's rising sales began to challenge those of the market leader, Coca-Cola—and the "cola wars" began. Pepsi was fighting against a formidable competitor. In 2010, Coke's brand equity was valued at over $70 billion and it topped Interbrand's list of the best global brands. Interbrand's assessment of the Coke brand was that "its brand promise of fun, freedom, spirit, and refreshment resonates the world over and it excels at keeping the brand fresh and always evolving— all this, while also maintaining the nostalgia that reinforces customers' deep connection to the brand."[7] Memorable campaigns included "It's the Real Thing" from 1969, "I'd Like to Teach the World to Sing" in 1971, "Have a Coke and a Smile" from 1979, "Coke is It!" from 1982, and "Always Coca-Cola" from 1993.

In 1975, Pepsi's brand team found a compelling way to differentiate Pepsi from Coke, converting results from blind taste tests showing that people preferred the taste of Pepsi to Coca-Cola into an award-winning advertising campaign. The "Pepsi Challenge" energized Pepsi sales, catapulting the

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brand into the #1 slot for the best-selling soft drink in American supermarkets. In response, Coca-Cola reformulated Coke, creating a sweeter version that appeared on shelves in 1985. "New Coke" beat both Pepsi and Coke in blind taste tests. However, Coke's consumers revolted against New Coke, demonstrating the nostalgic and iconic appeal of the Coke brand. In response, Coke quickly introduced Coca-Cola Classic.

Pepsi and Coke's rivalry was enduring, with the two companies constantly trying to win the battle for "brand switchers"—the large group of die-hard cola drinkers who were fickle enough in their preferences to switch from one brand to the other on the basis of price discounts, innovative promotional strategies, and other marketing efforts. In 2010, Coca-Cola led the soft drink market (**Exhibit 1**).

PepsiCo in the Twenty-First Century

As the new century dawned, PepsiCo faced significant challenges. The first was a decrease in soda consumption in the United States. In 2009, the average American consumed 46 gallons of carbonated soft drinks, the equivalent of 736 8-ounce servings—more than 2 servings per day—but down significantly from 1998, when Americans consumed 864 servings.[8] Since peaking in 2004, volume sold had declined for six straight years, as cola drinkers switched from soda to iced teas, juices, and waters—though in 2009 consumers still purchased more than twice as many gallons of cola than bottled water, and more cola than milk and beer combined (**Exhibit 2**). Analysts expected volume to decline by 1.5% to 3% annually for the next ten years.[9,10]

The second challenge came from external pressure. By 2010, two-thirds of American adults and one-third of American children and adolescents were overweight or obese.[11] First Lady Michelle Obama initiated an anti-obesity initiative that included requiring soda manufacturers to put calorie content on the front of containers.[12] Groups lobbied lawmakers to sponsor soda taxes to reduce consumption and pay for the health costs of obesity.[13] Companies like PepsiCo, Coca-Cola, and McDonald's were often presented as corporate exemplars of the obesity problem. Jon Leibowitz, chairman of the Federal Trade Commission, stated that his agency would begin "shaming companies that aren't doing enough."[14]

In response, the American Beverage Association pledged to reduce beverage calories in the marketplace, with their member companies offering lower-calorie beverages and smaller portion sizes.[15] PepsiCo and the Coca-Cola Company stopped selling full-calorie sweetened drinks in U.S. schools in 2006.[16] In 2009, PepsiCo's CEO, Indra Nooyi, announced a new vision for the company—Performance with Purpose—that placed global corporate citizenship at the forefront of PepsiCo's mission:

> PepsiCo's people are united by our unique commitment to sustainable growth, called Performance with Purpose. By dedicating ourselves to offering a broad array of choices for healthy, convenient, and fun nourishment, reducing our environmental impact, and fostering a diverse and inclusive workplace culture, PepsiCo balances strong financial returns with giving back to our communities worldwide.

The company began to enhance its product portfolio with wholesome foods and beverages, with a new approach to segmenting its product line: *fun-for-you* products such as Pepsi, Doritos, and Mountain Dew; *better-for-you* products such as Baked Lays and Propel water, with levels of fat, sodium, and sugar in line with dietary-intake recommendations; and *good-for-you* products such as Gatorade, Quaker oatmeal, and Naked juices that included whole grains, fruits, vegetables, and

nutrients. Research and development operations were directed to explore new means of making all of PepsiCo's products healthier. PepsiCo's goal was to triple the number of *good-for-you* products by 2020. Nooyi stated: "By expanding our portfolio, we are making sure our consumers can treat themselves when they want enjoyable products, but are able to buy a range of appetizing and healthier snacks when they are being health conscious."

As the company focused on making their product offerings healthier, critics claimed that PepsiCo's senior management was losing its focus on the core soda and snack businesses—and that the stock price was suffering as a result. Sanford Bernstein analyst Ali Dibadj stated that "they have to realize that at their core they are a sugary, fatty cola company and people like that. Health and wellness is a good focus, but you can't be singularly focused on it."[17]

The Refresh Everything Campaign

As Irazabal, Cooper, and their advertising agency, TBWA\Chiat\Day, searched for the next big idea to anchor Pepsi's 2009 advertising campaign, they observed several important cultural shifts in the U.S. The financial crisis of 2008 had provided a sobering end to the excesses of the 2000s. A Pepsi consumer survey in December 2008, however, showed that Americans were hopeful about the future; this was particularly true for Millennial consumers (ages 17-27), 80% of whom expressed hope about their future.

In response, Pepsi launched a new campaign—"Refresh"—with the tagline "Every Generation Refreshes the World," which had three executions: Wordplay, targeted mainly to Millennials; Bottle Pass, targeted mainly to Baby Boomers; and Refresh Anthem for the Super Bowl. All executions communicated themes of optimism, hope, joy, and love; the campaign was launched to coincide with New Year's Eve 2009, and Pepsi kicked off the excitement by plastering Times Square in New York City, the site of the biggest New Year's Eve party in the U.S., with advertising. The campaign challenged consumers to refresh and renew their world.

A "Refresh Anthem" commercial was created for the 2009 Super Bowl, featuring Bob Dylan and will.i.am, the lead singer of the Black Eyed Peas, to the tune of the Dylan classic "Forever Young." The ad featured the tagline "Every Generation Refreshes the World" and juxtaposed scenes from the 1960s and the 2000s. The visuals focused on the similarities between the Baby Boomer and Millennial generations and communicated themes of happiness, change, and youthfulness. TBWA\Chiat\Day's Pepsi account planner, Jeremy Simon, explained the campaign:

> It came from insight into two business problems facing Pepsi. Our core Baby Boomer consumers were leaving the soda category and weren't being replaced by Millennials. Our challenge was to find a single solution to both problems, to keep Baby Boomers and attract Millennials. Our insight was that those two generations have a lot of shared values and attitudes—they are optimistic generations who believe that they can change the world.

Many noted similarities between the messaging of "Refresh Everything" and the rhetoric of Barack Obama, and between Pepsi's newly redesigned logo and the logo used by Obama in his presidential campaign. To capitalize on the excitement surrounding Obama's inauguration, Pepsi peppered the crowd with Pepsi tote bags and T-shirts and blanketed Washington, DC, with Pepsi Word Play billboards. Nicole Flavin, Pepsi Brand marketing director for Diets and Innovation, explained that "our point was not to have a political point of view, but to make sure that we were riding the sentiment in the country—and the sentiment was change."

The Pepsi Refresh Project

As the "Refresh Everything" campaign moved into its second year, the mood of the nation had changed again. Simon explained: "2010 became a year of action, not words. 'Refresh Everything' would be judged on the brand's actions, not just on the words in our advertising. We knew we had to do something really big and tangible, a physical manifestation of our brand platform."

Irazabal's research showed that Millennials perceived the Pepsi brand as superficial: "Consumers are tired of words without actions. 'So, great, you're refreshing the world. Show me how.'" Cooper noted that "one of the ideas that came up was to show consumers that the brand is giving back to the world—that the brand is not just taking."

The Pepsi Refresh Project was a marketing program geared to solicit and reward consumers' ideas for refreshing their communities: Pepsi would enable consumers to enact change by funding their ideas. For 2010, $20 million—originally earmarked for other marketing activities including Super Bowl advertising—would fund the best ideas submitted by consumers. Grants ranging from $5,000 to $250,000 would support ideas in six categories, such as "Education" and "The Planet" (**Exhibit 3**). The hub of the program was its website—www.refresheverything.com—where consumers submitted ideas, reviewed idea proposals, and cast their votes. Each month, the site accepted up to 1,000 idea submissions. Consumers were encouraged to return frequently to vote; each person could vote for 10 ideas per day during a 30-day voting period.

The project capitalized on several converging trends. First, studies showed that brands' social capital was important to Millennials: 69% claimed that they considered a company's social and environmental commitment when shopping, and 89% said that they would switch to a brand associated with a good cause.[18] Second, Millennials believed that they were both obligated and empowered to make the world a better place: 92% believed the world needed to be changed, and 83% believed that their generation had a duty to change the world.[19] Third, Millennials believed that technology, and specifically social media linking people together, was a force for change.[20]

The brand team encapsulated these trends with the tagline "Every generation refreshes the world. Now, it's your turn." Launch materials invited consumers to participate:

> Imagine if people from all walks of life across the U.S. had just one idea to make the world better. Now imagine if they had the means to bring their ideas to life. The Pepsi Refresh Project offers a platform for change, empowering Americans to bring a positive impact to their communities . . . . The Pepsi Refresh Project is about the power of people and their ideas.

Pepsi's Partner Network

The scope and the scale of the project were unlike anything Pepsi had done before. The brand team enlisted a cadre of agency partners to help plan and execute the project. In addition, all internal Pepsi brand resources—both financial resources and personnel—were diverted from other marketing programs. Irazabal laughed as she recalled the support she had received:

> We have about 125 people working on the project, including everyone here at Pepsi and at our agency partners. If you ask any one of them, they all feel like they own the project. There is a huge sense of pride. People who work on the other brands here at PepsiCo ask, 'Is there any way I can help?' We have a group of employees who are Millennials who help us moderate the ideas each month, just because they want to be a part of it, not because it is part of their job.

GOOD, an integrated media company for "the people, businesses, and NGOs moving the world forward," played a major partnership role. PepsiCo envisioned GOOD as a guide and an enabler. "We brought GOOD in to shepherd us through the process. They had insight into how things really work—not just giving to an organization and hoping that they would accomplish something, but getting involved directly to help execute an idea," said Cooper. GOOD's participation granted PepsiCo legitimacy, as Irazabal explained: "We talked to non-profit entrepreneurs to understand whether it would work. Will it be called greenwashing? How do we make it authentic?"

GOOD played several roles. They recruited and managed a team of Ambassadors—emerging leaders, activists, neighborhood advocates, and non-profit founders—who worked to increase the involvement of the non-profit community and cultivate and curate innovative ideas in their areas of expertise. GOOD worked with Pepsi personnel to vet submitted ideas to ensure that they adhered to the spirit and law of the program before being opened to consumer voting. The democratic nature of the program—allowing consumers to decide which causes Pepsi would support—made the project unique among cause marketing programs. Lauren Hobart, chief marketing officer, PepsiCo Sparkling Beverages, felt that "there was a time when brands wanted to keep total control, but we gave control to the people—which is crucial in engaging today's consumers." The idea-vetting process was designed to ensure that Pepsi did not fund ideas that could damage the brand's reputation. Andrea Foote, senior manager of Pepsi Beverages Company Communications, was one of the employees involved. She noted, "Pepsi has a code of conduct and ethics, and we all try to live by it. What happens when there's an idea that's not in accordance with that code? Can Pepsi stand behind it?"

GOOD worked with grant winners to maximize their success in executing their ideas in their communities. They also managed other agencies involved in the grant process, such as Global Giving, which conducted due diligence on the spending of the grant money, and Mission Measurement, which assessed the social impact of the grants. Grant Garrison, grants director of GOOD, explained: "Once the money is out there, how do we ensure that the grantees impact their community—and actually do what the voters wanted them to do? Our team of grant managers conducts public relations for winners' events to help them attract as much community participation as possible."

The goal was to help grantees succeed. Irazabal noted that "we have a whole backstage organization that supports the winners to make their ideas a reality. We aren't holding their hands per se, as these are very driven people, but we're making sure we have the right support for them."[21]

Employee Engagement Programs

In addition to its external partners, PepsiCo relied on its employees to generate excitement for the Pepsi Refresh Project. The brand team seeded a special contest among PepsiCo's employee resource groups, such as the Women's Initiative Network and Adelante, the Pepsi Latino/Hispanic Inclusion Group. Each group was asked to submit an idea for a $10,000 grant, and employees voted for their favorites. During the voting period, the Pepsi Refresh Project team took over PepsiCo's headquarters, wrapping the space with Pepsi Refresh Project signage. All 41,000 PepsiCo employees received information about the program via Pepsi's internal newsletter, and branded T-shirts were dropped on every desk. The winner of the employee resource group contest was announced at a Town Hall Meeting featuring CEO Nooyi as the keynote speaker. Flavin recalled the excitement of the launch: "Indra told us that never in her wildest imagination did she think that a brand would internalize Performance with Purpose and bring it to life in such a meaningful way. She encouraged all of us to tell 10 people about the Pepsi Refresh Project."

Internal research demonstrated the program's impact on employees: 97% said that the project reinforced their pride in PepsiCo as a company, 83% planned to vote for an idea, and 25% planned to submit an idea. Once the program went live to consumers, employees were encouraged to submit ideas; in the first 10 months, 94 employees or their immediate families had done so. Kristine Hinck, senior manager, Pepsi Beverages Company Communications, summarized the employee response:

> The brand team's decision to engage employees first was unique and significant. This approach really helped employees across the company become active, educated, passionate ambassadors during the launch of the consumer-facing program. We had employees writing in to say, 'In my 30 years as a PepsiCo employee, I've never been more proud!'"

Bottler Engagement Programs

Pepsi also engaged its bottler partners in the Pepsi Refresh Project. PepsiCo distributed its soda through a complex network of independent companies who owned the franchise rights to distribute Pepsi products in particular geographic areas. Since the bottlers were Pepsi's front line in stores and in local communities, the brand team knew their support was crucial to the success of the program.

The project was announced at a national bottler meeting and webinars were produced to walk bottlers through the logistical details of the program. A special bottler grant contest spurred idea submissions from the bottlers. Because bottlers would manage local public relations and events surrounding the grant winners, the brand team created winner kits (with banners and oversized checks) and press kits for bottlers to use with their local news organizations.

Some bottlers were skeptical of the program's ability to sell more product; others recognized its appeal for burnishing the brand's image. As Foote recalled: "The bottlers understood that the project was partly about the brand image, about changing people's perceptions of carbonated soft drinks—which had become the poster child for bad eating habits. But, for our bottlers, sales volume is much more important to them. So for any program that we launch, their bottom line is, 'How is this going to help me sell more Pepsi?'"

Dave Pederson, vice president of soft drink sales at Bernick's Beverages and Vending in Minnesota, believed that the project had enhanced his ability to increase Pepsi's visibility in stores: "We fight for floor space and locations in the stores, and this year I think we're getting better locations than our competitors. We're getting bigger displays, because [stores] are seeing that we're giving back to the community."[22] But others expressed concern. Brian Charneski, a representative of 16 independent bottlers said, "People feel good about [the Pepsi Refresh Project] and I think it's neat, but it doesn't translate to 'I'm going to buy a Pepsi.'"[23]

The Launch

The Pepsi Refresh campaign website went live on January 13, 2010. Irazabal remembered the moment: "All of the media support for the Pepsi brands went toward the project in 2010. It was the theme that united all the activities of the brand—one voice, one project." One key decision was how best to incorporate the Pepsi brand and products into the project. Kate Watts, of Pepsi's digital agency, HUGE, noted that "there was no direct call to action for purchase on the website. The branding was obviously very much Pepsi, but there was no direct push to sell the product in any shape or form. And that was the original intent—it was supposed to elevate the brand, not drive sales."

A launch blitz was designed to build excitement (see **Exhibit 4** for examples). Edelman and Weber Shandwick, Pepsi's public relations agencies, managed a multifaceted national and local public relations program. Actors Kevin Bacon and Demi Moore participated in a Pepsi Refresh Celebrity Challenge, seeking votes for their favorite causes; the Celebrity Challenge was announced for the first time on *The Today Show*. The Pepsi Refresh Facebook page also featured an exclusive opportunity to watch the "Pepsi Refresh Everything through Great Ideas" brainstorm live from New York City. The brainstorm brought together Moore, Bacon, CMO and president of joint ventures for PepsiCo Americas Beverages Jill Beraud, advisory board member Majora Carter, and college students from the New York City area to discuss ideas that they believed would positively move the world forward. Viewers submitted questions in real time via Facebook and Twitter (@Pepsi); content from the brainstorm was available on Ustream, Facebook, and a new iPhone application.

In just 72 hours, the site reached the 1,000-idea submission limit for the first month, with at least one submission from each state. More than 141,000 votes were cast in the first three days of voting. In the second month of the program, it took only 16 hours to field 1,000 submissions. Pulchin remembers the moment when the team realized that the program would be a success: "We were worried that there would be too few ideas submitted. What if no one participates? What if no one votes? But there were way more ideas than we could put up on the site."

Social Media Programs

Given the Millennial target audience and the fact that the projects would be posted and the voting would take place online, the team relied heavily on social media for its reach and impact. Irazabal increased her digital advertising spend by 60% for 2010.[24] Pepsi sponsored Social Media Week, an industry conference on trends in social and mobile media, and solicited three influential bloggers to compete for a $50,000 grant. Irazabal, Cooper, and other executives were interviewed by bloggers at the event, which generated 50 million impressions on Twitter.

Consumers interacted with the project across social media platforms. They voted for ideas on the main website, on Facebook, or via SMS text messaging. They were encouraged to "Like" the Pepsi Refresh Project on Facebook and to use Twitter to generate publicity and solicit votes. A mobile application allowed consumers to view ideas in their area and vote from their mobile phones. On the website, winners were encouraged to blog about their efforts to increase awareness of their causes.

Soon, the site was receiving four to five million unique visitors each month. About half of those registering on the site to submit ideas opted in to receive brand communications and coupons from Pepsi. By March 2010, the project had earned Pepsi an additional 300,000 Facebook friends and was generating 1,000 tweets per day. Public relations efforts yielded 6 to 12 media stories each day. The amount of content generated by the program was staggering.

Shiv Singh, Pepsi's head of digital, noted that the Refresh Everything website was generating more content and traffic than many of the websites that Pepsi had traditionally pursued for advertising buys:

> We are now a media company in our own right. Rather than having our consumers on someone else's website, we have their traffic. Rather than spending hundreds of thousands of dollars advertising Pepsi on a media company's website, I can use that money to create content for Refresh Everything that leads to deeper engagement and a stronger relationship—and consumers take that content and let it travel.

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Traditional Media Programs

PepsiCo was one of the largest advertising media buyers in the U.S., spending $136 million to support its Trademark Pepsi brands in 2009.[25] Through August 2010, Pepsi had spent $109 million advertising the Pepsi Refresh Project.[26] Media buys included television advertising on NBC, ABC, Fox, MTV, Spike, and ESPN, and print advertising in *People* and *Parade* magazines.

Erin Matts, chief digital officer of OMD Digital, Pepsi's media buying agency, explained the media strategy: "The plan was to get people engaged early on to start a snowball effect as we reached critical mass. Public relations and media placements helped, but we wanted to engage people who would give the program the start it deserved." Rather than buying advertising spots and filling them with Pepsi ads, Pepsi co-produced integrated programming. MTV correspondent Su Chin Pak and actor, comedian, and rapper Nick Cannon traveled around the country in a Pepsi Refresh bus to film segments about grant winners. NBC's *Today Show* featured three weeks of stories on idea submissions the hosts were passionate about. *Parade* conducted a national poll on "What America Cares About" with a cover feature on the results and featured a monthly "What Celebrities Care About" column with a customized Refresh advertisement adjacent to the column. Director of media strategy Seth Kaufman noted the advantages of this type of advertising: "Now I get the right eyeballs, they're engaged with my message, and they're looking at branded content, not advertising. Integration into *The Today Show*, where we're part of the messaging in a genuine way, is 60% more effective than running an ad."

Using branded content put the brand's messaging in the hands of its media partners. Kaufman admitted that "losing control of our creative was very, very hard" but felt that giving up control ultimately led to more effective media: "Although no one knows the Pepsi consumer like we do, no one knows the MTV viewer like MTV does."

Sports Marketing Programs

Pepsi also utilized its sports marketing assets. During the lead-up to the 2010 Super Bowl, New Orleans Saints quarterback Drew Brees, New York Jets quarterback Mark Sanchez, and Dallas Cowboys linebacker DeMarcus Ware submitted ideas for a $100,000 grant, and fans voted on www.nfl.com. The effort generated 530,000 votes in five days. Brees, who later was the 2010 Super Bowl's most valuable player, was awarded the grant to support The Hope Lodge in New Orleans, which provides rooms for cancer patients and their caregivers. The grant was awarded on the Friday night before the Super Bowl at a party hosted by musical artist Rhianna, which generated over 376 million media impressions.

The process was repeated for other sports sponsorships. Major League Baseball players—including stars like C.C. Sabathia, Johnny Damon, and Evan Longoria—submitted ideas. After 2.5 million votes were cast, the winning grant went to the Minnesota Twins to build a field for wheelchairs for The Courage Center, a wheelchair softball team. The check was delivered during Fox's broadcast of the World Series. NASCAR drivers Dale Earnhardt, Jr., Jeff Gordon, and Jimmy Johnson competed for a grant, as did athletes from the U.S. Men's National Soccer Team during the FIFA World Cup.

In-Store Programs

A more toned-down approach was used in retail stores where Pepsi products were sold. Pepsi's 2-liter bottles and 12-pack cartons were stickered with a Pepsi Refresh Project snipe, but Pepsi was careful to distance the program from the purchase of a Pepsi product. Importantly, no Pepsi purchase

was required to participate. Irazabal explained that "we were purists in the way we presented the project. The fear of being seen as inauthentic prevented us from pushing soda sales more."

In fact, some people participating in the project, both submitters and voters, were not soda drinkers, and some grant winners admitted not being partial to soft drinks.[27] Cooper noted:

> We wondered whether we should build in an advantage for people who are Pepsi consumers. We decided not to do so, because we felt that the program should be as pure as possible in its intent. Everyone knew that there would be some skepticism about the program—this is Pepsi, and Pepsi's in the business of selling beverages. If a critic wrote that barely beneath the surface was the quid pro quo of driving sales, the criticism might override the good intent.

Punting the Super Bowl

One of the biggest decisions surrounding the project was Pepsi's choice to walk away from the Super Bowl, after being one of its biggest advertisers for 23 years. Cooper described the reaction: "I was surprised by the emotional response—people lost their minds. They were deeply attached to Pepsi's appearing in the Super Bowl, viewing it as part of the cultural experience of the game."

The Super Bowl was a preeminent advertising arena, bringing in 100 million viewers anticipating the debut of new advertising during the game. Thirty-second advertising spots cost $2.5 to $3 million, and Pepsi had spent $143 million on Super Bowl advertising between 1999 and 2008, second only to Anheuser-Busch; Coca-Cola spent $30.5 million during the same period.[28] Although Pepsi did buy traditional 30-second spots in key networks, the brand team also decided to co-produce integrated programming. Pepsi had historically used the Super Bowl to launch new campaigns, and consumers often rated Pepsi's Super Bowl ads highly, extending the reach and impact of the ads in the following weeks.

Irazabal explained the decision: "We didn't feel the Super Bowl was the right platform for the Pepsi Refresh Project. We probably sacrificed awareness, but I think we gained authenticity and credibility." Hobart continued, "It is an environment where people expect humor, and this project didn't lend itself to that. That said, Pepsi had a long legacy on the Super Bowl—it was hard to walk away from that exposure, and we heard it from our bottlers."

Third-party commentators, such as Marc Lucas of Kirshenbaum Bond Senecal & Partners, applauded Pepsi's decision: "I am talking to clients now who used to be scared to walk away from million dollar TV ads, but that's not the case anymore. On the flip side, I think it's very bold to not be in a place where you know you're going to have an audience."[29] Others were more critical, such as Jeremiah Owyang, an Altimeter Group partner: "The company alienated a key channel and missed out on tying Pepsi Refresh to the most-watched television event in Western media. By not having any in-game discussion on the advertisements, [Pepsi] was unable to use the Super Bowl as a catapult to launch the campaign into the social sphere."[30]

However, Pepsi was the second-most buzzed-about brand around the Super Bowl (**Exhibit 5**).[31] Pepsi added 300,000 fans to its Facebook page during the Super Bowl period, while Coca-Cola, which took advantage of Pepsi's absence and ran multiple Super Bowl ads, added 390,000.[32] Coca-Cola's chief marketing officer, Katie Bayne, said, "We feel the Super Bowl is one of those iconic moments that helps Coke burnish its brand."[33] Others, like Pete Blackshaw of NM Incite, cautioned PepsiCo not to underestimate the value of a paid ad versus impressions generated by social media: "Some

would argue that a 30-second commercial has potential to penetrate a lot more than a quick, incidental reference on a blog post. A good Super Bowl commercial can create massive viral multiples."[34]

Analyzing the Results

Irazabal and her team spent the meeting analyzing the project's results. Many were positive. By the end of November 2010, 182,931 ideas had been submitted by people of all ages from all 50 states. Over 57 million people had voted for an idea (**Exhibits 6** and **7**). The project had generated 3.24 billion media impressions, estimated to be worth some $66 million in earned media value. Paul Massey of Weber Shandwick, Pepsi's public relations agency, commented on the momentum:

> We've worked in close contact with the grantees, who have been remarkable spokespeople for the impact that they've had; we've coordinated with GOOD in setting up one-on-one interviews for grantees with local media. That's the PR machine behind the project — a steady drumbeat of content that tells the story of how Pepsi is making an impact at the local level.

Prior to the project, Pepsi lagged behind Coke in Facebook fans, with 225,000 to Coke's 3.5 million: the project added 3 million Facebook fans and 53,000 Twitter followers. The project won the Titanium Award at the Cannes Lions International Advertising Festival, the world's biggest advertising awards show. *Forbes* magazine named the program among the "best ever social media campaigns."

The team was most excited about the brand health measures (**Exhibit 8**). An independent study conducted by Edelman — the Edelman Good Purpose Study 2010 — showed that Pepsi was the leading brand that came to mind when consumers were asked to consider which brands placed as much or more importance on supporting a good cause as they place on profits, ahead of Coke (at #4), Nike, and Newman's Own.[35]

The first month's grant recipients reflected the diversity of causes funded (see **Exhibit 9** for examples). Mid-year, following a catastrophic oil spill in the Gulf of Mexico, Pepsi added a special grant contest for ideas to help the Gulf. Submitted ideas included relocating endangered sea turtles and setting up a camp for young musicians. Pepsi estimated that through November 2010, the project had positively impacted some 73,000 people directly and an additional 29,000 people indirectly.

However, there were also troubling trends in the data. The average time spent on the Refresh Everything website was low — between three and four minutes. The website was functioning well as a voting engine, but its content was not keeping people engaged. In 2011, Singh felt that the team needed to "treat the voting as a starting point — as the permission for deeper engagement. What we see today is a consumer who comes to the site, looks at an idea, votes, and then jumps ship."

In addition, the team was not sure that the program was attracting the right consumers — either idea submitters or voters. Irazabal noted the preponderance of large non-profit organizations that were submitting ideas and marshaling their older supporters to drive votes (**Exhibit 10**). By the end of the first year, only $1.7 million had been given to 61 grantees under the age of 24.[36]

The project also garnered some negative press. One blogger asked, "What do Pepsi and Coke actually sell? Soft drinks; liquid with a lot of sugar and no vitamins. And now they want to get associated with health, planet, art and culture, food and shelter, neighborhoods, and education? Using social media? I am very sorry, but I think there is a value clash somewhere."

Finally, the most troubling numbers came from the field, as sales continued to slump: Pepsi-Cola's volume fell 4.8%, and Diet Pepsi's fell 5.2% in 2010. Both Pepsi and Diet Pepsi lost market share, while Coca-Cola eked out a 0.1 percentage-point gain.[37] Singh remarked, "This is a tension point: something that builds brand equity doesn't translate into an immediate ROI. It translates into sales a year later or a few years later. It's a big brand bet and investment." Irazabal described her thinking: "The short-term pressures are very challenging—we all recognize that it would have been better if the project had driven sales. But in the end, we want to do well by doing good. That's where we need to go in 2011: our programs need to be linked to sales in consumers' minds." Cooper felt that it was "partially a leap of faith. If you believe that your brand health scores are headed in the right direction, and that consumers are more engaged with the brand, then you expect more purchasing from your current consumers or an influx of new consumers—hopefully brand switchers."

Given all of the data in front of them, the team struggled with how to define success. Cooper tried to stay focused on the long term: "We are building more relationships and we have more points of contact with our consumers. We also measure activity within social media and the response has been tremendous. Ultimately, allowing people to do good through our platform will serve us at the retail shelf. People who are at the market, torn between our competitors and us—this will tilt purchasing in our favor because of how we're giving back and adding value to people's lives."

Looking Ahead

As the team looked ahead to 2011, they had several pressing decisions to make. The first was whether to continue to support the Pepsi Refresh Project from the brand marketing budget. Unlike PepsiCo's other philanthropic endeavors that were funded by the PepsiCo Foundation—such as charitable contributions to nonprofit causes including Save the Children and the Safe Water Network—the project was funded using dollars earmarked for Trademark Pepsi brand marketing. The team wondered whether the project was the most effective way to drive sales. Irazabal struggled with the optimal way to link the program to the brand: "I think that's still the biggest challenge—making sure that consumers know that it's the brand, not the Pepsi corporation. How can we continue to communicate that Pepsi, the cola, is actually helping to refresh the world?"

Cooper worried that the singular focus left other aspects of the brand's equity at risk:

The aspect that concerned me most was that it was all consuming. The Pepsi brand meant many different things over time. When Refresh became the single idea for 2010, we risked brand equity in other areas. At the same time, the perception of what the Pepsi brand could be had narrowed—it became a cola. Refresh was a disruptive move that, if sustained long enough, would encourage people to think of Pepsi in a broader way.

Hobart worried that the program lacked some key elements of the brand's personality: "By definition, the project is heavy. The stories on the website can make you shed tears. How can we bring in Pepsi's DNA, which is all about fun and optimism and the spirit of youth?"

Second, if the team decided to move ahead with the program, they needed to make changes. Irazabal explained: "Millennials are the people who engage most with the program once they are aware of it, but they are also the people that drink less soda. Only 12% of Trademark Pepsi drinkers are Millennials, but 38% of Pepsi Refresh folks are Millennials. If, at some point, they're going to choose a cola, we want them to choose Pepsi." Irazabal also worried about sustaining consumers' interest in the program for another year. One idea that the team was considering was adding "power voting," where Pepsi drinkers could garner up to 100 extra votes from codes hidden under the caps of Pepsi products. Another idea was changing the grant categories and/or grant amounts.

As the team debated, Pepsi's critics weighed in. Professor Mark Ritson claimed, "An overt focus on social media had blinded Pepsi to the realities of its market. It was not marketing a movement, it was marketing cola. Marketing at Pepsi should have never been about conversations or dialogue—it should have been about reminding consumers what Pepsi stands for and encouraging them to go buy it."[38] Rance Crain, editor of *Advertising Age*, was most direct: "The bigger question is whether any marketer should put all of its eggs in the do-good basket. It's risky to build your entire campaign around a cause that doesn't give any tangible reasons for consuming your product. There's also the danger that consumers could conceivably tire of causes or decide that Pepsi, a marketer long known for its ability to amuse and entertain, is taking itself too seriously. After all, we're talking about fizzy soda water here."[39]

Exhibit 1   Soft Drink Case Sales by Company and Brand (192-Ounce Cases, in Millions)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (est.)
Total Coca-Cola Company	3,798.0	4,005.1	4,208.6	4,399.5	4,377.5	4,383.8	4,375.9	4,468.1	4,459.8	4,414.8	4,408.4	4,357.5	4,241.1	4,107.6	3,947.0
Coke	1,868.6	1,929.2	1,978.2	2,037.5	2,018.0	2,028.1	1,987.5	1,947.8	1,889.4	1,832.7	1,796.0	1,760.1	1,707.3	1,664.6	1,598.0
Diet Coke	793.0	811.4	819.0	851.8	843.0	864.1	878.8	905.2	950.5	998.0	999.0	998.0	990.0	960.3	936.3
Other Coke Variants[a]	315.1	312.3	307.6	314.5	311.3	303.1	320.2	435.9	432.4	441.5	429.9	357.4	317.5	286.5	265.7
Total PepsiCo	2,770.7	2,880.6	2,965.7	3,100.2	3,119.5	3,124.1	3,163.5	3,170.1	3,227.7	3,246.1	3,207.8	3,167.5	3,082.8	2,964.3	2,815.3
Pepsi-Cola	1,344.3	1,384.6	1,391.5	1,399.8	1,371.8	1,358.1	1,320.1	1,267.3	1,210.3	1,179.5	1,141.8	1,113.2	1,059.8	990.9	936.4
Diet Pepsi	521.4	529.8	524.5	529.7	503.0	523.1	533.6	552.3	586.0	625.0	613.1	607.0	594.9	550.3	525.5
Pepsi MAX													15.0	21.8	20.4
Other Pepsi Variants[b]	193.8	205.1	211.5	263.3	298.3	278.7	282.1	287.8	293.4	279.8	296.7	271.0	237.3	214.6	199.2

[a] Includes Coke Zero, Caffeine Free Diet Coke, Cherry Coke, Caffeine Free Coke, Cherry Coke Zero, Diet Cherry Coke, Diet Coke with Lime, Vanilla Coke, Diet Cherry Coke, Diet Coke Plus, Vanilla Coke Zero, Diet Coke Black Cherry Vanilla, Coke Black Cherry Vanilla, Coke Blak, Coke with Lime, Coke C2, Diet Coke with Lemon, Diet Vanilla Coke, Coca-Cola II.

[b] Includes Wild Cherry Pepsi (Reg/Diet), Caffeine Free Diet Pepsi, Caffeine Free Pepsi, Pepsi One, Pepsi Throwback, Diet Pepsi Lime, Diet Pepsi Vanilla, Pepsi Natural, Pepsi NFL, Diet Pepsi Jazz, Pepsi Lime, Pepsi Summer Mix, Pepsi Vanilla, Diet Pepsi Twist, Pepsi Twist.

Source: Casewriters, compiled from data contained in *Fact Book: Statistical Yearbook of Non-Alcoholic Beverages* (2010), assembled by the editorial staff of *Beverage Digest*, 15th ed. (Bedford Hills, NY: Beverage Digest).

Exhibit 2   U.S. Liquid Consumption Trends (Gallons per Person per Year)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Soft Drinks	48.3	50.0	50.9	52.0	53.0	54.0	53.6	53.0	52.6	52.5	52.3	52.3	51.7	51.0	49.3	47.4	46.0
Beer	22.6	22.4	21.9	21.8	21.7	21.8	21.9	21.8	21.7	21.8	21.7	21.6	21.4	21.9	22.0	21.7	21.0
Milk	23.2	23.0	22.8	22.7	22.3	22.0	21.7	21.3	20.7	20.7	20.5	20.2	20.3	20.0	21.7	21.4	21.5
Bottled Water	8.7	9.6	10.1	11.0	11.3	11.8	12.6	13.2	14.5	15.4	16.6	17.7	19.5	21.0	22.5	21.4	20.6
Coffee	25.2	23.3	21.3	20.2	19.4	18.0	17.2	16.8	16.9	16.8	16.7	16.6	16.4	16.2	16.0	15.9	15.8
Juices	8.8	9.0	8.9	9.0	9.0	9.5	9.4	9.5	9.0	8.9	8.5	8.6	8.2	8.3	8.1	7.6	8.1
Tea	6.9	7.1	6.8	6.9	6.9	6.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.1	7.3	7.3
Sports Drinks	1.0	1.2	1.3	1.5	1.7	1.9	2.1	2.2	2.3	2.6	3.0	3.5	4.2	4.7	4.9	4.6	4.0
Powdered Drinks	5.0	4.8	4.5	4.2	4.0	3.7	3.4	3.0	2.7	2.4	2.5	2.6	2.6	2.4	2.2	2.3	2.4
Wine	1.7	1.7	1.8	1.8	1.9	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.3	2.5	2.6	2.6
Distilled Spirits	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4
Tap Water/ Hybrids/ All Others	29.8	29.2	31.0	30.3	30.0	29.8	30.7	31.6	31.8	31.1	30.3	29.0	27.6	26.3	24.8	28.9	31.8

Source: Casewriters, compiled from data contained in *Fact Book: Statistical Yearbook of Non-Alcoholic Beverages* (2010), assembled by the editorial staff of *Beverage Digest*, 15ᵗʰ ed. (Bedford Hills, NY: Beverage Digest).

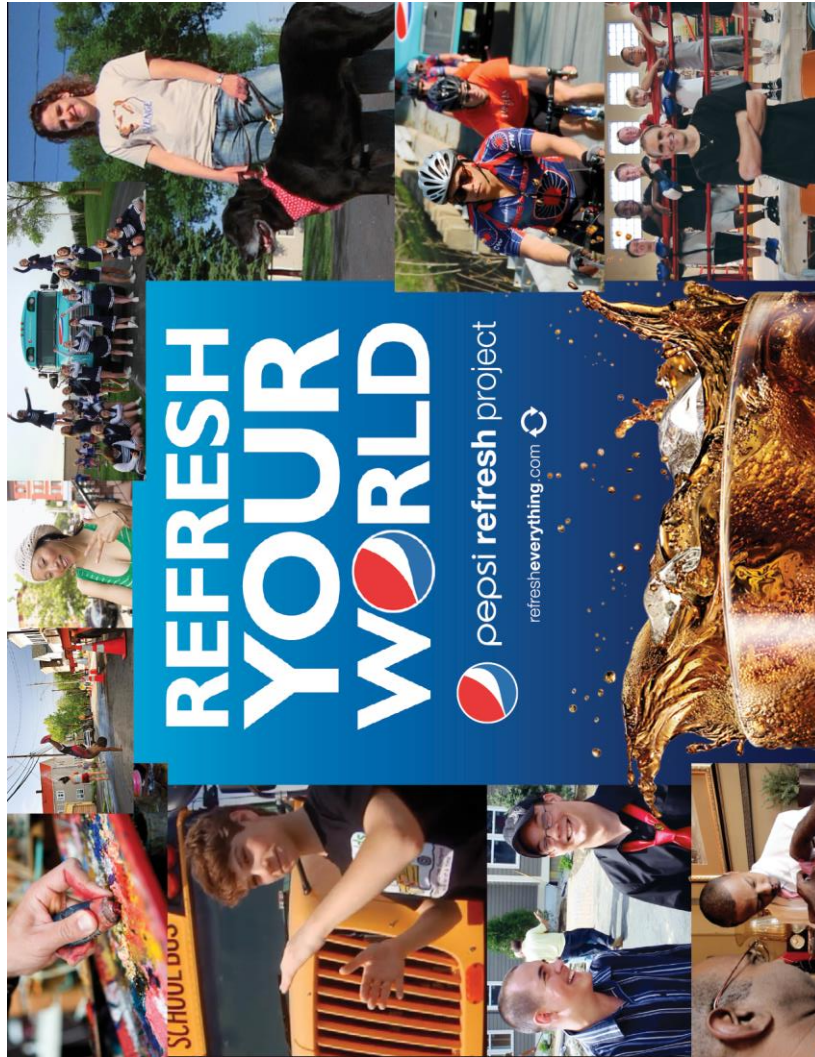**Exhibit 3**   Pepsi Refresh Project Grant Categories 2010

Each month in 2010, Pepsi awarded $1.3 million in grants ranging from $5,000 to $250,000 to bring 32 great ideas to life in communities across the nation. The grants were given in the following categories (totals are for all 12 grant cycles):

Category	# of Grants	Grant Total
Education	104	$4,230,000
Health	77	$5,360,000
Neighborhoods	89	$2,605,000
Arts & Culture	37	$1,165,000
Food & Shelter	48	$1,250,000
The Planet	29	$ 990,000
Do Good for the Gulf	32	$1,300,000
TOTAL	416	$16,900,000

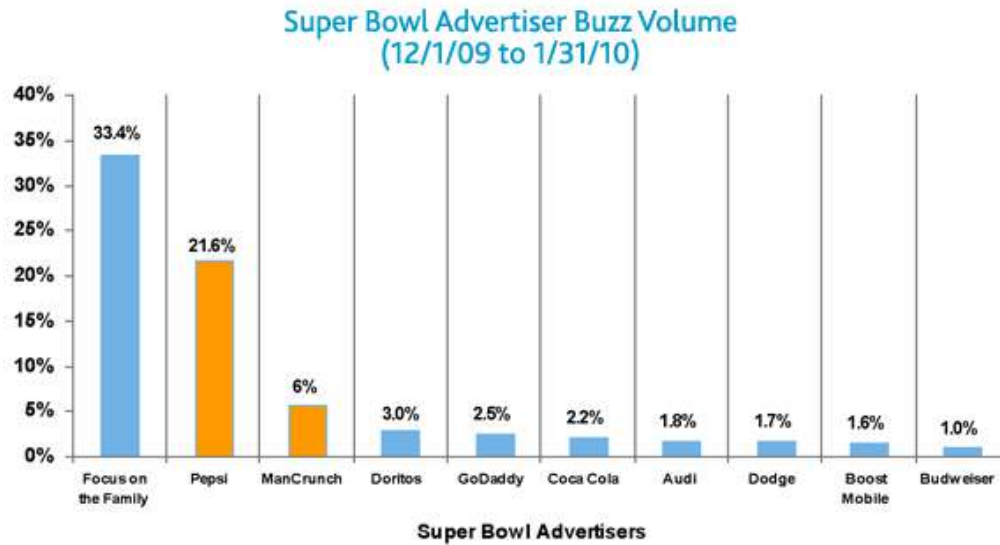| Grant Level	# of Grants	Grant Total
$5,000	130	$ 650,000
$25,000	130	$3,250,000
$50,000	130	$6,500,000
$250,000	26	$6,495,000
TOTAL	416	$16,900,000

Source: Company documents.

Exhibit 4   Sample Launch Promotional Materials

Exhibit 5   Super Bowl 2010 Advertiser Buzz Volume

Source: Company documents.

Note: Buzz volume is depicted as a percentage of total Super Bowl marketing messages.

Exhibit 6   Refresh Everything Website Statistics (as of November 2010)

General Site Statistics

| Key Metrics	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	YTD	2010 Monthly Avg.
Site visitors (monthly uniques)	21,612	307,503	1,630,955	1,496,306	2,010,865	2,282,464	1,833,275	1,596,580	2,320,615	1,818,886	1,289,325	2,030,581	n/a	1,692,487
Site visits	59,675	378,575	2,640,451	2,700,621	4,376,951	4,847,786	3,854,198	3,021,649	4,133,086	3,366,577	2,707,460	3,949,115	36,036,144	3,270,588
Idea submissions	n/a	992	1,014	1,028	1,312	1,100	1,005	1,663	1,025	1,000	1,002	1,001	12,142	1,104
Ideas started	n/a	4,592	36,586	24,232	21,237	21,875	16,385	27,170	8,812	8,254	7,541	6,247	182,931	16,630
Site Engagement														
Average time spent per visit	1:22	2:46	3:35	3:53	3:48	3:39	4:00	4:03	4:02	3:52	4:13	3:30	n/a	3:50
Page views per visit	1.8	3.4	3.3	3.7	3.8	4.3	4.1	4.2	3.6	3.6	4.1	3.8	n/a	3.9
New visits	19,773	298,001	1,598,967	1,394,819	1,894,275	2,089,789	1,643,053	1,415,385	2,138,288	1,642,128	1,134,356	1,824,355	17,093,189	1,552,129
New visits (%)	33.1%	78.7%	60.6%	51.6%	43.3%	43.1%	42.7%	46.9%	51.9%	48.9%	41.9%	46.2%	47.4%	47.4%
Registrations														
PCNA registrations - Light	n/a	5,668	268,781	309,615	560,991	710,590	376,569	283,467	462,877	345,931	333,666	446,069	4,098,556	409,856
PCNA registrations - Total	n/a	n/a	305,367	333,847	582,228	732,465	392,954	297,052	471,689	354,185	341,207	452,316	4,268,978	426,331
Logins														
PCNA logins	n/a	n/a	881,052	1,393,088	2,460,201	3,662,093	2,470,140	1,756,706	2,077,523	1,706,848	1,599,009	1,575,083	19,581,743	1,958,174
Facebook Connect logins	n/a	n/a	325,226	336,979	402,108	347,939	343,558	339,721	401,849	271,639	343,246	449,582	3,561,847	356,185
UGC														
Total Votes	n/a	n/a	1,555,455	2,905,991	5,351,008	12,740,151	8,242,584	6,753,379	2,330,741	5,256,952	5,317,437	6,844,723	57,298,421	5,729,842
Facebook App Votes	n/a	n/a	n/a	16,604	45,084	96,870	115,099	142,724	250,957	442,535	714,664	486,186	2,310,723	256,747
Shares	n/a	n/a	90,385	119,989	230,473	188,118	189,838	137,810	199,412	114,789	147,801	199,220	1,617,835	161,784
Comments														
Posted	n/a	n/a	n/a	3,589	114,815	248,380	266,981	263,459	303,189	225,872	215,635	403,378	2,045,298	255,214
Flagged	n/a	n/a	n/a	129	2,222	5,634	9,857	3,657	5,204	5,924	2,346	5,726	40,699	5,071

Source: Company documents.

Exhibit 7   Pepsi Refresh Project Ideas Generated and Voting Statistics
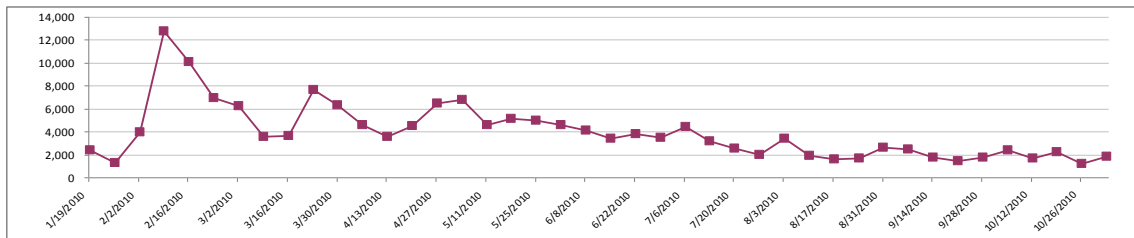
Weekly Visits
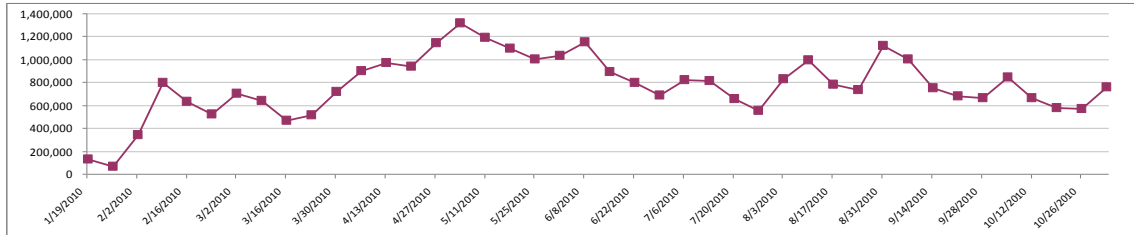
Weekly Votes
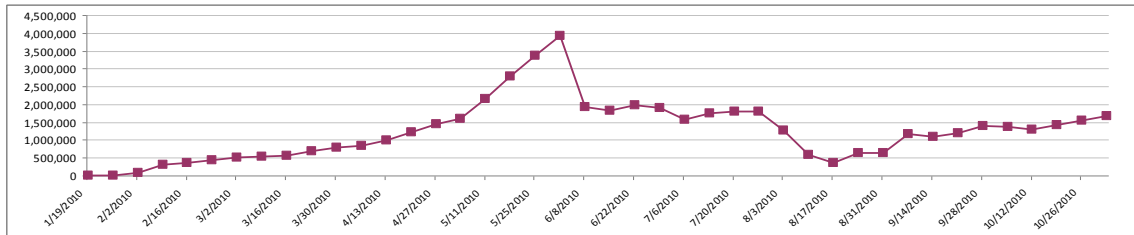
Weekly Ideas Started

Source: Company documents.

Exhibit 8   Pepsi Refresh Project Awareness and Brand Impact

Pepsi Refresh Project Metrics	
Awareness of Program	38%
Correct Knowledge of Program	22%
Changes since the launch of the program	
Purchase Intent	+4%
Awareness that Pepsi is involved in communities	+6%
Awareness that Pepsi is a brand that does good in the world	+7%

| Brand Health Metric	Those not aware of the Pepsi Refresh Project	Those aware of the Pepsi Refresh Project
Consideration to buy	Baseline	+10 points
Pepsi is a brand I desire	Baseline	+11 points
Pepsi tastes better than others	Baseline	+11 points
Pepsi is a brand for someone like me	Baseline	+15 points
Pepsi offers the comfort of a favorite brand	Baseline	+11 points
Pepsi is high quality	Baseline	+12 points

Source: Company documents.

Exhibit 9   Sample Pepsi Refresh Project Grantees (through November 2010)

| Grantee	Grant Amount	Cause
American Legion of Indianapolis, IN	$250,000	Provide comfort items for U.S. military troops recovering from wounds.
Economic Empowerment Initiative of Atlanta, GA	$50,000	Provide financial literacy seminars for high school and college students.
Frank Broulliet Elementary School PTA, Puyallup, WA	$50,000	Complete a community playground.
All-Ages Music, Seattle, WA	$50,000	Increase access to all-ages music in underserved areas.
The Belleville Farmer's Market, IL	$25,000	Grow fresh produce to help fight childhood obesity in Southern Illinois schools.
GreenShields, Highland Park, IL	$25,000	Make school buses more energy efficient.
Glenmont Elementary School, Delmar, NY	$25,000	Build its community through swing dance.
The Sparkle Effect	$25,000	Help high school kids form cheerleading squads made up of special needs students.
Because We Are Sisters	$5,000	Support seven families in need as they prepare for the arrival of a baby.

Source: Company documents.

Exhibit 10   Pepsi Refresh Project Voters and Grantees (through November 2010)

Voter Breakdown
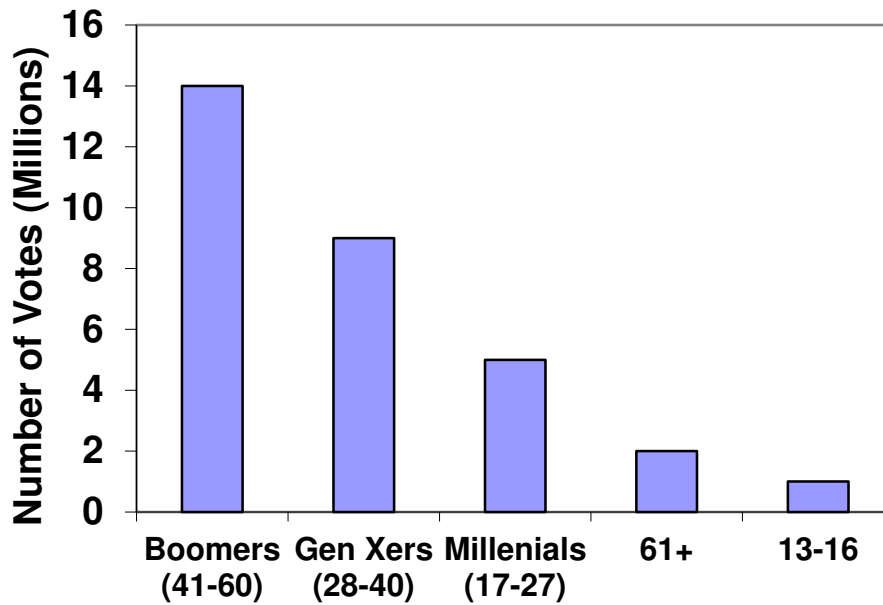
Note: Does not include votes for independent partner programs (e.g., NFL, MLB, etc.).

Grantee Breakdown
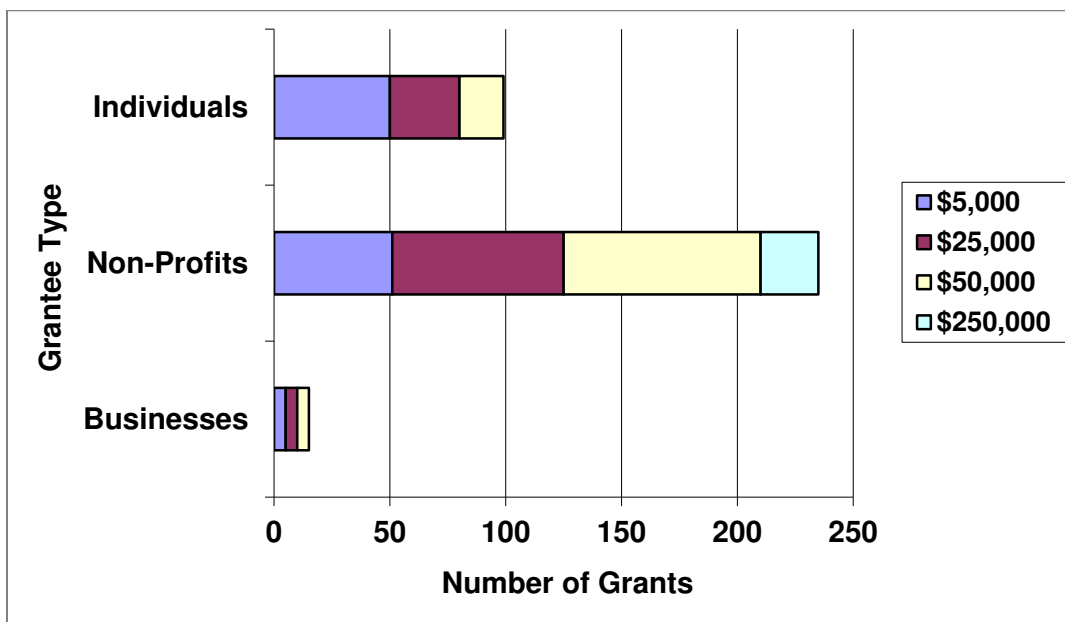
Source: Company documents.

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[1] Mike Esterl, "Pepsi Thirsty for a Comeback," *Wall Street Journal*, March 18, 2011, p. B5.

[2] Natalie Zmuda, "How Pepsi Blinked, Fell Behind Coke," *Advertising Age*, March 21, 2011.

[3] Alan Rappeport, "Pepsi Chief Faces Challenge of Putting Fizz Back into Brand," *Financial Times*, March 21, 2011, p. 19.

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[8]*F act Book: Statistical Yearbook of Non-Alcoholic Beverages*, assembled by the editorial staff of *Beverage Digest*, 15th ed. (Bedford Hills, NY: Beverage Digest).

[9] Esterl, "Pepsi Thirsty for a Comeback."

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[11] "Pepsi's Refresh Everything vs. Coke's Live Positively: Which Soda Wins the War?" *Huffington Post*, February 17, 2010.

[12] John Kell, "Pepsi, Coke Back Calorie Labeling," *Wall Street Journal*, February 10, 2010, p. B3.

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[15] Kell, "Pepsi, Coke Back Calorie Labeling."

[16] Associated Press, "Pepsi Says No to Soda Sales at Schools," *Wall Street Journal*, March 17, 2010, p. D3.

[17] Rappeport, "Pepsi Chief Faces Challenge."

[18] "Pepsi's Refresh Everything vs. Coke's Live Positively."

[19] Mark Dolliver, "What the 18-25's Believe," *AdWeek Media*, October 25, 2010, p. 22.

[20] Ibid.

[21] Elaine Wong, "Pepsi's Ana Maria Irazabal: Pepsi's Refresh Project Drives Social Buzz," *AdWeek*, June 9, 2010.

[22] Natalie Zmuda, "Who are the Big Pepsi Refresh Winners? Local Bottlers and Community Groups," *Advertising Age*, November 1, 2010.

[23] Valerie Bauerlein, "Pepsi Hits 'Refresh' on Donor Projects: Company Will Give More Small Grants, Eliminate Controversial Health and Environmental Categories," *Wall Street Journal*, January 31, 2011, p. B4.

[24] Suzanne Vranica, "Pepsi Benches its Drinks—Beverages Will Snap Long Streak by Sitting Out Super Bowl," *Wall Street Journal*, December 17, 2009, p. B11.

[25] Zmuda, "Who are the Big Pepsi Refresh Winners?"

[26] Ibid.

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