25 October 2024 / Is there a Dr Pepper in the house?

[HALF SECOND OF SILENCE]

[BILLBOARD]

SEAN RAMESWARAM (HOST): For as long as anyone can remember, it’s been Coca Cola versus Pepsi.

<SFX> CAN OF SODA OPENS INTO SCORING

SCORING IN <Triangle time no bass BMC>  
  
 *<CLIP> Vanity Fair*

*Marketing Expert: Coca-cola versus Pepsi stands out in the history of marketing as one of the great great fights between two brands.*

*<CLIP>*

*Firefighter 1: Pepsi is much better*

*Firefighter 2: it's delicious*

*Firefighter 2: it goes down nice and smooth*

*Firefighter 4: The Taste is good it's great*

*Commercial host: take the Pepsi challenge let your taste decide. Right, guys?*

*Firefighters: Right!*

SEAN: But this year, there’s a Dr in the house.

*<*[*CLIP*](https://www.youtube.com/watch?v=o-vrAfUnkOI)*> WFAA*

*Anchor: New data shows that Dr Pepper finally outsold Pepsi in 2023 becoming the country's number two soda brand.*

*<CLIP> CBS TEXAS Anchor: It is now the number one soda in many of our hearts, and now we can say Dr Pepper is the number two soda in the nation*

SEAN: Coming up on *Today, Explained*: How Dr Pepper beat Pepsi. And how the good Dr helps us understand all those dirty and healthy sodas we’re seeing, and the overall explosion in our beverage industry.

[THEME]

SEAN: Duane Stanford is the editor and publisher of *Beverage Digest*, which means he knows a lot about soda pop.

DUANE STANFORD (EDITOR, PUBLISHER BEVERAGE DIGEST): Yeah. What's really interesting is that Dr Pepper actually predates Coca-Cola and PepsiCo.

SEAN: Whoa!

DUANE: Yeah, people don't realize that. But it was founded about a year before Coca-Cola and about eight years before Pepsi. And it was found in much the same way. You know, this was back in the late 1800s,

*<CLIP> Weird History Food  
Narrator: Back then it was commonplace for pharmacies to have soda fountains places the town's youths could kick back relax and throw back a couple of caffeinated cold ones*

DUANE: So you took a bunch of fruit extracts and sweeteners. You mixed it with carbonated water and you served it to customers over the counter. And a lot of times it was an elixir, a tonic, something to make you either uplift you or to make you feel better. And so in some cases, people thought it might cure ailments, etc..

SEAN: It was at a pharmacy because it was “healthy”, quote unquote.

DUANE: Exactly. That's exactly right.

SEAN: What a Time.

*<CLIP> Drake & Future - Big Rings (Simultaneously)*

*Drake: What a time. <beat> To be alive. (hard out)*

DUANE: Exactly. And this was this was before the times that soft drinks were bottled and made much more ubiquitous as a result. So you had a pharmacist named Charles Alderton. He was in Waco, Texas. Everybody remembers Waco, Texas, from various controversial news over the past. And…

SEAN: <laughs> Not for this.

DUANE: <laughs> Not for this. This is what Waco was known before it was the Waco of the 90s.

*<CLIP> ABC13 Houston*

*Anchor: Good evening friends it has been over 36 hours now since federal agents first confronted a heavily armed religious cult near Waco. They were met by a hail of gunfire killing four of the agents and wounding over a dozen others.*

DUANE: And he basically took these 23, 23 extracts and sweeteners, mixed it up and created what he– what was called a ‘Waco’ by consumers at the time.

SEAN: Huh!

DUANE: And later in short order renamed Dr Pepper.

SEAN: How does Dr Pepper go from some regional concern to beating out Pepsi? I imagine that took, what, like a century?

DUANE: It took a century. Yeah, it took many, many years. And, you know, the brand had a strong following in Texas, of course, where it was founded. And, you know, it's almost like in some places in Texas, who knows? You might even find it coming out of the faucets. That's how ubiquitous the drink is.

SEAN: <laughs> Oh God. <laughs>

DUANE: And so over time, they built a following in the southeast, you know, in southern states. You know, there was a period decades ago that the company was in a lot of financial trouble, got itself out of that. And then in the last several decades, there's been a couple of key developments that really propelled that brand along and helped create what it is today.

SCORING IN <Neutral Betty (neutral, podcast, moving along, marimba, pizzicatos, hand claps, box drumming, found sound, organic drums)>

DUANE: One of the key things that happened was a court ruling back in the 1960s, like 1963, a judge in Texas said, you know what, Dr Pepper is not a cola. Dr Pepper is something different. And the reason that was important because at the time, once people started bottling soft drinks and Coke and Pepsi were selling franchise territories to independent business people to bottle the products and sell them more widely, these were exclusive franchise territories. And so the position of the the major soft drink companies at the time was that Dr Pepper would be a competing product. And you can't sell a competing product if you have an exclusive franchise territory. Well, this ruling basically said, nope, not the case. This is a whole different beast, whole different drink. It does not interfere with your franchise agreements. And so that sort of was a key unlock then for Dr Pepper…

SEAN: Hmm.

DUANE: to branch out from there. And then at some point there was the realization that the Coca-Cola franchise distribution system and the Pepsi franchise distribution system were very powerful and they could actually create more scale and Dr Pepper could become more ubiquitous by getting itself into those two systems.

SEAN: Hmm

DUANE: And so then you had a situation where Coke and Pepsi began distributing Dr Pepper, the competitor in various parts of the country, and then the rest is, you know, as they say, history from there. In terms of the growth that Dr Pepper has been able to achieve on the back of the Coke and the Pepsi system.

SCORING OUT

SEAN: And all this time I thought Coke owned Dr Pepper.

<CLIP> YouTube, Gaming Sound FX

The Price is Right Losing Horn - Sound Effect (HD)

SEAN: So Dr Pepper thrives because it’s not a cola. Our colleague, Whizzy, wrote an article about this that inspired us to make this show today. And in it she talks about how people can’t quite agree on what Dr Pepper tastes like. Someone on Reddit said it tastes like a “sexy battery.”

DUANE: <laughs> Yeah, and there's probably comments too that make it sound much better than that, of course. But, you know, it's just. It's. It's what we call, in the industry parlance, a pepper drink.

SEAN: A pepper drink!

DUANE: A pepper drink. So you've got colas, you've got lemon limes:

*<CLIP> STARRY COMMERCIAL*

*KeKe Palmer: Starry?*

*Lemon: It’s a new lemon lime soda that’s crisp, clear…*

*PALMER: So refreshing.*

DUANE: And you've got citrus, which is like a Mountain Dew:  
  
 *<CLIP> Mountain Dew Commercial*

*Announcer: Do the Dew!*  
  
DUANE: And you've got orange sodas like Fanta:

*<CLIP> Keenan & Kel*

*Kel: Who loves orange soda? Kel loves orange soda. Oh yes, oh yes, it’s tru-ooh*

DUANE: And then you have pepper drinks and really there's not many pepper drinks. There's Dr Pepper, and then there's Mr. Pibb, which Coke created years ago to compete with Dr Pepper.

SEAN: Right.

DUANE: Especially in those places where Dr Pepper couldn’t be served.

*<CLIP> Mr. Pibb Commercial*

*Narrator: Mr Pibb is not a cola. not a root beer. it's an easy new soft drink from the Coca-Cola Company it goes down good.*

DUANE: So pepper drinks are just they have this spicy character.

*<CLIP> SNL*

*Bill Hader: Spicy!*

DUANE: But not so much like a hot pepper. Spicy, but more like a warm, spicy flavor at Christmas.

*<CLIP> SNL*

*Bill Hader: Spicy.*

DUANE: You know, so it's basically just got a more complex character. The caramel notes mix with the with the more spicy notes to just create this flavor profile that has similar characteristics to Cola, but it's very different at the same time.

SEAN: And this pepper drink is now doing better than Pepsi. Was there something that happened in the past few years that really propelled Dr Pepper to second place?

DUANE: I mean, there's a few things. One is Dr Pepper has really done a great job of marketing itself as this differentiated product and really taking advantage of flavor trends in the U.S. over the last 20 years. I mean, we've obviously got a huge demographic shift. You've got a huge multicultural consumer set out there that gravitates towards flavored carbonated soft drink. So that's one trend that they've taken advantage of. They also have been able to not only get on to Coke and Pepsi trucks, which enables them to access the entire country on pretty powerful distribution systems, but they've also been able to get on fountains, you know, across the country so they can be served, as we talked about, in Coke restaurants, quote unquote, and Pepsi restaurants, which gives it a much wider availability.

SEAN: Hm.

DUANE: So that's been a benefit as well. And you've also had a 30 year period where PepsiCo, ever since it bought Gatorade back in 2000, has really been focused on its non-carbonated portfolio.   
  
SEAN: Huh.

DUANE: They've seen things like sports drinks and teas and ready to drink coffees, canned coffees as the drinks of the future. And they've spent a lot of their investment dollars and attention on those kinds of products in their portfolio. And they haven't necessarily spent the same time and effort on brand Pepsi or Pepsi Cola as they might have in the past during the heyday of the Cola war. So that's that's allowed Dr Pepper to make up some ground there as well. Now, to be clear, Pepsi trademark. So that's everything from Pepsi, zero sugar to regular Pepsi to Diet Pepsi is still the number two carbonated soft drink trademark in the country.

SEAN: Okay.

DUANE: Dr Pepper, it's not number two in that regard.

SEAN: Do you think Pepsi could return – could, could, could reclaim the number two spot?

DUANE: I mean, I think it's a great question. I mean, it's in essence at parity right now in our numbers. And this is based on volume. I would doubt PepsiCo is content having its flagship product be number three behind Dr Pepper. I would expect them to want to do something about that.

SCORING IN <LQC\_INSD\_0148\_00101\_Queen\_Bee\_APM>

DUANE: But, you know, in the modern soft drink age, the fact is the … that brand Pepsi is a smaller part of the overall PepsiCo company, which half of which is Frito-Lay, is a big snacks company.

SEAN: Mmm.

DUANE: It's less important than Dr Pepper is to Keurig-Dr Pepper, which also has a massive at home coffee business.

SCORING BUMP

DUANE: So, you know, Pepsi's got a broad strategy across snacks, non carbonated drinks like Gatorade and soft drink portfolio. So I don't think you're going to see them do anything drastic. But I do expect them to want to make some ground back on that and see if they can't reverse that.

SCORING BUMP  
  
SEAN: Duane Stanford. Beverage Digest. Beverage dash Digest dot com. Sounds like a fun digest.

When we return on *Today, Explained*: why people are putting creamer in their soda. <chortles>

SODA CAN OPEN SFX

[BREAK]

[BUMPER]

AMY MCCARTHY (REPORTER, EATER.COM): My name is Amy McCarthy and I am a reporter at Eater dot com.

SEAN: And we're not here, Amy, to talk to you so much about Dr Pepper, but I hear you're a fan of the doc.

AMY: I am, in fact, a fan. I probably consume more Dr Pepper than any medical professional would be comfortable with.

SEAN: <laughs>

AMY: It's maybe a problem.

SEAN: How does the Dr Pepper ascendancy fit into the the larger story of what's going on in the beverage market in America and around the world right now?

AMY: I think the beverage market is very weird right now and there's a lot going on.

*<CLIP> CNBC*

*Host: now the global non-alcoholic beer market is currently worth $20 billion a figure that's expected to double to 40 billion by 2033…*

*<CLIP> CNBC Make It*

*Host: the Prebiotic soda market closed 2022 with a gross revenue of 73.4 million dollars…*

*<CLIP> CNBC Make It*

*Host: how could a new product break into the crowded bottled water market, which is valued between $146 and $350 billion*

AMY: I'll focus kind of on two different phenomenons. The first is totally separate from Dr Pepper. It's what the companies would call functional beverages or what you might call a healthy soda. So a soda like Poppi or Olipop

*<CLIP> Olipop Commercial*

*Narrator: naturally sweet. Nothing fake. Supports digestive health. Olipop, a new kind of soda.*

AMY: So those have become really popular over the last, let's say, 3 to 5 years.

*<CLIP> Poppi*

*Narrator: it’ll be the soda your kids and grandkids think of when they think of soda.*

AMY: I'll say I'm pretty skeptical …   
  
SEAN: <laughs>   
  
AMY: … on the health benefits of a soda, especially one that, in my opinion, doesn't taste very good. But, you know, I understand why people are into them. The idea that you could get eight grams of fiber from a can of soda is both terrifying and appealing. You know, I guess.

SEAN: I guess so.

AMY: Do you have that side of it where fewer people are drinking? We know that Gen Z is drinking less than generations that came before it, and they're looking for something to consume when they're at a party. So you have things like CBD, seltzers, THC cannabis Seltzers you have adaptogenic beverages, so beverages that are infused with different types of mushrooms that promise some health benefits that are, you know, to be determined, I think.  
  
SEAN: <giggles>  
  
AMY: And so there's that side, there's the healthy, you know, soda that's better for you side. And then the other side is like the polar opposite, where you have the most unhinged kind of flavor combinations that you can imagine. You have brands like Dr Pepper and Coke and Pepsi making all these crazy flavors.Coke produced a space flavored beverage.

SEAN: Space?!

*<CLIP> Coke Starlight commercial*

*Alien voice: a taste from another world. Coca-cola Starlight.*

SEAN: What does space taste like?

*<CLIP> YouTube, @waffler69*

*Man: It’s supposed to taste like space! Ooooooh!*

SEAN: You learn something every day.

AMY: And then Dr Pepper has kind of always been ahead of the curve on that. I was doing a little bit of research, and the first flavor variant that Dr Pepper released was way back in 2002. They released Dr Pepper Red, I believe it was called.  
  
SEAN: Hm.   
  
AMY: And it was like a cherry soda that was red in color.

SEAN: Oh like Mountain Dew Code Red. Remember that guy?

AMY: Yes, very similar, I would say, except a cola.   
  
SEAN: Yeah.   
  
AMY: Instead of a citrus soda. So Dr Pepper, I would say, was kind of at the forefront of the crazy flavor trend. Then in 2004 came cherry vanilla Dr Pepper. If I remember correctly. There has been a cream soda. Dr Pepper There has been a strawberries and cream. Dr Pepper. There's been a lot of different flavors.

SEAN: And so Dr Pepper has been experimenting. And that's indicative of like the broader soda world also getting a little strange.

AMY: Totally. Mountain Dew is a really great example of that. You know, there are so many wild flavors. There's been a spicy mountain dew.

*<CLIP> SNL*

*Bill Hader: Spicy*

AMY: Dragon fruit, you know, all these sort of different flavors that you don't typically associate with a soda.

*<CLIP> Youtube*

*@BadlandsChugs: Mountain Dew summer freeze. Oh my goodness! This is a Dew with a blast of summer Americana, alright!*

AMY: There was a Oreo flavored Coke Zero and also Coke flavored Oreos. So the market was pretty limited. And now I think it's way more expensive, way more inclusive in terms of what what types of flavors are popular. It's not just a citrus soda, a cola and, you know, a Fanta.

SEAN: Is there like an actual market for Oreo flavored Coca-Cola in people's day to day lives? Like or is this like a one time gimmick kind of thing?

AMY: I think it's definitely the latter. I read somewhere. Where a sort of marketing expert was talking about the purpose of these kinds of products. And he described it as a ‘Yes. And.’ or a ‘Plus one.’ kind of thing, where you go you're walking down the soda aisle because you already buy Diet Coke or Coke zero in this case. And you see this weird thing, this Coke, Oreo flavored Coke, and you think, I maybe want to try that.

*<CLIP> Instagram  
Higherupwellness: I stopped in the gas station to get some quick carbohydrates for my workout. And I found this abomination. It’s the most impulsive purchase I've ever made. But I have to try it, OREO COKE ZERO!*

AMY: And because soda is so inexpensive, you know, you're maybe only buying a six pack for $5 or an individual 20 ounce bottle for a couple bucks. It's such a low risk like way to experiment and try new things as opposed to, you know, a very expensive handbag or some trend that you saw on social media. And so I think that really gets at what it is, is that it just appeals to our sense of novelty and our and I know for myself, whenever I see something weird on the grocery store or on the shelf at the grocery store, I'm going to pick it up.  
  
SEAN: <laughs>

AMY: I know that about myself. To be like, ‘This is so strange.’ And yet I, you know, it doesn't mean I'm going to buy it again, but maybe I will. Maybe you find something you really are in love with in that process of, you know, discovery and trying new things.

SEAN: Okay. But there is one place in these United States where the flavored weird soda situation is very real, and that is in … the state … of Utah.

*<CLIP> Secret lives of mormon wives theme*

*Lyrics: Come these saints and come these sinners...*

AMY: Correct. For anyone who watched the smash hit Hulu series *The Secret Lives of Mormon Wives*, that was kind of a plot point.

*<CLIP> Secret lives of mormon wives*

*MAYCI: In the Mormon church, drinking alcohol is not allowed. But even though Mormons don't drink, we like to party. So soda is the Mormon version of coffee because we're not supposed to have coffee or tea. So the Mormons have tons of soda.*

AMY: People who follow the rules to the T aren't allowed to drink hot drinks. So no coffee, no tea. But soda is fair game. And, you know, in Utah, they're in chains. You know, like we have Starbucks and Dunkin and, you know, all the other independent coffee shops. The version of that in Utah is soda shops. And those soda shops have started to expand beyond Utah. I live in Dallas, Texas, and we got our first locations of Swig, which is a Utah based chain, last year. And I like rounded up my best friend. We got in the car and went and tried all these crazy drinks that involve, you know, a base that's a soda or sparkling water, typically. And then there's syrups and all kinds of flavors, like just a dizzying array of flavors that you can add to these sodas:

*<CLIP> Secret lives of mormon wives*

*DEMI: 44 ounce sparkling water with sugar free coconut, sugar free vanilla, sugar free raspberry, sugar free pineapple, and coconut cream. Chef's kiss.*

*<CLIP> Secret lives of mormon wives*

*TAYLOR: All right. We're going to make a Mormon soda. We got our Diet Coke and our creamer.*

*MAYCI: Let's do it.*

*TAYLOR: And mix it all together.*

*MAYCI: So this is our treat. My mouth is watering.*

*TAYLOR: Shake that up.*

*MAYCI: Got to give it a good shake.*

AMY: And yeah, it's been really popular, I would say, especially with young people. You know, the idea of going and getting, you know, your special treat drink has been a thing for a long time. And for people who aren't into coffee, for whatever reason, these have kind of filled that gap.

SEAN: It's funny to think of like all this experimentation going on right now in the beverage market because, you know, we're here because of Dr Pepper, which began as a small local experiment in 1885, I believe. So, like, do you think where we're right now maybe sampling the next Dr Pepper?

AMY: I think it's entirely possible. You know, I think that some of these upstart brands, there are so many right now. We’’ll be we'll see in maybe 3 to 5 years which ones have the staying power If it's going to be all Olipop, if it's going to be Poppi, if it’s going to be both of them. Time will tell on those in terms of what the other brands are doing, you know, I think there's so much consolidation in the soda market. It's kind of like the Spider-Man meme. Everyone's just kind of standing around fighting themselves for that supremacy.

*<CLIP> SPIDER-MAN: ACROSS THE SPIDER-VERSE*

*Spider-man 2049: All stations, stop what you’re doing and stop spider-man.*

*ALL SPIDER-MEN: You?!*

SCORING IN <RLF\_RLF\_0015\_00901\_Legend\_APM.wav>

AMY: And so I think we will continue to see that innovation because of the way that brands can predict trends and think about trends is so much more granular, and the way that they can get products to market is so much faster than it used to be that, yeah, why not try out a trend? And if it works great, we'll put it on the shelf and pray it becomes a bestseller. If it doesn't work, then we just dump this batch and try again.

SCORING BUMP

SEAN: Amy McCarthy! *Eater* dot com. And they just launched an app!

*Today, Explained* doesn’t have an app yet, but you can find us and rate us and review us on a bunch of platforms. You know who.

The show is distributed by WNYC. This show is a part of Vox. You can support our journalism by joining our membership program today. Go to vox.com/members to sign up.

We use music by Breakmaster Cylinder.   
  
Our team includes Avishay Artsy, Zach Mack, Eliza Dennis, Haleema Shah, Amanda Lewellyn, Miles Bryan, Victoria Chamberlin, Peter Balonon-Rosen, and Rob Byers.

Matthew Collette is a supervising editor. Miranda Kennedy is our executive producer. And Noel King is my co-host.

Hady Mawajdeh produced our program today. Amina Al-Sadi edited. Laura Bullard fact checked and we were mixed by Patrick Boyd and Andrea Kristinsdottir, whose name we’re always getting questions and comments about.

<CLIP> Andrea Kristinsdottir explains Icelandic names

Andi: So basically, when you make last names in Iceland, you take your parents’ first name and ‘son’ or ‘daughter’ to it. Hence, ‘Kristinsdottir’. That was *Icelandic Last Names, Explained*.

[10 SECONDS OF SILENCE]