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# Mountain Dew: Selecting New Creative

Standing at the front of a PepsiCo conference room, Bill Bruce gestured enthusiastically, pointing to the sketches at his side. Bruce, a copywriter and Executive Creative Director, headed up the creative team on the Mountain Dew account for PepsiCo's advertising agency, BBDO New York. In fact, it was Bruce who devised the famous "Do the Dew" campaign that had catapulted Mountain Dew to the number three position in its category. With his partner, art director Doris Cassar, Bruce had developed ten new creative concepts for Mountain Dew's 2000 advertising to present to PepsiCo management. Gathered in the room to support Bruce and Cassar were BBDO senior executives Jeff Mordos (Chief Operating Officer), Cathy Israelevitz (Senior Account Director), and Ted Sann (Chief Creative Officer). Each of the three executives had over a decade of experience working on Mountain Dew. Representing PepsiCo were Scott Moffitt (Marketing Director, Mountain Dew), Dawn Hudson (Chief Marketing Officer, and a former senior ad agency executive), and Gary Rodkin (Chief Executive Officer, Pepsi Cola North America).

Scott Moffitt scribbled notes as he listened to Bruce speak. Moffitt and the brand managers under him were charged with day-to-day oversight of Mountain Dew marketing. These responsibilities included brand strategy, consumer and sales promotions, packaging, line extensions, product changes, and sponsorships. But for Moffitt and the senior managers above him, the most important decisions of the year were made in conference rooms with BBDO creatives. Each of the ads would cost over a million dollars to produce. But the production costs were minor compared to the $55 million media budget that would be committed to air these spots. Historically, PepsiCo management had learned that selecting the right creative was one of the most critical decisions they made in terms of impact on sales and profits.

Mountain Dew had carried PepsiCo's soft drink revenues during the 1990s as cola brands struggled. But now the *Do the Dew* campaign was entering its eighth year, a long stretch by any consumer goods baseline. Many other brands were now sponsoring the same alternative sports that Mountain Dew had relied upon to boost its image. And teens were gravitating to new activities and new music that Dew's competitors had successfully exploited in their branding activities. Figuring out how to keep the campaign working hard to maintain the brand's relevance with its target consumers had become a chief preoccupation of senior management at both PepsiCo and BBDO. At the same time, key competitors were raising their ad budgets as competition in both the Carbonated Soft Drink (CSD) and non-carbonated drinks categories was heating up, sending Dew sales below targets. Choosing the right ads to maximize the impact of Mountain Dew's relatively small media budget was a make-or-break decision.

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## PepsiCo and BBDO

PepsiCo was widely considered to be one of the most sophisticated and aggressive marketing companies in the world. In North America, the company had three divisions, each with category-leading brands. Pepsi and Mountain Dew were the number two and three soft drinks. Frito-Lay dominated the salty-snack category with Ruffles, Lay's, Doritos, and Cheetos. And the company had recently acquired Tropicana, the leading juice brand. In 2000, PepsiCo had acquired the SoBe line of teas and "functional" drinks from South Beach Beverages, which it operated as a stand-alone subsidiary.

BBDO was one of the ten largest ad agencies in the world, with worldwide billings of about $15 Billion. Of the largest full-service agencies, BBDO was particularly renowned for the quality of their creative work. The roster of the New York office, BBDO New York, included many high-powered clients such as General Electric, Visa, M&M/Mars, Charles Schwab, and FedEx. Their top 10 accounts had been BBDO clients for an average of 32 years. BBDO's relationship with PepsiCo dated to breakthrough campaigns for Pepsi in the 1960s. BBDO took over Mountain Dew from Ogilvy & Mather in 1974 and had held the account ever since. In 1998, PepsiCo hired Uniworld, the largest African-American owned ad agency in the United States, to develop a separate Mountain Dew campaign targeted to African-Americans.

## The Carbonated Soft Drinks Category

Similar to most other countries, in the United States soft drink consumption was ubiquitous. And, until recently, soft drinks had meant cola. The retail carbonated soft drinks (CSD) category had long been dominated by the two cola giants, Coke and Pepsi. In the so-called cola wars of the 1960s and 70s, Pepsi directly attacked Coke with taste tests and with advertising designed to make Pepsi the hipper and more stylish "choice of the new generation", implying that Coke was a drink for older and less "with it" people. The soft drink category, and colas in particular, boomed throughout the 1970s and 1980s as people substituted away from coffee to soft drinks as a source of caffeine. The industry also consolidated as once-important brands (RC Cola, Orange Crush, A&W Root Beer) faded into the background. By the 1990s, three companies controlled all of the major national brands: The Coca-Cola Company (Coke, Diet Coke, Sprite), PepsiCo (Pepsi, Diet Pepsi, Mountain Dew), and Cadbury-Schweppes (Dr. Pepper and 7-UP).

CSDs were a promotion intensive category. In most grocery stores, Coke and Pepsi controlled a great deal of shelf space and displays. They had so much clout that their bottlers were able to choose how to stock the shelves and what to display. Impulse purchase displays had become an important source of incremental volume. A substantial and increasing share of volume came from convenience stores, where most purchases were of single servings purchased for immediate consumption. The major brands ran seasonal promotions, such as "under the cap" games in which every tenth bottle had a free bottle give-away written under the cap. More junior brand managers spent considerable time developing and implementing these promotions.

Product, promotion, packaging, and pricing innovations were constant though usually incremental, quickly diffusing throughout the category. In the last decade, one of the major innovations in the category had been the 20-ounce single serve bottle, usually priced at $.99 and sold as an impulse purchase. The margins on this bottle were higher than the twelve-packs or 2-liter bottles. Also, all of the large brands introduced 24-pack cases sold to heavy users. Brand managers worked to keep package design contemporary. For example, at PepsiCo, both Pepsi and Mountain Dew had substantial make-overs in the 1990s resulting in richer and more vibrant colors and simplified graphics. Other brands, including 7-UP and Sprite also executed similar packaging re-designs.

For most of the twentieth century, PepsiCo and The Coca-Cola Company competed fiercely, each responding in tit-for-tat fashion to the other's successes. Pepsi rolled out lemon-lime Slice in the 1980s to compete against Sprite, but soon withdrew support for that brand. Recently it was rumored that the company was plotting yet another new lemon-lime introduction. In the 1970s, Coca-Cola introduced Mr. Pibb to attack Dr. Pepper and Mello-Yello as a me-too competitor against Mountain Dew. With Mountain Dew's national success in the 1990s, Coca-Cola launched a second frontal assault, introducing another copy-cat brand called Surge. In addition, both companies had launched other new products without much success: Coke had flopped with OK Cola (the cynical retro cola), and Fruitopia (the neo-hippie fruit beverage). PepsiCo had similar problems with the introduction of Crystal Pepsi (the clear crisp cola), though was able to establish Pepsi One as a niche brand.

In the 1990s, cola growth slowed and the "flavor" CSDs did very well. Sprite, Mountain Dew, and Dr. Pepper all enjoyed great success, although 7-UP continued to struggle (See Exhibit 1). In 1999, however, all CSD sales suffered as a result of customers' sticker shock to a category-wide 5% retail price increase, and also a trend toward experimentation with noncarbonated drinks and bottled water as substitutes for soft drinks. Sports drinks were led by Gatorade, tea and juice blends by Snapple, Arizona, and SoBe, and the highly caffeinated "energy" drinks by Red Bull. These drinks, sometimes termed "functional" or "alternative," often included a stimulant (caffeine or similar substance) and plant extracts reputed to have medicinal value (ginko, guarana, St. Johns Wort, ginseng). Many of these drinks were launched by small companies with grass-roots marketing efforts focused on music and sports sponsorships, on-site promotions, and non-traditional distribution (e.g., sandwich shops for Snapple, record stores for Red Bull). Industry rumors were circulating that Coca-Cola, Anheuser-Busch, PepsiCo, and Cadbury-Schweppes were working aggressively to develop functional drinks to tap into this growing segment.

## Advertising and Branding

Over many decades, Coca-Cola had become "America's drink" (and later the preferred drink in many countries around the world) through advertising that conveyed that Coke served as a social elixir. Coke promoted the idea that the drink brought people together in friendship around ideas that people in the nation cared about. From 1995 onward, Coke had struggled as it experimented with a variety of new branding ideas. Pepsi rose to the rank of Coke's loyal opposition in the 1960s with the successful "The Pepsi Generation" ad campaign, in which the brand harnessed the ideas and passions of the 1960s counterculture. More recently, Pepsi used celebrities—particularly musicians such as Michael Jackson, Madonna, Faith Hill, Ricky Martin, and Mary J. Blige—to convey the idea that Pepsi was an expression of youth attitudes. Nonetheless, the Pepsi brand also had struggled to maintain sales in the 1990s.

7-UP was successful in the 1970s branding against the colas as the "uncola" in ads that used a charismatic Jamaican actor to describe the purity and naturalness of 7-UP in a tropical setting. Similarly, the sweet cherry-cola concoction Dr Pepper challenged the audience to "be a Pepper" with well-received dance numbers that encouraged consumers to do their own thing rather than follow the masses in drinking cola. From the late 1980s onward, 7-UP faded as the brand was used as a cash cow with ever-shrinking media investments. Meanwhile, Mountain Dew rose from its regional status to become a major "flavor" brand. The three major flavor brands dominated different geographic areas: Dr Pepper dominated Texas and the rest of the deep South, Mountain Dew dominated rural areas, particularly in the Midwest and Southeast, and Sprite dominated urban-ethnic areas.

Category advertising spending exceeded $650 Million (See Exhibit 2). PepsiCo spent substantially less as a percentage of sales than its competitors. Instead, the company relied on exceptional creative to make the advertising work harder for less cost. PepsiCo viewed the creative development process as a key organizational competency, a strategic weapon that was central to their financial success.

## Mountain Dew Brand History

Mountain Dew was invented by the Hartman Beverage Company in Knoxville, Tennessee in the late 1940s. The bright yellow-green drink in the green bottle packed a powerful citrus flavor, more sugar and more caffeine than other soft drinks, and less carbonation so that it could be drunk quickly. The drink became a favorite on the Eastern seaboard, through Kentucky, Tennessee, and eventually spread up through the Great Lakes states (skirting the big cities) and into the Northern Plains of Minnesota and the Dakotas. PepsiCo, amazed by Dew's success in what brand managers would come to call the "NASCAR belt" (the stock car racing circuit that drew rural men as its primary audience), and in need of a "flavor" soft-drink to round out its line-up, purchased Mountain Dew in 1964.

PepsiCo originally assigned Mountain Dew to the Ogilvy & Mather ad agency. The strategy for the new brand extrapolated from Dew's origins and existing packaging. The beverage's heart-pumping caffeine and sugar rush were linked to its backwoods heritage to produce the idea of a comic "hillbilly" character named Willie who drank Mountain Dew to "get high" on the soft drink equivalent of moonshine liquor. The tagline, "Yahoo! Mountain Dew!" was accompanied by "Thar's a bang in ever' bottle."

In 1973 PepsiCo assigned the brand to BBDO, its agency of record for Pepsi. For two decades client and agency worked to expand the brand's reach from America's hinterlands into the suburbs and cities of the major metropolitan areas. The major campaign of the 1970s—"Hello Sunshine"—sought to tie Mountain Dew's distinctive product characteristics to a set of backcountry recreational images. The yellow-green product and strong citrus flavor are represented over and over by the gleaming sun sparkling in beautiful natural settings. The product name is represented in virtually every ad by mountains, dew drops reflecting in the sun, and condensed drops on cans to represent dew. The energizing effects of the caffeine and sugar are toned down and now are a refreshing part of an active outdoor lifestyle. Often the ads featured casual coed athletic activities that always ended in a plunge into a rural pond or creek.

This campaign pulled the Mountain Dew brand into more contemporary terrain, but it was still too rural to get much traction in the suburbs. So in the 1980s, PepsiCo directly targeted suburban teenagers with a new campaign called "Country Cool." The creative idea was to marry the popular athletic endeavors of suburban kids (cool) with Mountain Dew's active rural lifestyle (country), all punctuated by the refreshing Dew plunge. Ads featured male teens performing on skateboards, mountain bikes, and BMX bikes. A new tune was crafted for the occasion: "Being cool you'll find is a state of mind. Your refreshing attitude. Things get hot. Cool is all you got. Dewin' it country cool. So chill on out; when the heat comes on. With a cool, smooth Mountain Dew. Dewin' it Country Cool. Mountain Dew. Dewin' it Country Cool."

BBDO jettisoned the "country" component of the campaign in 1991 to build an entire campaign around athletic stunts. This advertising departed dramatically from anything that BBDO had produced in the previous sixteen years. The spots featured daredevil maneuvers of sports like windsurfing, rollerblading, motocross cycling, and paragliding. The closely-framed shots, which put the viewer in the middle of the action, also suggested excitement and energy. The spots were set to aggressive rock music rather than studio jingles. In 1992, a new song called "Get Vertical" is introduced with the lyrics "Ain't no doubt about the power of dew, got the airborne thrust of rocket fuel."

## Cultural Trends

PepsiCo and BBDO managers paid close attention to cultural trends. They were particularly focused on track music and sports trends since these activities were so central to youth culture.

Music. Three musical trends dominated the airwaves in the 1990s. Rap music exploded to become the most popular genre in the country. At first, gangsta rap, which flaunted misogynistic and violent lyrics, was said to represent the reality of life in the "hood" (the American ghetto). From 1992 onward, gangsta rap broke out with a lighter sound and slightly less aggressive lyrics, sometimes called gangsta-lite, that made the music much more accessible while maintaining the forbidding connotations. By 1993, media coverage of the travails of celebrity rappers like Snoop Doggy Dog and Tupac Shakur ruled not only the music magazines but *People* and *Newsweek*. Rap music, and the hip-hop lifestyle of which it was a part, permeated teen life. MTV's program *Yo! MTV Raps* and specialty magazines like *The Source* and *Vibe* became mainstream cultural venues. By 1999, rap remained very popular amongst male teens, especially in urban areas, though its Top 40 appeal had subsided somewhat.

At roughly the same time, the alternative rock music scene, which throughout the 1980s existed as a small subcultural scene found mostly on college campuses, also exploded. Two Seattle bands—Nirvana and Pearl Jam—put CDs at the top of the charts with aggressive and emotive music that combined equal parts punk and heavy metal. The media tagged this music "grunge" and anointed Seattle as grunge headquarters. Grunge was marketed heavily by the culture industries—music labels put out dozens of grunge bands, films that displayed the grunge attitude appeared, and fashion runways and J.C. Penny's stores were clogged with flannel shirts and clothes that had the look of the vintage Salvation Army gear that was the uniform of the grunge scene. Grunge faded in its influence in part due to the death of its most talented lead actor when Nirvana's Kurt Cobain committed suicide in 1995.

Later in 1990s, techno music began making significant inroads into American youth culture. Invented in the 1980s as "house music" in low-budget studios of Chicago and Detroit, this beat-driven dance music became the lifeblood of dance parties called "raves" in places like London and the Spanish island of Ibiza. Raves quickly spread throughout continental Europe and beyond. Raves were all-night dancing marathons often set up in warehouses, exotic outdoor locales, and other improvised spaces. Raves attracted young people, mostly teens, who danced for hours at a time, not in pairs, but in free-form groups. The highly rhythmic music and long-winded dancing combined to produce for some fans an ecstatic trance-like state. The music was produced almost entirely by disk jockeys sampling records with tape loops and other electronic tricks. Many sub-genres have since emerged that mix-and-match musical styles from around the world. Part of the scene was a drug called ecstasy, a drug that induces promiscuous affection, sensory overload, and euphoria. And, to keep the energy flowing all night, the dancers demanded energizing drinks. In particular, an enterprising Austrian company marketed Red Bull, a drink that was once an Asian hangover cure, as a rave stimulant. Either straight or mixed with vodka, Red Bull became the rave drink of choice. Raves diffused rather late to the United States, but proved to be most popular in the major metropolitan areas.

Sports. The so-called "alternative sports" took off in the early 1990s. Teen enthusiasts transformed casual hobby activities—mountain biking, skateboarding, paragliding, BMX biking, and in-line skating—into highly technical, creative, and often dangerous sports. Snowboarding became an overnight hit with teens. Bungee jumping was a fad that disappeared quickly. As these sports became increasingly risky and creative, they began to attract spectators. So-called extreme sports—skiing down extremely steep terrain or jumping off tall buildings with a parachute—were covered by ESPN. ESPN also aggressively promoted circuits and tournaments to professionalize these new sports, which culminated in the Extreme Games in 1994, a non-traditional Olympics of sorts. Mountain Dew was one of the founding lead sponsors of the Extreme Games, which later became the X Games. Later, NBC followed with the Gravity Games, and MTV also began to cover these sports. Grunge music, more aggressive styles of rap, and various hybrids were prominent aural expressions of these sports.

GenX Ethos. During the 1990s, teens and young adults evinced a growing cynicism toward the dominant work-oriented values of the previous generation and toward corporations more generally. They found that working hard to get ahead in terms of salary and occupational prestige was harder to swallow in an era of corporate reengineering. Their cynicism also extended to corporations themselves and their marketing efforts. As this cohort became increasingly knowledgeable about how marketing worked and increasingly jaded about why brands were popular, they were not interested in listening to "sales messages" that tried to persuade them into believing a particular brand of soft drink or beer was cool. Instead, these youth adopted a campy interest in non-trendy products, television programs, and music of previous eras. As these odd new tastes became commercialized in programming like Nickelodeon cable channel's "Nick at Nite" series—which featured less-than-notable programming from the 1950s-1970s-- "retro" was born.

## The *Do the Dew* Campaign

In 1992, senior management at PepsiCo sensed an opportunity to increase business on Diet Mountain Dew. Diet Mountain Dew's distribution was limited mostly to the rural regions where the brand was strongest, even though regular Dew was now a national brand. Diet Mountain Dew performed very well on product tests versus other diet drinks in the category because the heavy citrus flavor did a better job of masking the undesirable taste of the artificial sweetener. So PepsiCo allocated money for incremental advertising to support an effort to expand Diet Mountain Dew distribution. Bill Bruce, then a junior copywriter working on several brands, was assigned to the project. The strategy statements that guided the initial creative idea and subsequent spots in the campaign are reported in Exhibit 3. Bruce came up with the "Do Diet Dew" tag line (which soon evolved into "Do the Dew" to support the entire brand) and several new ideas to embellish what BBDO had begun with the Get Vertical campaign.

The first breakthrough ad of the new campaign, *Done That,* features a hair-raising shot of a guy jumping off the edge of a cliff to take a free-fall toward the narrow canyon's river bottom, set to throbbing grunge music. This was the first ad to feature the "Dew Dudes"—four young guys who are witnessing the daredevil stunts presented in the ad and commenting on them. *Done That* became a huge hit, capturing the country's imagination. The ad was widely parodied and the phrase "been there, done that" entered the vernacular. For 1994 and 1995, BBDO produced three carbon-copy "pool-outs"[1] of *Done That*. By 1995, after two years of these ads, consumer interest in the creative was

[1] The noun pool-out is derived from a verb that is particular to the advertising business-- "to pool out." The idea is to develop a pool of ads that are all closely related derivations from the same creative idea. Some advertisers feel that pools deliver a

fading fast. According to Jeff Mordos, if the creative hadn't moved to another idea that year, consumer's flagging interest and the potential of a revolt by PepsiCo bottlers likely would have forced PepsiCo to develop an entirely new campaign.

For 1995, three of four spots produced relied upon different creative ideas. One of these spots, *Mel Torme*, became the second hit of the campaign. The spot was a parody featuring the aging Vegas lounge singer Mel Torme, tuxedo-clad atop a Vegas hotel crooning "I Get a Kick out of You," with lyrics altered to incorporate Mountain Dew references. He impresses the Dew Dudes with a base jump of his own. Similar ads followed. In *007,* a teenage James Bond engages in a frenetic pursuit scene with typical Bond stunts, accompanied by the familiar Bond theme music. The Dew Dudes are not impressed until Bond comes upon a Mountain Dew vending machine. In *Training,* brash tennis star Andre Agassi performs extreme stunts as training exercises, and then plays an extreme game of tennis with the Dew Dudes as his coaches.

In 1997, BBDO came up with two breakthrough spots. The director of Nirvana's classic music video "Smells Like Teen Spirit" was hired to direct *Thank Heaven*, which mimics a music video. The spot stars the lead singer of an alternative rock band called Ruby. She sings a punked-up version of the classic song "Thank Heaven for Little Girls," in which the grunge style suggests the "little girls" of old have been replaced by the feminine brand of aggressiveness presented in the ad. *Jackie Chan* deploys the Hong Kong movie star's patented martial arts with humorous stunts into the campaign's jaded, "seen it already" motif. The ad begins in the midst of what seems like a classic chase scene from a Chan film with lots of harrowing action. When Chan faces down his enemy, the Dew Dudes magically appear as Confucian wisemen who assist Chan with cans of Mountain Dew.

Other ads produced were significantly less effective. *Scream*, a high-speed amalgam of extreme sports shots that are organized to answer the lead-in question—"What is a Mountain Dew?"—did not fare well. And *Michael Johnson,* a spot developed to broaden Dew's appeal in the African-American community, did not meet the company's expectations.

By 1998, PepsiCo managers worried that the advertising was becoming too predictable. In particular, they were concerned that the use of alternative sports was becoming less impactful due to oversaturation. Many other brands, including companies like Bagel Bites, AT&T, Gillette Extreme Deodorant, and Slim Jims beef jerky snacks, were now major sponsors of alternative sports. To keep the campaign fresh, they needed to find alternative ways to express Mountain Dew's distinctive features. *Parking Attendant*, produced in 1999, was a solid effort at advancing toward an alternative expression. The spot features a parking attendant who takes liberties when parking a BMW handed off by a stuffy businessman. The kid drives as if in a police chase, flying from one building to another, accompanied by a frenetic surf instrumental that had been featured in Quentin Tarantino's *Pulp Fiction* a few years prior.

## Mountain Dew Market Research

Mountain Dew's distinctive demographic profile reflected the brand's historic popularity in the NASCAR belt (see the Brand Development Index Map in Exhibit 4 and lifestyle analysis in Exhibit 5a). And Mountain Dew had much lower penetration of the total population than its major competitors. But its consumers were the most loyal in the category. Mountain Dew had the highest "gatekeeping" rating of all CSDs—it was the drink that mothers tried the hardest to keep out of the

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more consistent campaign while others feel that the ads become too formulaic when they are so similar. Regardless, there is a great temptation when an ad breaks through and becomes a hit to develop pool-outs to extend the popularity.

stomachs of their children. Periodically, the PepsiCo research department fielded a major study to assess the "health" of the brand, and to direct any fine-tuning. A 1997 "brand fitness" study profiled the status of the Dew brand versus its major competitors (Exhibits 6a-d).

PepsiCo monitored both the effectiveness of individual ads, as well as the cumulative impact of advertising on the overall health of the Mountain Dew brand. The contribution made by a single ad toward building brand equity was notoriously challenging to measure. Both quantitative and qualitative research provided data from which managers make useful inferences. But Pepsi managers had yet to find a research method that was accurate enough to rely upon to provide definitive judgments on ad effectiveness. PepsiCo routinely gathered a wide variety of data that hinted at an ad's impact. In addition to formal research, managers monitored "talk value" or "buzz"—the extent to which the ad has been picked up by the mass media. In particular, The Tonight Show and David Letterman were useful barometers. Feedback from the Mountain Dew website, unofficial websites, and the brand's 800 number were important gauges as well. In addition, PepsiCo carefully monitored how the salesforce and bottlers responded to the ads, since they were getting direct feedback from their customers. PepsiCo managers used all these data as filters. But, ultimately, the evaluation of advertising rested on managerial judgement. Based on their past experience with the brand and with advertising across many brands, managers made a reasoned evaluation.

However, PepsiCo managers did rely on market research to assess the cumulative impact of advertising on the brand. Because many other factors—especially pricing and retail display activity—had an immediate short-term impact on sales, it was often difficult to draw causal relationships between advertising and sales. But advertising campaigns do directly impact how the brand is perceived. And these perceptions, in turn, drive sales. So PepsiCo had assembled a set of what they termed key performance indicators (KPIs), intermediate measures that were directly impacted by advertising and that had been proven to significantly impact sales. Managers tracked KPIs, also referred to as *brand health* measures, both for teens and for 20-39 year olds. But managers were particularly concerned with brand health amongst teens because at this age soft drink consumers often moved from experimenting with a variety of drinks to becoming loyal lifetime drinkers of a single soda. The latest study, conducted in the spring of 1999, reported Mountain Dew's teen KPIs. Dew improved 6 points on "Dew Tastes Better" (to 48% versus a year ago). Unaided brand awareness had dropped 5 points (to 39%). "For someone like me" had increased 5 points (to 53%). And "Dew Drinkers are Cool" increased 5 points (to 64%).

## 2000 Planning

In 1999, Mountain Dew became the third largest carbonated soft drink at retail, overtaking Diet Coke. However, part of this success in gaining share had to do with the sustained weakness of Pepsi and Coke. In 1999, the problems that the colas were facing seemed to be spreading to Mountain Dew, Sprite, and Dr. Pepper. All of the leading CSDs began to show real weakness as alternative non-carbonated drinks began to attract a great deal of trial, especially amongst teens. While Mountain Dew sales began to lag, all of the "brand health" indicators remained strong. And the advertising continued to significantly outperform competition. In planning for 2000, Moffitt and his senior management were particularly concerned with two dilemmas:

- How to keep the "Do the Dew" campaign working hard to build the brand given that extreme sports were becoming overexposed

- How to respond to the growing threat of non-CSDs, especially Gatorade and the new highly-caffeinated and sugary energy drinks like Red Bull

A detailed strategy statement was developed by Moffitt's team at Pepsi-Cola North America, in conjunction with the account team at BBDO New York led by Cathy Israelevitz. This strategy was boiled down to a single sentence to focus the development of new creative: Symbolize that drinking Mountain Dew is an exhilarating experience. This document was used to brief Bruce and his creative team (Exhibit 7).

**Exhibit 7** Mountain Dew FY 2000 Brand Communications Strategy

**Objective:** Expand appeal of Mountain Dew to new users while reinforcing it among current users

**Positioning**: To 18 year old males, who embrace excitement, adventure and fun, Mountain Dew is the great tasting carbonated soft drink that exhilarates like no other because it is energizing, thirst-quenching, and has a one-of-a-kind citrus flavor.

**Communication Strategy**: Symbolize that drinking Mountain Dew is an exhilarating experience.

**Target**: Male Teens—18 year-old epicenter

- Ensure appeal amongst 20-39 year olds (current users)
- Drive universal appeal (white, African-American, Hispanic, and other ethnic)

| Product Benefits | Emotional Benefits | Personality |
|---|---|---|
| Energizing | Exhilaration | Irreverent |
| Quenching | Excitement | Daring |
| Great Taste | | Fun |

Source: PepsiCo

## *Super Bowl*

In addition to these strategic issues, Moffitt had to consider carefully where these ads would be broadcast. Mountain Dew's national media plan focused on a younger audience. Typical buys would include MTV, The Simpsons, and ESPN during alternative sports broadcasts. However, with its long run of sales increases in the 1990s, Mountain Dew was becoming less of a niche brand. Partly in recognition of this expanding customer base and partly to celebrate within the company Dew's arrival as the third most popular CSD, top management decided to feature Mountain Dew rather than Pepsi during the Super Bowl.

The Super Bowl had for decades been a hugely influential event for advertisers. The game drew the biggest audience of the year and the ads received an amazing amount of attention. In recent years, the frenzy around the advertising had grown disproportionately to the game itself. The media paid almost as much attention to the ads shown as to the teams and players. The networks interviewed the advertisers and the stars of the ads, and even replayed the ads on their programs. So a Super Bowl ad now had a huge ripple effect in free public relations. In addition, the Super Bowl was an extremely important contest for advertisers and especially for ad agencies. To "win" the

Super Bowl (to be voted the top ad in the USA Today Ad Meter poll reported in the newspaper the following day) was a prestigious honor within the industry. Finally, Super Bowl ads provided a powerful sales tool to motivate retailers and distributors. PepsiCo and other grocery products advertisers used their annual Super Bowl advertising to sell in retail displays.

Super Bowl advertising, as a result, had become a distinctive genre within advertising. The demographically diverse audience demanded advertising with hooks that were easily understood. Insider humor did not work. While MTV ads could talk in a colloquial language to teens, Super Bowl ads could not afford this luxury. Second, the heated competition to win the affection of the audience had led to "big" productions that would stand out against an ever-more impressive set of competitors.

## The New Creative

Bruce and Cassar had just finished presenting ten new ad concepts for PepsiCo to evaluate. For each concept, PepsiCo managers were given a "storyboard"—a script and a set of rough pencil sketches that depicted the most important scenes. Bruce and Cassar talked through each storyboard to help the client imagine how the ad would look if it were produced. The storyboard served as the skeletal outline of the ad. The creatives put flesh on these bones by describing in detail the characters, the action, how the scene is depicted, and the music. Of the ten new concepts, Moffitt and his senior managers hoped to select three ads to produce. The two best ads would run on the Super Bowl and then all three ads would be broadcast throughout 2000. It was already October, so there was barely enough time to produce the ads presented to get them on the Super Bowl. Asking Bruce to try again was not an option. The ten initial concepts were quickly whittled down to five finalists.

1) *Labor of Love.* A humorous spot about the birth of a Dew drinker. The doctor in the delivery room calls out "code green" and retreats to catch with a baseball mitt the baby as it shoots out of its mother like a cannon.

2) *Cheetah.* One of the Dew Dudes chases down a cheetah on a mountain bike. The cheetah, running on the African plain, has stolen his Dew and he wants it back. He tackles the cat, pulls the can out of the cat's stomach, but finds that it's empty and full of holes.

3) *Dew or Die.* The Dew Dudes are called in to foil the plot of an evil villain who is threatening to blow up the planet. Performing daredevil maneuvers down a mountain, they get sidetracked in a ski lodge with some girls, but accidentally save the world anyway, powered by a spilt can of Dew.

4) *Mock Opera*. A parody of the Queen song *Bohemian Rhapsody* sung by the Dew Dudes who mock the cover of the original Queen album. The ad portrays the story of the altered lyrics: alternative sports action in which the athletes just miss cans of Dew as they shoot by.

5) *Showstopper.* A take-off on an extravagantly choreographed production number that mimics a Buzby Berkeley musical/dance film from the 1930s. The dancers are silver-clad BMX riders and skateboarders who perform for the Dew Dudes posing as directors.

PepsiCo viewed the evaluation of new creative as the most challenging aspect of brand management. Unlike decisions on new product ideas, consumer promotions, or product improvements, there was no market research or marketplace data to guide the decision. Junior managers typically did not sit in the agency presentations as they were not yet seasoned enough to judge creative work. PepsiCo believed that managers first had to gain knowledge of how advertising worked to build brands through years of seasoning and tutorials on several of the company's brands. So Scott Moffitt was the most junior person in the room. The skills and judgment that he demonstrated would be key to moving up the ladder at PepsiCo.

Bill Bruce finished presenting his last storyboard and scanned the room to lock eyes with the PepsiCo executives who would be deciding the fate of his ideas. Scott Moffitt didn't return the gaze. Instead he looked anxiously at his superiors, knowing that the spotlight would next focus on him. This was his chance to prove himself not only to PepsiCo senior management, but also to BBDO. BBDO's senior managers had become influential advisors, whom PepsiCo's top marketing executives routinely relied upon to help guide branding decisions. With six years of experience under his belt, this was Moffitt's chance to earn their respect as a contributing member to these critical discussions. Moffitt was eager to make a strong impression with nuanced and well-reasoned evaluations. Following long-standing protocol in packaged goods companies, the junior manager at the table gets the first crack at evaluating the creative. Moffitt cleared his throat, complimented Bruce on the high quality of the new work he had presented, and began his evaluation.

**Exhibit 1** CSD Sales/Share

(Million Cases/Percent Market)

| | 1990 | | 1991 | | 1992 | | 1993 | | 1994 | | 1995 | | 1996 | | 1997 | | 1998 | | 1999 (Est.) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** | **Sales** | **Share** |
| **Coke** | 1,565.5 | 20.1 | 1,597.9 | 20.1 | 1,613.9 | 20.1 | 1,680.4 | 20.2 | 1,776.7 | 20.4 | 1,868.6 | 20.8 | 1,929.2 | 20.8 | 1,978.2 | 20.6 | 2,037.5 | 20.6 | 2,018.0 | 20.3 |
| **Pepsi** | 1,370.0 | 17.6 | 1,338.0 | 16.9 | 1,327.3 | 16.5 | 1,305.9 | 15.7 | 1,310.0 | 15.0 | 1,344.3 | 15.0 | 1,384.6 | 14.9 | 1,391.5 | 14.5 | 1,399.8 | 14.2 | 1,371.8 | 13.8 |
| **Diet Coke** | 726.9 | 9.3 | 741.2 | 9.3 | 732.6 | 9.1 | 740.6 | 8.9 | 767.6 | 8.8 | 793.0 | 8.8 | 811.4 | 8.7 | 819.0 | 8.5 | 851.8 | 8.6 | 843.0 | 8.5 |
| **Diet Pepsi** | 490.0 | 6.3 | 500.0 | 6.3 | 509.5 | 6.4 | 491.5 | 5.9 | 511.2 | 5.9 | 521.4 | 5.8 | 541.5 | 5.8 | 523.5 | 5.5 | 529.7 | 5.4 | 503.0 | 5.1 |
| **Sprite** | 295.0 | 3.8 | 313.1 | 3.9 | 328.1 | 4.1 | 357.6 | 4.3 | 396.3 | 4.5 | 460.3 | 5.1 | 529.8 | 5.7 | 598.0 | 6.2 | 651.8 | 6.6 | 671.5 | 6.8 |
| **Dr. Pepper** | 364.8 | 4.7 | 385.3 | 4.9 | 414.0 | 5.2 | 445.6 | 5.4 | 485.1 | 5.6 | 515.0 | 5.7 | 536.8 | 5.8 | 566.8 | 5.9 | 599.4 | 6.1 | 630.0 | 6.3 |
| **Mountain Dew** | 300.0 | 3.9 | 327.5 | 4.1 | 351.1 | 4.4 | 387.6 | 4.7 | 455.0 | 5.2 | 509.6 | 5.7 | 535.6 | 5.8 | 605.2 | 6.3 | 665.1 | 6.7 | 705.0 | 7.1 |
| **7-UP** | 211.5 | 2.7 | 207.7 | 2.6 | 211.3 | 2.6 | 209.9 | 2.5 | 221.5 | 2.5 | 219.9 | 2.5 | 217.7 | 2.3 | 216.7 | 2.3 | 210.9 | 2.1 | 204.9 | 2.1 |
| **Surge** | | | | | | | | | | | | | | | 69.0 | | 51.8 | | 26.7 | |
| **Mello Yello** | 42.9 | | 49.5 | | 59.5 | | 64.0 | | 64.6 | | 61.6 | | 59.0 | | 46.6 | | 42.4 | | 41.6 | |

Source: Maxwell Report

**Exhibit 2** Advertising Spending: Television Media

Major CSDs ($MM)

| | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 (Est.) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Coke** | $157.4 | $139.9 | $168.1 | $131.1 | $161.5 | $124.7 | $199.8 | $156.8 | $140.4 | $167.7 | $208.3 |
| **Pepsi** | $129.8 | $141.3 | $137.8 | $144.0 | $120.6 | $133.1 | $ 98.1 | $133.1 | $140.5 | $165.9 | $159.6 |
| **Mountain Dew** | $ 12.9 | $ 20.0 | $ 25.9 | $ 29.1 | $ 30.3 | $ 38.3 | $ 40.4 | $ 43.1 | $ 50.3 | $ 45.0 | $ 55.9 |
| **Sprite** | $ 32.0 | $ 36.1 | $ 27.5 | $ 26.9 | $ 36.0 | $ 54.6 | $ 57.9 | $ 60.6 | $ 56.2 | $ 69.9 | $ 87.7 |
| **Dr. Pepper** | $ 32.2 | $ 49.3 | $ 50.1 | $ 52.8 | $ 61.5 | $ 65.4 | $ 67.9 | $ 81.0 | $ 86.8 | $102.4 | $106.8 |
| **7-Up** | $ 38.8 | $ 37.4 | $ 23.7 | $ 29.4 | $ 27.3 | $ 23.2 | $ 33.1 | $ 38.7 | $ 27.0 | $ 38.7 | $ 45.1 |
| **Surge** | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 | $ 15.5 | $ 21.0 | $ 19.6 | $ 0.2 |

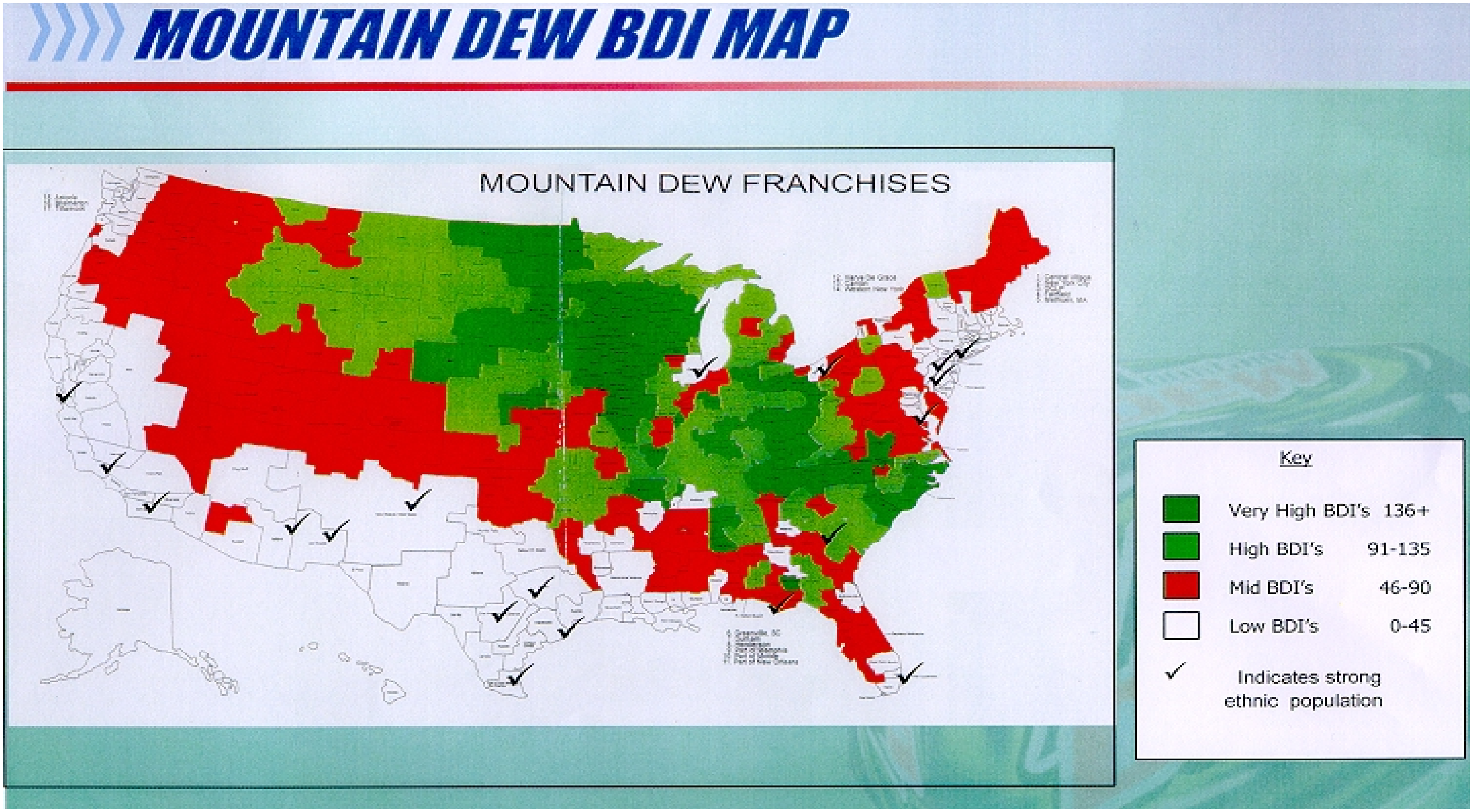
Source: Competitive Media Reports

**Exhibit 3** Mountain Dew Brand Communications Strategies (1993-1999)

| | Objective | Strategy | Target | Executional Direction |
|---|---|---|---|---|
| **1993-94** | Increase awareness and trial of Mountain Dew | You can have the most thrilling, exciting, daring experience but it will never compete with the experience of a Mt. Dew | Male teens/young adults | -Distinct campaign with Dew equity consistency<br>-Leverage "full tilt taste" and "rush" as point of difference |
| **1995** | Distinguish Mt. Dew within the competitive environment through contemporary communication of the trademark's distinct, historical positioning | You can have the most thrilling, exciting, daring experience but it will never compete with the experience of a Mt. Dew | Bull's eye: 18 yr. old leading edge male<br>Broad: 12-29 year olds | -Shift to a unified trademark focus modeled after "Do Diet Dew"<br>-Explore outdoor settings<br>-Predominant male, mid-20's casting<br>-Preserve balance between "outlandish" and "realistic" actions/sports |
| **1996** | Optimize Dew's positioning equity among the target in a highly relevant and contemporary manner | (You can have the most thrilling, exciting, daring experience but…) there's nothing more intense than slamming a Mt. Dew | Bull's eye: 18 yr. old leading edge male<br>Broad: 12-29 year olds | -Bring "Do the Dew" trademark campaign to the next level |
| **1997** | Optimize Dew's positioning equity among the target in a highly relevant and contemporary manner<br>-Strengthen brand perceptions among AA<br>-Encourage product trial where familiarity is low | (You can have the most thrilling, exciting, daring experience but…) there's nothing more intense than slamming a Mt. Dew | Bull's eye: 18 yr. old leading edge male<br>Broad: 12-29 year olds | -Continue "Do the Dew" trademark campaign and encompass the Mt. Dew experience |
| **1998** | Build badge value and authentic, true Icon status for Mt. Dew in the world of youth-targeted consumer goods | Associate Mt. Dew with thrilling and exhilarating adventures in a light-hearted manner | Bull's eye: 18 yr. old leading edge male<br>Broad: 12-29 male/female | -Evolve the "Do the Dew" campaign against core target with fresh and relevant copy<br>-Develop ethnically-targeted "cross-appeal" spot<br>-Enhance product perception |
| **1999** | Optimize relevance of Dew's positioning among the target | Associate Mt. Dew with the exhilarating intensity of life's most exciting, fun adventures | Male Teens (16 yr. old epicenter)<br>-Invite teen girls while continuing as male CSD<br>-Maintain cross-over appeal among 20-39 year olds | Develop pool of "Do the Dew" executions<br>-Explore other metaphors beyond alternative sports to express "exhilarating intensity"<br>-One execution should have AA/urban relevance<br>-Communicate quenching<br>-Inclusion of water-greenery elements not mandatory |

Source: PepsiCo

**Exhibit 4** Mountain Dew Brand Development Index Map




Source: BBDO New York

**Exhibit 5a** Spectra Lifestyle Analysis

| | | | MOUNTAIN DEW CONSUMPTION INDEX | | | | |
|---|---|---|---|---|---|---|---|
| | | | **LIFESTAGE** | | | | |
| SPECTRA LIFESTYLE | 18-34 W/Kids | 18-34 W/O Kids | 35-54 W/Kids | 35-54 W/O Kids | 55-64 | 65+ | Total Lifestyle |
| Upscale Suburbs | 82 | 77 | 101 | 56 | 45 | 13 | 64 |
| Traditional Families | 118 | 121 | 160 | 79 | 42 | 35 | 96 |
| Mid Upscale Suburbs | 101 | 111 | 108 | 71 | 64 | 18 | 66 |
| Metro Elite | 139 | 85 | 141 | 47 | 47 | 21 | 72 |
| Working Class Towns | 237 | 139 | 242 | 121 | 67 | 42 | 139 |
| Rural Towns & Farms | 225 | 153 | 212 | 141 | 91 | 39 | 140 |
| Mid Urban Melting Pot | 148 | 104 | 97 | 52 | 49 | 31 | 74 |
| Downscale Rural | 309 | 142 | 291 | 127 | 87 | 43 | 158 |
| Downscale Urban | 99 | 98 | 107 | 73 | 55 | 32 | 76 |
| Total Lifestage | 171 | 112 | 165 | 83 | 61 | 31 | 100 |

Source: AC Nielsen Product Library 11/97 to 11/99

**Exhibit 5b** Lifestyle Glossary

**Lifestyle Glossary**

**Upscale Suburbs**
"The American Dream", a nice house in a nice suburban neighborhood. College-educated executives and professionals who index high on travel, eating out, playing golf, going to health clubs, buying imported cars, watching/reading business and news. Low African-American and Hispanic. High income.

**Traditional Families**
Like Upscale Suburbs, but lower socio-economic level. Mix of lower level administrators and professionals with well-paid blue-collar. Index high on: gardening, DIY home improvement, driving SUVs, camping, classic rock, sports radio. Low African-American and Hispanic. Mid-high income.

**Mid/Upscale Suburbs**
Live in first-generation suburbs that are now part of the urban fringe. Lower income than Traditional Families, but more college-educated and white collar. Index high on: baseball fans, casino gambling, using internet, attending live theatre, reading science and technology, listening/watching news. Low African-American and Hispanic. Mid-high income.

**Metro Elite**
Younger and more urban, college-educated, ethnically diverse. Very attuned to new fashions. Geographically mobile. Index high on: health clubs, bars and night clubs, fashion magazines, VH-1, music, film, computers. Middle income.

**Working Class Towns**
Well paid blue collar families living in suburbs of smaller cities. Index high on: auto racing, fishing, hunting, country music, camping, televised sports. Own trucks or minivans. Low African-American and Hispanic. Middle income.

**Rural Towns & Farms**
Small towns mostly in the middle of the country, dominated by blue-collar and agricultural work. Index high on: rodeos, fishing, woodworking, chewing tobacco, wrestling, camping, country music, TV movies, USA and TNN channels. Don't read magazines and newspapers. Low African-American. Lower income.

**Mid Urban Melting Pot**
Urban multi-ethnic neighborhoods. Old European ethnic enclaves and new Asian immigrants, mixed with African-American and Hispanic neighborhoods. Index high on: menthol cigarettes, dance music, boxing, pro basketball, lottery, Home Shopping Network, heavy TV viewing, urban contemporary radio. Lower income, low college, service industries.

**Downscale Rural**
Poor rural areas in Appalachia, throughout the South, and the Plains States. This socially conservative and religious area is sometimes called "the bible belt:" While indexing high African-American, these are very segregated neighborhoods with little racial mixing. Lowest on education, occupation, income, housing. Index high on: trucks, chewing tobacco, belonging to veteran's club, target shooting, tractor pulls, country music, fishing and hunting., daytime drama TV programs.

**Downscale Urban**
Same socioeconomic profile as Downscale Rural but very different cultural profile, more similar to Mid-Urban Melting Pot. Mostly African-American and Hispanic urban neighborhoods.

Source: AC Nielsen Product Library 11/97 to 11/99

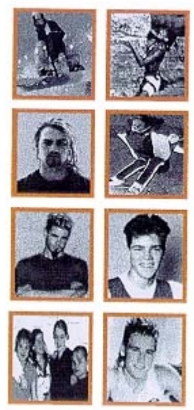
**Exhibit 6a** Brand Imagery - Mountain Dew

**Product Imagery**

*Too sweet
Most entertaining ads
Fun to drink
Intense experience
Lots of flavor

When need energy boost
In mood for something different
*At a sporting event

**User Imagery (54%)**



**Psychographic Imagery**

Adventurous
Wild
Active
Daring
*Courageous
Exciting
Free-spirited
Rebellious
Spontaneous
Athletic
Youthful
Cool
Hip
*Out-going

(Someone you'd spend time with)

Source: BBDO New York

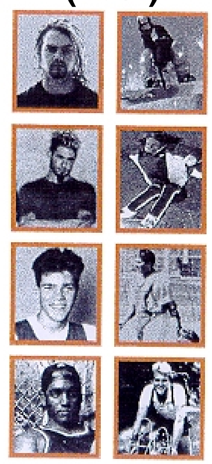
**Exhibit 6b** Brand Imagery – Surge

**Product Imagery**

*Can't relate to ads
*Low quality product
*Not always available
Unique
Intense experience
*Tastes artificial

When need energy boost
In mood for something different

**User Imagery (49%)**



**Psychographic Imagery**

Wild
Rebellious
Daring
Adventurous
Active
Up-to-date
Athletic
*Trendy
Youthful
*Leading-edge
Exciting
Spontaneous
Individualistic
*Powerful
Hip
In style

Source: BBDO New York

**Exhibit 6c** Brand Imagery - 7 Up

**Product Imagery**

*Least fattening
Lowest calories
Low in sodium
*Too little flavor
*Not sweet enough
*Not filling
*Healthy/good for you
Most refreshing

**User Imagery (48%)**

**Psychographic Imagery**

Sensitive
Relaxed
Peaceful
*Healthy
Feminine
Kind
*Nurturing

(Nice)
(Loyal)
(Cooperative)

Source: BBDO New York

**Exhibit 6d** Brand Imagery - Sprite

**Product Imagery**

Lowest calories
Most refreshing
*Thirst quenching
*Goes down easy
Low in sodium

In a nice restaurant
*After exercise/sports

(In the evening)
(In the morning)

User
**Imagery**
**(56%)**

**Psychographic Imagery**

Feminine
Sensitive
Peaceful
*Nice
Relaxed
Free-spirited
*Cooperative
*Friendly
*Happy
Kind

(Innovative)

Source: BBDO New York