

Pepsi Refresh Project Analytics Case

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Group 2

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The Pepsi Refresh Project (PRP) increased brand awareness and social media engagement, generating 3 million new Facebook fans and registering about 2.5 million visitors each month on their website, which generated a trove of consumer data and opened lines of communication with target audiences (millennials and boomers). Despite this increase in customer engagement and positive goodwill, PRP was not converting those registrants into soft drink customers. The project consumed all marketing resources and diverted funds away from traditional Pepsi brand marketing, while sales of the flagship soft drink products lost sales and market share. PRPs's singular focus on brand management should no longer be the only marketing approach. Instead, Pepsi should redirect funds back to traditional marketing efforts for soft drink products and reposition PRP to better align with other brands under the PepsiCo family.

Moving budget dollars away from soft drink advertising to support PRP was risky, as soft drink sales are the bulk of PepsiCo's revenue. A return to marketing Pepsi cola as having the "spirit of the challenger, celebration of the next generation, and of optimism and all things young at heart" is a recommended way to grow both sales and market share. This would include reinvigorating large campaigns, such as the Super Bowl ads and leaning on its new socially-conscious branding (as a result of PRP) to attract high-profile influencers to drive sales without diminishing social capital. One of PRP's largest criticisms was that there was a "value clash" between cola and promoting community well-being. Soft drink product marketing should move away from the spotlight of PRP but the media platform can be repurposed to promote "create your own commercial" contests among soft drink consumers. A recent survey shows that 70% of respondents in the U.S. indicate they would be more likely to buy a product after seeing a positive or relatable consumer-generated image of it online.[i] Contest winners would also align with Pepsi's "young and optimistic" image so there is continuity across all Pepsi soft drink marketing efforts. A drawback of eliminating PRP from the flagship soft drink segment's marketing is that the program may lose some credibility if consumers no longer see the notable product as the center of PRP's messaging.

Remaining marketing dollars allocated for PRP should continue to be spent on cultivating brand management and product awareness among health-conscious consumers, marking a switch from "Pepsi Refresh Project" to simply the "Refresh Project". PRP's focus on funding social welfare projects should continue, but projects must be chosen in a way that places good-for-you products at the forefront of those efforts. For example, feeding underserved communities with "good for you" products can help distance those items from the "all sugar and no vitamins" stigma of the company's core soft drink commodities. In addition, PepsiCo should take advantage of the socially-conscious image to drive up sales in bottled water, one of the fastest growing segments of the beverage market. Brand loyalty is difficult to create for a product like water that has no distinguishing characteristics beyond packaging and price, yet PepsiCo can differentiate by promoting themselves as the more socially-responsible choice. An example could be to partner with humanitarian organizations who can place Pepsi's water at the forefront of disaster relief and water contamination assistance efforts. There is some potential risk with disassociating the Pepsi cola name from the healthy brands. Future brand-wide marketing efforts may lose effectiveness within this segment because consumers won't affiliate these product lines with the parent brand. In addition, Pepsi would essentially be conceding that these are not soft drink consumers by failing to cultivate them as

such. Members of this segment may choose another brand if they become soft drink consumers in the future.

[i] Olapic Inc. “Thank You - Consumer Trust | Olapic.” Olapic | Visual Commerce and Marketing Platform, 2017, www.olapic.com/consumer-trust-thank-you/.