

Oral History Interview

with

BILL DURKEE

November 8, 1984

at

Panama City Beach, Florida

By Scott Ellsworth

For the "Pepsi Generation" Oral History Project

Archives Center

National Museum of American History

Smithsonian Institution

TAPE ABSTRACT AND INDEX

Durkee, Bill. Panama City, Florida November 8, 1984. Interviewed by Scott Ellsworth.

Marketing specialist Bill Durkee left the Coca-Cola Company to join Pepsi's bottling plant operations. After service in the company-owned plant in Philadelphia and as both a regional and divisional manager, he became the director of marketing in charge of domestic operations. He left Pepsi in 1964 to work for the Royal Crown Cola Company.

The major topics addressed are: Alfred Steele's tenure in, and impact upon the Pepsi-Cola Company; Joan Crawford's involvement with Pepsi; Herbert Barnet's administration; Pepsi's franchise system and Barnet's franchise program; and the ascendancy of Don Kendall to the head of the company. Other topics addressed include: "The Sociables" campaign; quality control at Pepsi; the switch to BBDO; the "Come Alive" campaign; the role of Pepsi's advertising agency; and marketing.

The interview was conducted at Mr. Durkee's condominium in Panama City, Florida.

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Abstract of interview with Bill Durkee, Panama City, Florida, November 8, 1984
Interviewer: Scott Ellsworth

1:10

BACKGROUND

Raised in Michigan. During high school and college he worked at night for the Coca-Cola Company. Joined the military. Steele, Durkee and several others left Coke to work for Pepsi. Durkee worked in bottling plant operations. In 1949 Pepsi was in serious financial trouble. Steele realized that "Twice As Much For a Nickel" would not work anymore. He had several ideas to save the company. In 1950, Durkee went to a large company-owned plant in Philadelphia. Then he went to Columbus, Ohio as regional manager for 5 years. He moved to Chicago as divisional manager and as an officer of the company. Moved to Purchase, New York as director of marketing in charge of domestic operations. Durkee left Pepsi when Don Kendall became president of the company in 1964.

8:25

ALFRED STEELE'S INFLUENCE ON THE PEPSI-COLA CO.

Al Steele had extraordinary charisma and strength. He turned the company around. He knew what the bottlers wanted, he upgraded the image of Pepsi. Steele looked in women's magazines and noticed that there was an emphasis on weight control and dieting, so he developed the "Light Refreshment" campaign. Anecdote of Steele getting the look that he wanted in the commercials. Steele modernized Pepsi-Cola's logo and the bottle to match the long, svelte image of the "Light Refreshment." Steele got the bottlers to use uniform bottles and to discontinue the use of paper labels. Pepsi eventually got into trouble with the Federal Trade Commission for the "reduced in calories" theme.

18:45

"SOCIABLES"

The "Sociables" went a little too far with the glamour image in the campaign. It is difficult to come up with two successful advertising campaigns in succession.

20:05

JOAN CRAWFORD'S ROLE

Crawford played a big role with the bottlers. She personified all the things the company was telling the bottlers to do with the product: to add class,

brightness, and glamour. She traveled constantly to bottling plant openings and she wrote personal letters to the bottlers, regional directors, district managers, and other people she came into contact with. The only time she ever asked Durkee for a favor was when she asked him to allow Norman B. Norman, an advertising executive, to make a campaign presentation.

29:20

FRANCHISE SYSTEM

Coca-Cola was in a very good position, where as Pepsi had to work at giving franchises away.

Tape 1, Side 2

:05

FRANCHISE PROGRAM

Herb Barnet organized a program to help the bottlers. The company would repurchase a plant from the bottler if he could not pay the mortgage. This, along with a great state by state publicity campaign actively supported by Joan Crawford, built up the bottlers' business across the country.

2:05

QUALITY CONTROL

Pepsi started a quality control program with a mobile laboratory. When Durkee was district manager he closed down several plants because of poor quality; the overall quality of Pepsi went up.

4:40

CHANGE OF AGENCY

When Pepsi changed their advertising agency to Batten, Burton, Durstine and Osburn (BBDO) they fumbled for a short time as they adjusted to each other. When Steele and Durkee left Coke for Pepsi, they brought their expertise with them and selectively applied it to Pepsi. But they could not do everything Coke did. For example, in the early 1950s when John Toigo wanted to sell promotions, Durkee told him they were not yet ready for that. They needed to spend all of their money and energy on advertising first.

10:10

STEELE TAKES OVER PEPSI

Walter Mack was at Pepsi during the peak of its success. Mack was encouraged by the board to bring in a successor. Two or three people were brought in as possibilities. Steele, extremely strong-willed, wanted the job and politicked for it. The Board made a deal with Mack which he violated. He subsequently left the company.

12:20

HERB BARNET BECOMES PRESIDENT AFTER STEELE'S DEATH

Herb Barnet was a brilliant man but only a mediocre administrator. In the early 1960s he masterminded new plants, finances of vending machines, and various other programs. He never got along well with the southern bottlers. He resigned when the company raised the price of concentrate--a very sensitive issue with the bottlers--by approximately 5%. Pepsi-Cola Company had no limits on when or how much they could raise concentrate prices. The company raised the price, in part to pay for the deficit created by the increased advertising budget. The bottlers revolted.

20:10

KENDALL APPOINTED PRESIDENT

Barnet liked Kendall very much and told Durkee that Kendall was his choice as a successor. At that time Durkee left Pepsi because he thought he could do better elsewhere. Pepsi adopted Kendall's "one world" concept which consolidated foreign and domestic advertising. Consequently, Pepsi did not need two advertising directors so Alan Pottasch stayed, and Phil Hinerfeld was reassigned.

27:15

MARKETING DIVISION

The marketing division had fourteen of twenty vice-presidents. Durkee was senior vice president, John Soughan was the v.p. of marketing services in charge of advertising and promotion. Hinerfeld worked for Soughan.

28:50

"COME ALIVE" AT BBDO

Charlie Brower at BBDO was a creative person with tremendous talent. Phil Hinerfeld knew how to deal with agencies well and how to get what he wanted out of them. Soughan worked on the creative end.

Tape 2, Side 1

:10

AGENCY'S ROLE

When Pepsi was at 500 Park Avenue, there was only one man in charge of advertising for the company. Consequently, Pepsi looked to the advertising agency for creativity, particularly after Steele's death.

3:10

AL STEELE'S STYLE IN BUSINESS

Al Steele initiated television advertising. His style was flamboyant. Anecdotes about Steele.

6:20

JOAN CRAWFORD AND AL STEELE

Joan Crawford and Don Kendall personalities clashed. Crawford probably saw Kendall as a threat to her husband. Kendall kept Crawford on the Pepsi payroll until she was over 65.

7:25

PEPSI PRESIDENTS

Several presidents of Pepsi-Cola chose to, or were asked to leave. Jim Somerall led the push to oust Barnet and became president. He did not hold that position long.

DURKEE INDEX

Barnet, Herb 6:1:2 :05, 6:1:2 12:20
Batten, Barton, Durstine and Osborn advertising agency 6:1:2 4:40
Brower, Charlie 6:1:2 28:50
Coca-Cola Company 6:1:1 29:20 6:1:2 4:40
"Come Alive You're In The Pepsi Generation" campaign 6:1:2 28:50
Crawford, Joan 6:1:1 20:05, 6:1:2 :05 6:2:1 6:20:
Federal Trade Commission 6:1:1 8:25
Franchise system 6:1:1 29:20 6:1:2 :05
Hinerfeld, Phil 6:1:2 27:15, 6:1:2 28:50,
Kendall, Don 6:1:1 1:10, 6:1:2 20:10, 6:2:1 6:20
Mack, Walter 6:1:2 10:10
Marketing division 6:1:2 27:15
Norman, Norman B. 6:1:1 20:05
"One world" concept 6:1:2 20:10
Pottasch, Alan 6:1:2 20:10
Quality control 6:1:2 2:05,
Somerall, Jim 6:2:1 7:25
Soughan, John 6:1:2 27:15,
Steele, Alfred 6:1:1 1:10, 6:1:1 8:25, 6:2:1 3:10, 6:2:1 6:20
"The Light Refreshment" advertising campaign 6:1:1 8:25, 6:2:1 2:05
"The Sociables" advertising campaign 6:1:1 18:45
Toigo, John 6:1:2 4:40
"Twice As Much For A Nickel Too" advertising campaign 6:1:1 1:10