

Oral History Interview  
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with

ROGER ENRICO

January 4, 1985

at

Purchase, New York

By Scott Ellsworth

For the "Pepsi Generation" Oral History Project

Archives Center

National Museum of American History

Smithsonian Institution

TAPE ABSTRACT AND INDEX

Enrico, Roger - Purchase, New York, January 4, 1985. Interviewed by Scott Ellsworth.

Roger Enrico joined PepsiCo in 1971. He was president of the Pepsi-Cola Company at the time of the interview. Previously he had worked in the Frito-Lay Division, in overseas sales, and as executive vice president.

The major topics addressed are: the decision to formally discontinue the "Pepsi Challenge"; the echoes of the "Pepsi Challenge" in the then current advertising; the "Choice of a New Generation" campaign; use of the Jacksons; and the continuing influence of the "Pepsi Generation" theme in Pepsi advertising. Other subjects discussed include; the use of youth as a vehicle in advertising; the diminishing duration of Pepsi ad campaigns; the nature of the competition with Coke; and Pepsi's franchise system.

The interview was conducted in Mr. Enrico's office at Pepsi-Cola Headquarters in Purchase.

Abstract of interview with Roger Enrico, January 4, 1985  
Purchase, New York  
Interviewer: Scott Ellsworth

Tape 1, Side 1

:55

BACKGROUND WITH PEPSICO

Joined Pepsi Co's Frito-Lay division in 1971 as an associate brand manager. In 1975 moved to Japan as president of the snack food operation. Went to South America as the area vice president of South Latin America of PepsiCo. Returned to Frito Lay in 1978 as vice president of marketing. In 1980 moved to Purchase, New York, corporate headquarters, as senior vice president of sales and marketing for the company owned bottling plants. In 1983 moved to the franchise division of the company as executive vice president/chief operating officer (while John Sculley was president). In April of 1983 became president of the company.

3:30

SYNOPSIS OF CONFLICT WITH THE "PEPSI CHALLENGE"

In 1980 there was struggle within the company about the "Challenge." Enrico's predecessor in the Pepsi-Cola Bottling Group, Jack Pingle, was a strong believer in the "Challenge." Pringle had been the general manager at the Los Angeles plant where the "Pepsi Challenge" improved the market immensely. At that time Enrico supported Pingle's effort to make the "Challenge" the national campaign. Alan Pottasch and Don Kendall (along with many other people) were concerned about losing their thematic advertising message to the promotional slant of the "Challenge." The expansion of the "Challenge" up to 1980 was basically in the company-owned plants; it took much convincing to get the privately-owned franchises to use it. Research showed that the "Challenge" campaign was important because it raised the image of the product in the minds of consumers; it put Pepsi on the same level as Coke.

8:10

DISCONTINUING THE "CHALLENGE"

When Enrico came from the Bottling Group, he was convinced Pepsi should drop the "Challenge." They were not seeing gains in volume in the markets

using it, and it did not have much of an impact where Pepsi already had a large percentage of the market. At that time they were trying to incorporate the "Challenge" campaign's focus on product into the thematic, image-oriented ads. "Pepsi's Got Your Taste For Life" was the best example of how that worked against both approaches. When Pepsi decided to drop the "Challenge" they conducted research on both product-oriented imagery and lifestyle. Pepsi wanted to stay with the "Pepsi Generation" notion and return to a youthful image. We wanted to position Pepsi on the "leading edge" of lifestyles. We wrote in a "white paper" our agreed upon direction for the campaign. We tried several samples of imagery and of product oriented approaches. We wanted to position Pepsi as the "in" drink.

11:15

"CHOICE OF A NEW GENERATION"

Enrico decided not to use a specific jingle for the "Choice of a New Generation" so that Pepsi would not get stuck creatively and to distinguish Pepsi ads from other lifestyle advertising e.g. Mc Donald's and American Airlines. Hopefully, changing jingles would make the copywriters, who create the concepts of the commercials, create a distinctive new campaign for each new commercial instead of relying on a musical jingle to carry the ad.

17:35

ECHOES OF "CHALLENGE" IN "CHOICE OF A NEW GENERATION"

Because the "Challenge" worked so well and people remembered it, Pepsi uses echoes of it in ads now. The commercial in which the space ship comes to earth and chooses the Pepsi vending machine over the Coca-Cola machine is an example of a marriage of image advertising and the "Challenge" that works. The image in the consumer's mind is ingrained from previous advertising.

19:40

PEPSI USES YOUTH AS A VEHICLE IN ADS

People buy the product for psychological reasons. The company uses youth in its ads to touch the youthful ideas and attitudes in everyone in the country, not merely to sell to a youth market.

21:40

DECISION TO USE MICHAEL JACKSON IN COMMERCIALS

Pepsi officials had selected the "Choice of a New Generation" theme before they thought of using the

Jackson's in a commercial. The Jackson's provided the necessary spectacular kick-off for the new direction in advertising. Pepsi considered the risk of a scandal, but the risks were minimal compared to the advantages. The Jacksons and Lionel Richie were not specifically chosen to improve the market share in the black community. The main reason for using them was to create a big news event.

26:30

#### THE "VICTORY TOUR"

Pepsi got quite a bit out of the Jackson's "Victory Tour" but they could have done much more with it. It was managed poorly and there were problems with the scheduling of the concerts and a lack of lead time. Many of the halls and arenas holding the concerts sold Coca-Cola. Knowing this, Pepsi signed the contract nonetheless and hoped that Coke's presence would be so trivial in light of the excitement of the concerts that people wouldn't notice it.

Tape 1, Side 2

:40

#### FLEXIBLE FORMAT OF PEPSI COMMERCIALS

Batten, Barton, Durstine and Osborn (BBDO) did not show any reluctance about the "New Generation's" lack of a jingle. The "white paper" tells the creative people what Pepsi advertising is supposed to be. Some of the ads for next year only have background music, while the Lionel Richie commercials have several different songs.

2:10

#### CONTINUITY OF IMAGES IN ADVERTISING

It takes years to completely change an image in consumer's minds. Before the "New Generation" campaign, Pepsi had been shifting over several years to a nostalgic, Americana-type image. Since Coke already owned that image, Enrico thought it would be better to create something new, while simultaneously "leveraging" the images of Pepsi in people's minds: excitement, youth, sociability. The "Frito Bandito" campaign illustrates the persistence of a strong image. There is an advantage to being number two in this country -- the underdog image invokes hard work, more creativity and more innovation.

6:25

AD CAMPAIGNS NOT LASTING AS LONG AS BEFORE

Campaigns in the 1960s and early 1970s lasted longer because the companies were smaller. The broad, loose format of the present campaign will enable Pepsi to execute the commercials differently, while maintaining the major idea of Pepsi as the "in drink."

8:50

COMPETITION BETWEEN COKE AND PEPSI

Since 1979 competition has increased. It is mostly in the area of consumer products marketing: primarily product segmentation and advertising imagery. This competition is good for both companies and better than struggles concerning floor space in supermarkets.

10:45

FRANCHISE SYSTEM

The 210 independent bottlers are an essential key to the success of Pepsi because their entrepreneurial spirit keeps the company from becoming too bureaucratic. Excessive consolidation--i.e. 100% company-owned bottling plants instead of the current 25%--would be unhealthy for Pepsi-Cola and the soft drink industry and would probably be impossible to achieve.

14:55

"CHOICE" IS A REAFFIRMATION OF THE "PEPSI GENERATION" THEME

The "Choice" campaign revitalizes some of the original "Pepsi Generation" campaign ideas, especially by the way it positions the product. It is fresh and very different from what Pepsi has been doing in the last five years. The risk of doing the "Choice" campaign was minimal because of the strength of the previous images. The risk of making a big change with the "Choice" campaign was less dangerous than sinking into possible mediocrity by continuing advertising similar to the campaigns of the last five years.

18:55

MORE ON "CHOICE"

Discusses issue of risks in changing the campaign. There is great satisfaction in seeing a campaign make a visible impact on sales. There was an element of luck in the great success of the Jackson episode. Taking intelligent risks pays off. Consumer products marketing requires continuous, creative review.

Enrico Index

Batten, Barton, Durstine and Osborn advertising agency 19:1:2 :40,  
Blacks 19:1:1 21:40  
Bottlers 19:1:2 10:45,  
"Choice of a New Generation" advertising campaign 19:1:1 21:40, 19:1:2  
14:55  
Coca-Cola Company 19:1:1 3:30, 19:1:2 8:50  
"Frito Bandito" advertising campaign 19:1:2 2:10  
Jacksons, The (singing group) 19:1:1 21:40  
Jackson, Michael 19:1:1 21:40  
Japan 19:1:1 :55  
Jingles 19:1:2 :40  
Kendall, Don 19:1:1 3:30  
Los Angeles bottling plant 19:1:1 3:30,  
Mc Donald's 19:1:1 11:15  
"Pepsi Challenge" promotional campaign 19:1:1 3:30, 19:1:1 8:10, 19:1:1  
17:35  
"Pepsi's Got Your Taste for Life" advertising campaign 19:1:1 8:10  
Pepsi-Cola Bottling Group 19:1:1 3:30  
Pingle, Jack 19:1:1 3:30  
Pottasch, Alan 19:1:1 3:30  
Richie, Lionel 19:1:1 21:40, 19:1:2 :40  
Sculley, John 19:1:1 :55  
Victory Tour 19:1:1 21:40



# NEWS RELEASE

CONTACT: Ken Ross  
(914) 253-2934

ROGER A. ENRICO

President and Chief Executive Officer

Pepsi-Cola USA

Roger Enrico is President and Chief Executive Officer of PepsiCo's Pepsi-Cola USA division and oversees all key elements of the Corporation's domestic franchise soft drink business.

Enrico joined PepsiCo in 1971 and was most recently executive vice-president of Pepsi-Cola USA. He was formerly senior vice-president of sales and marketing for the Pepsi-Cola Bottling Group (PBG).

In addition to his domestic soft drink experience, Enrico has served PepsiCo as vice-president of marketing at Frito-Lay; as area vice-president of Frito-Lay/Japan for PepsiCo Foods International.

A graduate of Babson College with a bachelor's degree in finance, Enrico resides in New Canaan, CT with his wife and son.

- 30 -