

Oral History Interview

with

DONALD KENDALL

February 19, 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



Kendall, Donald. Purchase New York, February 19, 1985.
Interviewed by Scott Ellsworth.

At the time of the interview, Donald Kendall was the president and chief executive officer of Pepsico, Inc. A more than thirty year Pepsi veteran, Mr. Kendall worked in both the domestic and international divisions before becoming president.

The major subjects addressed are: the "Pepsi Generation" advertising theme and his initial reaction to it; the "One World" concept; Herbert Barnet's tenure as Pepsi's chief; the "Taste That Beats the Others Cold" advertising campaign; the "Pepsi Challenge"; a comparison between Coke and Pepsi advertising; the "Live/Give" advertising campaign; Kendall's responsibilities as CEO; Pepsi's political affiliations; Joan Crawford's role in Pepsi advertising; and the future of the "Pepsi Generation" theme.

The interview was conducted in Mr. Kendall's office at PepsiCo headquarters in Purchase.

Abstract of interview with Donald Kendall, Purchase, New York
February 19, 1985
Interviewer: Scott Ellsworth

Tape 1, Side 1

:30

IMPORTANCE OF ADVERTISING

As the catalyst that makes the bottling system work advertising is tremendously important. The bottlers have to like it.

The main advantage of the "Pepsi Generation" campaign is that it has run for two decades.

3:45

INITIAL REACTION TO "PEPSI GENERATION" IDEA

Kendall liked the idea very much; the music was good and concept was easy to communicate.

5:15

THE "ONE WORLD" CONCEPT

This concept has been misunderstood by people. At the time it was created, Kendall was head of the international company. The domestic company was having terrible problems and Kendall became CEO of the entire company. He went on a two week trip to meet all the bottlers. It became clear to him that the people in charge of the domestic company were poor managers. Kendall replaced some of these people with members of his international team. This was a short-term solution, because he realized that there were major differences between advertising for the US, and advertising in foreign countries.

10:05

HERB BARNET

Barnet was not a marketing man, yet he was head of a marketing company. Al Steele probably had no idea that Barnet would become president and CEO of Pepsi. Barnet could not solve the bottlers' problems created by Bill Durkee. They did not have good marketing techniques, sales were down, and the company raised the price of concentrate. The bottlers felt Bill Durkee raised the concentrate price to show a profit, and unfairly shifted the burden to them.

12:40

"TASTE THAT BEATS THE OTHERS COLD"

With strong bottler support, the president of Pepsi-Cola USA, Jim Somerall, pushed this product oriented campaign. Kendall was opposed to the "Taste That Beats The Others Cold - Pepsi Pours It On" campaign. After "Taste," Kendall reinstated the "Pepsi Generation" concept.



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17:15

"PEPSI CHALLENGE"

The "Pepsi Challenge" promotional campaign was always an option for local bottlers. Pepsi still used the national umbrella of the "Pepsi Generation."

20:05

SIMILARITIES BETWEEN COKE AND PEPSI ADVERTISING

During the last ten years, Coca-Cola has copied more of Pepsi's advertising style than the other way around. The two companies are on an equal footing in terms of overall competition.

24:00

"YOU'VE GOT ALOT TO LIVE PEPSI'S GOT ALOT TO GIVE"

The consistency, as well as the quality, of the overall "Pepsi Generation" campaign has made it successful.

26:00

RESPONSIBILITIES OF THE CHIEF EXECUTIVE; PEPSI'S POLITICAL AFFILIATIONS

Kendall has four main responsibilities: to get the best board of directors possible; to line up two or three people who can easily replace him when he retires; to ensure the momentum of the business for four periods after he leaves and to be involved in the political and economic activities of his community and the country. He discusses the relationship between Pepsi and the Republican and Democratic parties.

Tape 1, Side 2

2:20

JOAN CRAWFORD'S ROLE IN PEPSI ADVERTISING

Joan Crawford had nothing to do with advertising. Her role was in publicity at plant openings. She travelled.

5:00

FUTURE OF THE "PEPSI GENERATION" CAMPAIGN

If management backs the campaign, it will remain intact for a long time. Roger Enrico and Alan Pottasch support the "Pepsi Generation." Pottasch has been an intense asset to the company.



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PepsiCo, Inc.
Purchase, New York

DONALD M. KENDALL

Donald M. Kendall, 63, is Chairman of the Board and Chief Executive Officer of PepsiCo, Inc., a worldwide consumer products and services company with 1983 sales volume of \$7.9 billion, and products available to over a billion people in every corner of the United States and 147 other countries. PepsiCo's twelve divisions operate in four business segments: beverages, food products, food services, and sporting goods.

Mr. Kendall was a highly decorated Naval aviator during World War II. He joined Pepsi-Cola Company as a fountain syrup sales representative following Naval Service.

His rise from there was meteoric; by 1957 he was President of Pepsi-Cola's overseas operations. Under his leadership, Pepsi-Cola's international growth showed dramatic expansion. The number of countries in which Pepsi-Cola was sold more than doubled. Sales of this division tripled and income rose sharply, to the point where it became a major contributor to total company earnings.

As a result of these successes, Mr. Kendall was named President and Chief Executive Officer of Pepsi-Cola Company in 1963. He quickly launched a series of marketing and management innovations that accelerated the sales of Pepsi-Cola, and added new products, such as Diet Pepsi-Cola and Mountain Dew, to broaden the company's product line.

He engineered the merger which, in 1965, brought Pepsi-Cola Company together with Frito-Lay, the nation's leading snack food marketer, and was appointed President and Chief Executive Officer of the company that resulted -- PepsiCo, Inc. He was elected Chairman and Chief Executive Officer in 1971.

In 1969, Mr. Kendall was appointed by President Nixon to a one-year term as Chairman of the National Alliance of Businessmen and served as a Director for eight years.

Mr. Kendall also served as Chairman of Grocery Manufacturers of America from 1965 to 1974.

Mr. Kendall was the first United States Co-Chairman of the US-USSR Trade and Economic Council from 1973 to 1977 and remains a Director of the Council. The Council was formed for the purpose of strengthening trade ties and economic relations between American businessmen and the Soviet Union.

He served as Chairman of the Emergency Committee for American Trade from 1969 to 1976, a prestigious organization of sixty-five heads of corporations who are united to oppose restrictive import and investment legislation or action on the part of the United States Government, and remains a member today.

In June 1977, he was elected Chairman of the Board of American Ballet Theatre Foundation and served as Chairman until the Fall of 1983.

From April 1981 to April 1982 he was Chairman of the Board of the Chamber of Commerce of the United States, and he is currently a member of the Board of Directors.

His outside Directorships include memberships on the Boards of Pan American World Airways, Inc., Atlantic-Richfield Company, and the Investor's Diversified Services Mutual Fund Group.

An Honorary Doctorate of Law Degree was conferred upon Mr. Kendall in 1971 at the opening convocation of Stetson University, DeLand, Florida, and in May 1977, the honorary degree of Doctor of Humane Letters was conferred upon him at Mercy College, Dobbs Ferry, New York. On May 17, 1980, an Honorary Doctorate of Law Degree was conferred upon him at Babson College, Wellesley, Massachusetts.

A native of Sequim, Washington, he attended Western Kentucky State College. He is keenly interested in physical fitness, played tackle on his college football team, boxed in the Golden Gloves, plays tennis and golf whenever he gets the opportunity, and to help keep trim, runs two miles every other morning and bicycles 13 miles the alternating days.

Mr. Kendall is married to the former Baroness Ruedt von Collenberg. They live with their children in Greenwich, Connecticut. Mr. Kendall is a member of various clubs, including Blind Brook, the Links, the River, Lyford Cay and the Round Hill Club.