

Why Pepsi's "Live for Now" Campaign Did Not Live

On April 4th, 2017, Pepsi released an ad that would change the reputation of the brand forever. This commercial was a part of Pepsi's "Live for Now" campaign, which was their first global campaign designed to put the brand at the front of pop-culture trends. Pepsi hoped that this campaign would retain their "swagger" and make their brand appeal to a younger generation (Schultz).

The "Live for Now" ad stars Kendall Jenner, along with the song "Lions" by Skip Marley (Smith). The two minute and thirty-nine second ad starts with a person cracking open a Pepsi and shows a group of protestors marching down the street, holding signs that read "peace," "love," and "join the conversation" (Kendall and Kylie). The group of protestors are diverse, and the mood appears uplifting, as the protestors are smiling, dancing, and kissing. Kendall Jenner is in a photoshoot nearby and is invited to join the protest. She grabs a Pepsi, gives high-fives and fist-bumps two excited protestors. She then walks to the front of the group of protestors, where policemen are blocking the group from moving further. Jenner confidently walks up to a policeman and hands him the Pepsi. The policeman then turns to his fellow officers and smiles while Jenner walks back to the protestors, who are cheering for her. The ad ends with Jenner walking at the front of the crowd, with the words "Live Bolder," "Live Louder," and "Live for Now" flashing on the bottom of the screen (Kendall and Kylie).

Less than twenty-four hours after this ad was released, it was pulled due to the mass amount of criticism it received. Though it was taken down extremely quickly, the damage was irreversible. This paper will analyze the extent to which social media played a critical role in initiating and mitigating the crisis of Pepsi's "Live for Now" commercial starring Kendall Jenner.

IMPACT

After the release of the “Live for Now” ad starring Kendall Jenner, PepsiCo suffered backlash on social media, which soon escalated into a major crisis due to the comparison between the ad and the Black Lives Matter Movement. The ad’s intentions were to “truly reflect today’s generation and what living for now looks like” (Smith). However, as a result of their insensitive advertisement, Pepsi alienated portions of their target audience. Conservatives decoded the message as an indictment of conservative values, and liberals interpreted the ad as an oversimplification of solutions for deeply troubling and complex issues. In fact, the ad was increasingly compared to the Black Lives Matter Movement, specifically by the trending hashtag #PepsiLivesMatter (Figure 1) which was curated by upset customers. In the fact, the final scene of the ad seemed to be a direct reference to the powerful photo of Ieshia Evans detained in Baton Rouge, as shown in Figure 2 (Sidahmed).



Figure 1: The hashtag #PepsiLivesMatter amplified the crisis on social media where users mocked Pepsi’s ignorance of the Black Lives Matter Movement



Figure 2: The final scene of Pepsi’s ‘Live for Now’ commercial compares with the ‘She was making her stand’ image of Ieshia Evans facing state troopers in riot gear.

PEPSI'S RESPONSE

In response to the outcry, Pepsi decided to pull the ad 24 hours after releasing it. Though this decision was likely difficult due to the multi-million-dollar investment, it was an attempt to respond to consumer demands. Two days later, Pepsi also issued an apology on Twitter, stating:

“Pepsi was trying to project a global message of unity, peace, and understanding. Clearly, we missed the mark, and we apologize. We did not intend to make light of any serious issue. We are removing the content and halting any further rollout. We also apologize for putting Kendall Jenner in this position.”

This statement was criticized because it did not apologize to “all of the people who have been protesting for two years. [It also] didn’t apologize to the people who dedicated their lives and their time to these issues,” according to activist DeRay McKesson on NBC News (Smith). The public felt that the apology did not exhibit an empathetic understanding of the issue at heart.

In addition to the Twitter apology, Pepsi also communicated directly to consumers via social media platforms, responding to people on Instagram and Twitter. For example, Bernice King, the youngest daughter of Dr. Martin Luther King Jr., posted an image of her father being halted by a policeman and tweeted, “If only Daddy would have known about the power of #Pepsi” (@BerniceKing) (Figure 3). In response, Pepsi replied, “we at Pepsi believe in the legacy of Dr. King and meant absolutely no disrespect to him & others who fight for justice” (@Pepsi).



Figure 3: Tweet from Bernice A. King, April 5, 2017 (@Pepsi)

A few months after the commercial was released, Pepsi's CEO, Indra Nooyi, finally commented on the crisis. She stated, "I've thought about it a lot because I looked at the ad again and again and again, trying to figure out what went wrong — because it was a peace march not a protest march." She went on to say, "the minute I saw people upset, I pulled it. And you know what, it's not worth it. There were people on both sides, but at the end of the day, our goal is not to offend anybody" (Taylor). It is unclear as to what her statement of "it's not worth it" refers to—pulling the ad, or keeping the ad posted. Such a vague response did not directly apologize to any group of people. Ultimately, Pepsi had no explanation for how this ad was released and the company was so focused on their own perspective, that they failed to understand how the ad affected certain communities of people.

Pepsi's in-house content creation unit, Creators League Studio, was originally chosen for reduced costs, but is also a possible explanation for the crisis. The team is primarily criticized for casting a rich, cis, able-bodied white woman as the hero for all people, as well as depicting a protest as an upbeat social outing which trivializes the seriousness of the issue. According to Eric

Thomas, a brand specialist at Saga MKTG, “somewhere in the upper levels where this commercial was approved, one of two things happened. Either there was not enough diversity- race, gender, lifestyle, age or otherwise- or worse, there was a culture that made people uncomfortable to express how offensive this video is” (Monllos). Overall, Pepsi should have thought more deeply about how their intended message would be received by key target groups.

PEPSI’S HISTORY

PepsiCo’s motivation for diversity dates back to the 1950s, when incoming CEO Alfred N. Steele emphasized the company’s efforts on large marketing campaigns, which increased Pepsi’s earnings eleven-fold. Early marketing victories proved that reaching and influencing customers can be just as important as the product itself. The success of Pepsi-Cola has allowed PepsiCo to absorb and merge with other food and drink companies such as Taco Bell, Pizza Hut, and Quaker Oats, leading the empire to sell food and drink products in over 200 countries around the world (Britannica). Now a global power, PepsiCo focuses on projecting diversity within its organization, stating in their yearly diversity report, “our company is strongest when we embrace the full spectrum of humanity, regardless of what we look like, where we come from or who we love” (PepsiCo). Though PepsiCo portrays itself as diverse in both gender and race, it has promoted racially and sexually charged messages in the past.

PepsiCo had used polarizing marketing tactics prior to the Live For Now campaign, displaying the company’s willingness to leverage controversial topics to promote a product. In 2013, PepsiCo ran a series of ads featuring rapper Tyler, The Creator voicing a goat who beats a waitress in a restaurant for not giving him enough Mountain Dew (Stampler). The videos downplayed violence toward women, then displayed a police lineup of only stereotypical poor black men accompanying the goat. Dr. Boyce Watkins, a finance scholar, stated that Mountain

Dew “has set a new low for corporate racism” (Stampler). Though the Mountain Dew campaign was likely created by a different team than Live For Now, it shows the willingness of the overarching corporation, PepsiCo, to turn a blind eye to offensive content in order to generate clicks and discussion.

The Live For Now ad is also reminiscent of Coca-Cola’s “I’d Like to Teach the World to Sing” advertisement, which rode the flower-power movement in opposition to the Vietnam War (Smith). Unlike the Coke ad where a diverse cast sings together, Pepsi’s campaign culminates with one white woman leaving a diverse group of protestors to give a Pepsi to a police officer, all of whom seem to be white. PepsiCo’s diversity should have prevented the ad from release, but their advertising history shows that those who approved the video may have realized the polarizing nature of the campaign and pushed it regardless.

RELEVANT COURSE CONTENT

This case is a prime example of the “bad” type of consumer reactions on social media that produces risks for firms like PepsiCo (Grégoire et al. 174). People employed both badmouthing and directness almost immediately after the video was released. They expressed frustration and spread negative word-of-mouth throughout online communities, criticizing Pepsi directly and indirectly. Twitter, in particular, played a significant role in the spread of information, because “the ease of Twitter allows information to travel faster,” and there is no real culture of content filtering among users who want to freely express their opinions (Gruber 164). As a result, any part of the Pepsi crisis that started online was then amplified by social media, allowing highly influential figures like Bernice A. King to encourage discussion (Figure 3).

A significant double deviation event could have occurred if Pepsi ignored consumer complaints and continued to run the ad. Fortunately, large-scale negative publicity, third-party

complaining, and competitor amplification of the situation was diluted due to Pepsi's quick apologies and actions across all platforms (Grégoire et al. 174). Pepsi's leadership, however, did not demonstrate complete resilience. According to Gruber, a leader or crisis handler must "engage in communication and a deliberate set of actions aimed at limiting reputational, financial, and other threats to the organization" throughout the management process (Gruber 169). Although Pepsi's quick damage control was deliberate, company CEO Indra Nooyi's unsympathetic attempt to explain why the ad was created in the first place created not only more badmouthing against the company, but also highlighted a perceived disconnect between company leadership.

RELEVANT DATA

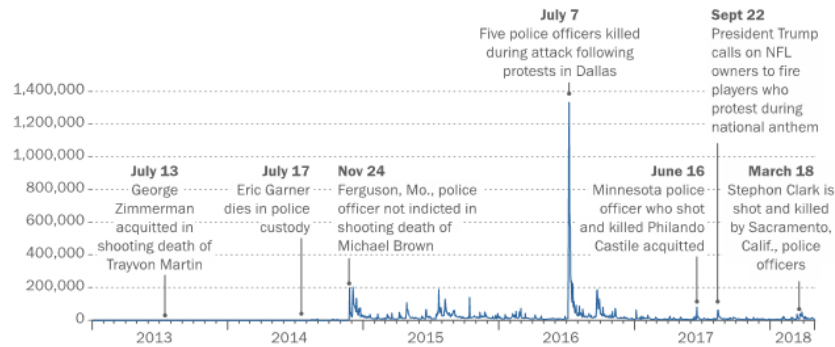
Within 24 hours of the video release, it had 1.6 million views on YouTube with five times more downvotes than upvotes. After that, the video was deleted across all platforms. During that time, however, the video had already become hugely popular and was reuploaded to many sites. Only five hours after the ad was released, Pepsi became the top trending topic on Twitter, and Kendall followed with more than 62,000 tweets (Liffreing).

Many of these tweets also received huge popularity. As shown in Figure 4, the tweet from Bernice A. King, daughter of Martin Luther King Jr, was the most popular with 273K likes, 144K comments, and 142K retweets. Most of the tweets were negative and related to the #BlackLivesMatter movement, while some were neutral or funny. Overall on social media, the video was considered to undermine the serious issue for which the Black Lives Matter movement

was fighting. Though the Kendall Jenner ad was related to the movement, there was no big spike in the use of the #BlackLivesMatter hashtag during the #PepsiLivesMatter period (Figure 4).

Use of the #BlackLivesMatter hashtag on Twitter periodically spikes in response to major news events

Number of Twitter posts mentioning the #BlackLivesMatter hashtag, Jan. 1, 2013-May 1, 2018



Source: Pew Research Center analysis of publicly available tweets using Crimson Hexagon.

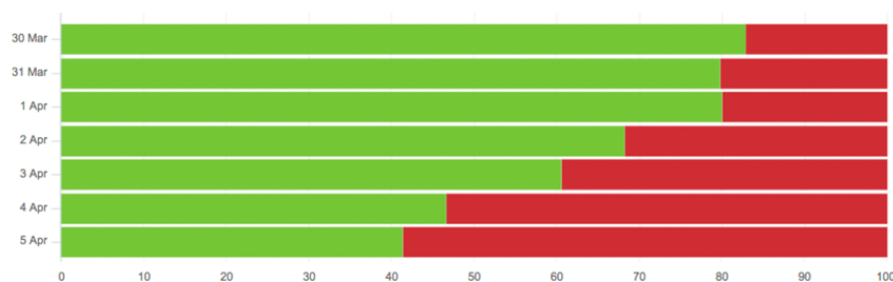
"Activism in the Social Media Age"

PEW RESEARCH CENTER

Figure 4: Use of the #BlackLivesMatter hashtag on Twitter

On April 4th, 2017, the day that Pepsi launched the ad, the company's mentions on social media increased by 7,000%, reaching 1,163 original tweets that included the words 'Pepsi,' 'Kendall Jenner,' 'ad,' or a combination of these words. According to Gemma Joyce, a Social Data Journalist, sentiment towards Pepsi plummeted from the past week skewing negative at 56.4% and the most common phrases around the ad release were 'tone-deaf,' 'wow,' and 'social injustice,' respectively (Joyce). Figure 5 shows the plummeting sentiment towards Pepsi.

Sentiment towards Pepsi plummeted after ad release



Social data analysis via Brandwatch | 30 March - 5 April 2017

Figure 5: Sentiment towards Pepsi plummeted after ad release

Furthermore, Pepsi's apology (Figure 6) was retweeted 12,660 times, received 24,004 likes and influenced 4,500 replies. On April 6th, the crisis seemed to die down, with Tweets falling to 1,248 then only 271 on April 7th.

Demographically, users aged thirty-five and above were responsible for 58% of the tweets, followed by the twenty-five to thirty-four age range, which wrote 18% of the total tweets. Of the individuals that tweeted about Pepsi's misstep during the April 4th, 45% were female and 55% were male (Meister). In total, Pepsi was brought up more than 1 million times across Facebook, Twitter and Instagram.

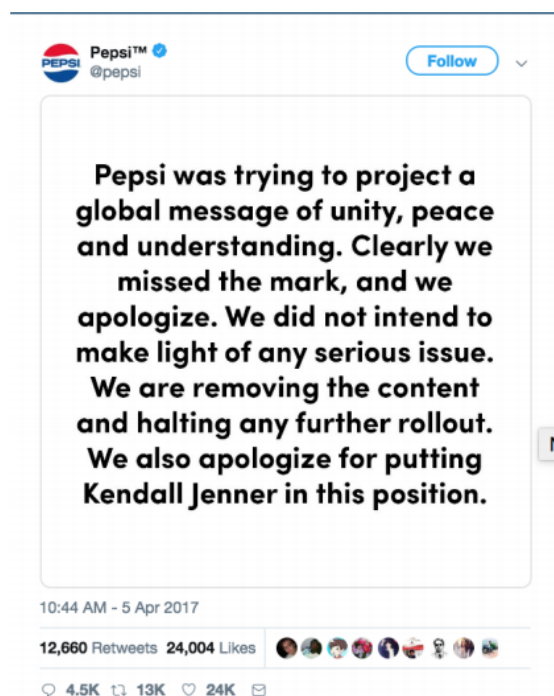


Figure 6: Pepsi's apology on Twitter, April 5, 2017 (@Pepsi)

It was estimated that Pepsi acquired between \$300 million and \$400 million in free media coverage out of the controversy (Roy). The costs for this ad were estimated to be at least \$2 million, perhaps even \$5 million including Kendall's fee. Featuring and promoting this campaign was likely to be followed with an investment of roughly \$100 million (Adams, et al). As shown in Figure 7, it took nine months for Pepsi to fully recover millennials' trust after the ad's

backlash. Pepsi's perception level was stuck in a "trough" from May through July of 2017, its lowest in at least eight years (Marzilli, "One Year after Jenner Ad Crisis").

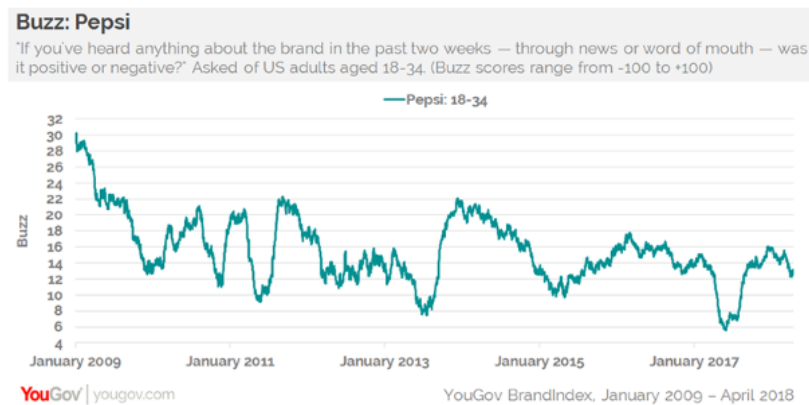


Figure 7: Pepsi's perception level from January 2009 to January 2017

YouGov BrandIndex measured consumer perception by Buzz score to rank the brand from -100 (most negative) to 100 (most positive). On April 4th, Pepsi's Buzz score was 9 and fell to -7 by April 11th, as shown in Figure 8. One week later, their Buzz score slowly pulled back to -3, but still below its pre-crisis level (Marzilli, "Pepsi Recovering Slowly").

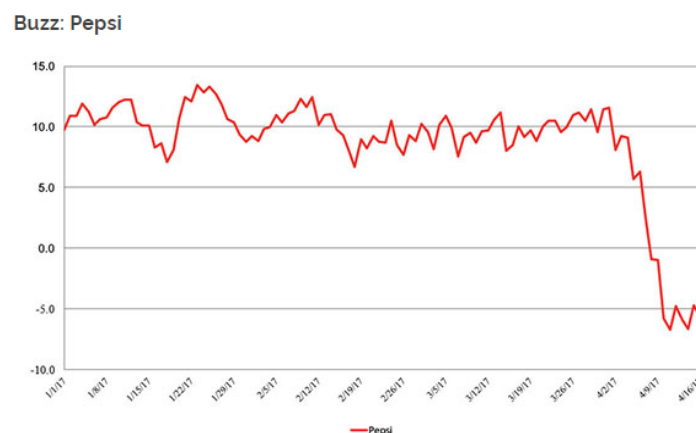


Figure 8: Pepsi's Buzz Score plummets after release of the "Live for Now" ad

ANALYSIS

Pepsi's attempt to handle this crisis was unsuccessful due to the time it took for the company to sincerely respond. There are various ways that they could have used social media to prevent and mitigate the crisis while preserving their brand image more effectively. The most

effective measures Pepsi could have taken to handle the crisis would have been to issue a more transparent and immediate response, take steps to show that they learned from their mistakes, and thus demonstrate how the mistake will never be made again.

Pepsi's immediate crisis response was quick, but their empathy and authenticity were lacking. Exhibiting more transparency would have given them an opportunity to be more authentic and carry that expectation for future communication. This transparency could have been communicated in a detailed explanation of how the ad idea actually passed through to production, information that most consumers felt they were missing. Pepsi also could have taken greater action by creating a re-release that reflected Pepsi's acknowledgment of their mistake, and perhaps demonstrated their learning of Black Lives Matter Movement history. This approach could still emphasize the original advertising message, educate the public about a piece of American history without choosing a political side, and show that Pepsi learns from mistakes.

In the mid-term, Pepsi should switch to an out-of-house ad agency with a reputation for diversity. Social worker and activist Feminista Jones states that "Pepsi should have consulted people who have actually been on the front lines of protests these recent years." Additionally, "brands should never make light of social issues related to people's suffering; they should, instead, focus on selling their products in ways that don't exploit the pain and suffering of marginalized people" (Menllos). Incorporating outside perspectives would prevent future incidents that may overlook important social issues like Black Lives Matter and help to avoid any unclear messaging if the ad turns political.

In the mid-to-long term, Pepsi should show that they are actively trying to diversify their mission, and that they support movements such as Black Lives Matter. Matt Britton points out that in the original commercial Jenner was not the right influencer for the job (Adams). As

discussed in ‘5 Guidelines for Working with Online Opinion Leaders,’ the influencer should reflect members’ ideals and have some degree of experience in relation to the product (Lee). To show that they recognize their fault, Pepsi could sponsor movements/speeches that promote peace. They could also ask an important figure in the movement to be an ambassador and educate the public on history so that it does not tokenize a certain political opinion.

Over the long-term, monitoring social media reactions should be done habitually, not just in response to a crisis. PepsiCo needs to monitor the net sentiment of their stakeholders constantly, so they know how their brand is perceived and what topics might spark controversy. According to a Fortune survey of 10,000 US adults, conservatives tend to show higher preference for Coke as compared to liberals who show a higher preference for Pepsi. This could be due to corporate colors, general political leanings to where the companies are headquartered, or an unidentified reason (Matthews). Thus, Pepsi should continue to actively show values aligned with diversity and movements but tread lightly with politics. Constant engagement with consumers also develops Pepsi’s brand image and increases transparency about their values, avoiding accusations in the future that may damage their brand reputation or label it as “superficial” (Zanotti).

Pepsi’s crisis could have been mitigated more efficiently if they transparently communicated the idea behind the video, acknowledged their mistakes more clearly and directly to those impacted, and apologized by showing their growth and learning experience. Combining politics with commercial marketing can have unintended consequences that companies must consider when building marketing plans. Using the strategies outlined in this paper, PepsiCo can prevent future crises from happening and potentially resurrect the ‘Live for Now’ campaign in a new, more effective manner. Pun intended.

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