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Pepsi-Lipton Brisk

In September 2010, Mary Barnard and Marisol Tamaro returned to their offices at Pepsi Headquarters after a meeting with their new advertising agency. Mekanism had just been hired to work on the re-launch of Brisk Iced Tea, a brand that had had its glory days in the '90's and later had become stagnant. As of 2009, Brisk sales were rising and it attained a 10% market share in the fast growing ready-to-drink tea category, despite having virtually no advertising support. Pepsi decided that it would start investing heavily in the brand in 2011. To start off the year, a spot had been purchased for a Brisk ad to be shown during the Super Bowl, in early February. What Barnard and Tamaro needed to decide was how to carry the advertising momentum in the months following the most viewed sports event in American television. Should they stick with advertising on TV or try out a viral advertising approach in social media? Their budget wouldn't allow for both media to be used.

Barnard, Vice President at PepsiCo and the General Manager of the Pepsi-Lipton Tea Partnership (PLP), owner of Brisk, was in charge of the final decision and conferred with Tamaro, Brand Building Director for Brisk, on what to do. PepsiCo was the second largest food and beverage company in the world. So at \$340 million in net revenues in 2009-10, PLP seemed like a drop in the ocean compared to the \$10 billion¹ from its holding company, the Pepsi Americas Beverages division. Yet, PepsiCo executives had given a Super Bowl spot to Brisk, over bigger brands such as Lay's and Mountain Dew, because top management had decided to invest in the brand and in iced tea. It was the only major category where neither Pepsi nor its rival, Coca-Cola, had the top market share position. Needless to say, all eyes at PepsiCo were on Barnard and Tamaro.

Despite a few attempts within PepsiCo to use social media to reach consumers, there was little precedence of how to conduct a successful viral campaign. Barnard and Tamaro questioned whether to try this risky approach or not. On the other side, going with TV ads was the standard approach taken by most campaigns at PepsiCo. The reasoning was that TV, as the major mass media, could deliver a larger number of ad impressions and its economics was well-understood. However, many questioned the quality of these impressions as TV viewers often consumed the ads passively or avoided most of them. As for placing video ads online for consumers to view and share using social media, the trade-off meant fewer but more high quality impressions as consumers actively engaged with content, and potentially with ads as well. Yet Barnard and Tamaro didn't have much experience with viral ads and knew many more companies failed than succeeded with it. Further, the economics of this approach wasn't clear.

Barnard and Tamaro would need to decide which media to advertise Brisk in the months following the Super Bowl. Should they go for a "viral advertising" campaign? Or should they stay

Professor Thales Teixeira and Research Associate Alison Caverly prepared this case. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

with the traditional TV-based approach? Mekanism would be in charge of producing one commercial for the 2011 Super Bowl and additional ads to be used for the rest of the year. With only a few months to the Super Bowl, time was running out and a decision needed to be made soon.

The Ready-to-Drink Tea Market in 2010

As of 2010, ready-to-drink tea was the fastest-growing category in the liquid refreshment beverage (LRB) industry, growing by almost 8% to \$2.2 billion.² Previously, the category experienced significant annual growth in the mid-2000s before the economic recession slowed growth in 2008. Tamaro explained, “As the economy nosedived, people weren’t willing to pay a premium for the core Lipton brand and a lot of new and small players in the tea category were offering better value. All this impacted our Lipton Tea business.” In the year from May 2009 to May 2010, however, RTD tea sales began climbing again. New product introductions, mostly brands and flavors, were also on the rise, jumping from 60 in 2008 to 105 in 2009.

Much of the RTD tea category’s success could be attributed to tea’s health benefits, many of which stemmed from the presence of antioxidants and L-theanine, which were thought to boost the immune system and improve mental focus. Looking back, Tamaro explained, “People were moving away from carbonated soft drinks as the new trend was in health and wellness.” Tea brands Lipton and PureLeaf, and competitor Tazo were building marketing campaigns around health and wellness. They used mainly television advertising to accomplish this. Other brands, including Brisk and competitor Arizona, were positioned as value brands with a personality. A trend observed by Barnard was that “we’re suddenly seeing this huge growth of millennials^a as tea drinkers. They are getting into the new-age drinks and discovering RTD tea.” These young adults wanted the caffeine without having to give up the ice cold and flavor richness of soda.

Pepsi + Lipton Partnership

In 1991, Unilever’s Thomas J. Lipton Company and PepsiCo formed a 50-50 joint-venture called the Pepsi Lipton Tea Partnership (PLP), for marketing and distributing ready-to-drink teas in North America. The partnership was extended twice, in 2003 and 2007, to include additional international markets under Pepsi Lipton International. The collaboration allowed Lipton to take advantage of PepsiCo’s strong presence in markets across the world and its well-developed bottling and distribution networks. In return, PepsiCo benefited from Lipton’s reputation as a health-conscious brand and was able to add tea to its beverage offerings to compete in the beverage market without making unnecessary investments in research and development. PLP’s tea brands included Lipton, the core brand, Lipton PureLeaf, and Lipton Brisk. From June 2009 to May 2010, these top three brands had \$ 746 million in sales and an estimated \$340 million in net revenue^b. Brisk alone was responsible for \$ 192 million in sales (See **Exhibit 1** sales of PLP and other tea brands).

The Brisk Brand

Lipton Brisk Iced Tea, a ready-to-drink cold tea beverage, was launched in the mid-1990s by PLP. As of January 2010, the drink came in six flavors—Lemon, Tea+Lemonade, Raspberry, Strawberry Melon, Peach, and Sweet Tea—and was sold in both 1 L bottles and tall cans for \$0.99. Differently from the core Lipton brand, which was generally perceived by younger consumers as not cool, Brisk

^a Also known as Generation Y, born between the 1980s and 1990s.

^b Net revenues factor in the combined impact of price discounts, volume promotions to consumers and allowances to retailers.

was born as a tea for young adults. This group was an ideal target for the brand, since teenagers were typically not yet interested in hot beverages consumed by adults, but were looking for cold alternatives to soda, their childhood drink of choice.

According to market research, young adults, busy with school and social commitments, sought a drink they could take on the go and often viewed the products and brands they associated with as a means of self-expression. Brisk's brand identity and advertising efforts thus focused on developing a perception of the beverage as edgy, cool, and offering the potential for providing energy. While other ready-to-drink (RTD) tea brands often focused on the health benefits associated with teas, Brisk's campaigns instead chose to focus on cultivating an attitude-based image for the brand.

Brisk's first major advertising campaign, launched in 1996, was a series of television and print ads featuring clay-based animation versions of iconic characters and celebrities. In the commercials, the characters, which included Rocky Balboa, Coolio, Bruce Willis, and Bruce Lee, at first appeared exhausted or out of sorts, but bounced back as an exaggerated version of themselves after drinking Brisk and exclaiming the tagline "That's Brisk, Baby!" (See **Exhibit 2** for snapshots of TV ads).

After the Brisk campaign wrapped up in 2002, PLP stopped investing in mainstream advertising, opting to support its core premium brand, Lipton. Then, in the beginning of 2010, and on a limited yearly budget of \$6 million, Brisk launched the "Make Your Mark" campaign, which consisted of an Emerging Artist Contest inviting young artists to submit original bottle designs for the brand's six flavors and compete for a \$10,000 scholarship, prizes and a chance to see their designs on a Brisk^c bottle (See **Exhibit 3** for winning designs).

Competitors

For the fiscal year ending May 2010, Brisk was ranked third in sales among RTD tea brands, behind Arizona and Lipton. While the brand's sales volume was less than one third that of its main competitor, Arizona, Brisk sales experienced 34.4% growth from the previous year, compared to Arizona's 7.6%, "without major traditional media advertising done for both brands," according to Tamaro. (See **Exhibit 4** for TV ad spending by brand). The other major categories of promotional spending in the consumer packaged goods sector were trade and consumer promotions.^d In the U.S., manufacturers spent more than half their promotion budget on trade, on average. The most used trade promotion tactic was cooperative advertising³, whereby a retailer featured (on TV, in circulars, or point-of-sale) a brand and received incentives from the manufacturer. In food and beverage, PepsiCo was regarded by retailers as being one of the top three best providers of trade incentives.⁴

As of May 2010, Brisk captured 8.7% of the RTD tea market by dollars, compared to 28% for Arizona, and 12% by volume. Snapple, advertising mostly on TV, trailed just behind with an 8.4% market share (See **Exhibit 1** for growth and market share of the top 10 brands). Smaller brands, like Arizona's Arnold Palmer and Coca Cola's Gold Peak, though lower in the sales rankings, also saw significant growth in 2009 and 2010.⁵ Yet, the category was growing strongly and most beverage brand switching occurred out of and not within RTD tea. As Barnard noted, "70% of the volume growth for Brisk comes from consumers switching out of non-packaged consumption, fountain, powder drinks, coffee and non-bottled water." By July 2010, sales and retail volume were already

^c From that point on, Lipton Brisk became just Brisk.

^d Trade promotions are marketing activities executed at retail by a manufacturer to a retailer. These activities are designed to increase sales or strengthen the relationship. Examples include in-store display ads, retailer coupons and rebates. Costs of trade promotions typically ranged from 9% to 23% of sales for consumer packaged goods.

75% of 2009 numbers and the convenience channel sales had already surpassed 2009, helped by the introduction of new flavors, labels and packaging. **Table A** details sales and market shares. With the exception of the package redesign, point-of-sale display and other trade promotion activity, minimal consumer-oriented promotion was done from 2007 to mid-2010.

Table A Brisk RTD Iced Tea Sales and Market Share

	2007	2008	2009	2010 (partial*)
Sales (x1000)	\$141,338	\$139,162	\$161,958	\$122,798
Volume (in Millions of 8 oz cases)				
Retail**	26,345	25,506	28,752	21,674
Convenience	5,979	6,877	10,942	11,809
Volume share (in % of RTD Tea market)				
Retail	10.2	9.8	10.3	13.7
Convenience	8.0	9.2	12.7	22.2

Notes - *ending July 3rd 2010; ** Grocery, Drug, Mass (excluding Wal-Mart) and Convenience. Source: Company documents.

While Brisk's sales were growing fast, the brand was falling behind its competitors in terms of its social media presence. As of the summer of 2010, Arizona, Snapple, and SoBe had all built significantly stronger social media followings than Brisk. Arizona, which regularly ran popular contests on Facebook, had garnered almost 250 times more "Likes" on it than Brisk and had more than 20 times more followers on Twitter. Mekanism, Brisk's new digital media advertising agency, conducted a study comparing the social media campaigns for these brands and concluded that Brisk was practically absent from this space (See **Exhibit 5** for a summary of this study).

In addition to cultivating a larger online presence, Arizona was perceived more favorably by young consumers than Brisk. For example, people associated Arizona with "cheap" much more often than with Brisk, despite both retailing at similar price points. Market research conducted by PepsiCo found that "cheap" was the adjective most associated with the Arizona brand, along with "sweet" and "tea." The brand was also largely associated with such positive words as "refreshing," "tasty," and "delicious." When asked about Brisk, young consumers came up with a more scattered and less encouraging collection of adjectives, which included such negatives as "artificial" and "sugary" (See **Exhibit 8** for word clouds generated for Brisk and Arizona). Despite these negatives in comparison with Arizona, young consumers generally did identify Brisk with its original tagline.

Reviving the Brisk Brand

Pepsi and the Super Bowl

Since the 1980s, PepsiCo was a constant presence in Super Bowl TV ads. By 2009, 58% of its ad spending went into television, compared to 27% for print and 6% for online (display) ads. PepsiCo advertised a sizable amount on primetime TV shows, those broadcasted from 7 to 11 pm, since the audience was both broad and an appropriate target for its beverages and snacks. In 2010, after massive investments in ads during the 2009 Super Bowl, Pepsi opted out of Super Bowl advertising for the first time in 23 years and instead poured \$20 million into its "Pepsi Refresh Project," an online social media campaign designed to fund invited proposals of ideas focused on social responsibility. While the campaign attracted fairly significant online participation and improved public opinion of the brand, it didn't translate into major increases in sales.⁶ Pepsi ultimately decided to return to the Super Bowl again in 2011. Constantly launching products in an already crowded beverage marketplace, Pepsi often encountered resistance by retailers unwilling to give up more shelf space for these new and unproven products. Retailers and distributors demanded promotional support for

new products as a guarantee that they wouldn't sit on the shelf. "One of the key roles that television advertising plays in PepsiCo is to get the support from bottlers and execution at retail," Tamaro pointed out. Pepsi used major events, celebrities and television in general for this purpose as well.

Having decided to invest in Super Bowl ads again in 2011, Pepsi's decision of which of its brands would receive the coveted spots was given to those whose sales were increasing fastest. Lipton Brisk, a brand that PepsiCo had largely ignored for the better part of the last decade, received one of the spots. The other brands to receive three spots each were Doritos and Pepsi Max.

Goals for the Brisk Campaign

Pepsi's main goals for the 2011 Brisk campaign were to reintroduce the Brisk brand to male millennials and Hispanics, and to convince those currently drinking Arizona to switch to Brisk and encourage their friends to generate positive word-of-mouth buzz for the brand. Regarding the decision to target males, and alluding to the brand's past ads, Tamaro explained:

"RTD tea splits evenly between males and females. Brisk's natural personality is male. Oftentimes, if you try to lean towards the male audience, the females come along. If you try to lean towards something more female you don't get the males to come along. So, to get scale, we lean towards males to pull in more consumers."

Many millennial males, at present day, were familiar with the Brisk ads from the 1990s. "They were too young at the time, but found the old ads on YouTube on their own," according to Tamaro. But millennials knew little else about the brand and what it stood for. Barnard and Tamaro wanted an integrated campaign that would extend for several months beyond the Super Bowl and have a lasting impact. In choosing to spend their budget on the Super Bowl, Tamaro explained, "Instead of doing a bunch of smaller things we want to do a few big bets as focal points and build the campaign off of that." But in doing so, the budget for the campaign, at \$12 million in 2011, would not allow for much more as \$4.6 million alone would cover the direct cost of production and purchase of a 30-second Super Bowl spot. (See **Table B** for a budget breakdown and **Exhibit 7** for audience and cost per thousand impressions (CPM) during the Super Bowl and for network primetime throughout the year).

Table B Expected Breakdown of Budget for Re-launch of Brisk in 2010-2011.

	Media		Production		Other	Total
	Super Bowl	Other	Ads	Celebrity		
\$ (in Millions)	3.0	3.7	1.6	1.0	3.1	12.4
% of total	54%		21%		25%	100%

Note - 'Other' includes agency and management costs. Source: Company documents.

A primary goal was to increase its fan base on sites like Facebook (from merely 3,700 to 500,000) and YouTube (from zero to one million views), building an online presence to rival those of its competitors. Barnard explained: "For 2011, the sales target is a 30% increase year-on-year. Last year we grew more. Over a non-mature business this is not a major problem. But we don't want just to sell cheap tea. We want to build a brand." Tamaro completed, "What we're doing with product changes and trade promotions at retail is going to help the sales side. What we want the campaign to do is to build a fan base. Word-of-mouth is a powerful approach to selling a product to this audience."

Creatively, Barnard and Tamaro required only that the campaign make use of clay animation and that it include a shot of several of its tall can flavors in its final frame. "The challenge," according to

Barnard “is how to leverage the past equity in animation to engage with people online. Bottlers remember the claymation and the ‘That’s Brisk, Baby’ campaign. We’ve got a great story to tell.”

Choosing Mekanism

In August 2010, Pepsi began soliciting proposals from a small group of advertising and production agencies. Each agency had the opportunity to pitch its company’s services, along with specific creative proposals for the Brisk campaign. Ultimately, the soft drink giant decided that Mekanism was the right choice, convinced both by the company’s unique and varied selection of ideas for the campaign and by some crucial advantages it offered over the competition. According to Barnard and Tamaro, responsible for the decision:

“We hired Mekanism partially because we knew we wanted to bring back claymation. They had the capability to bring this in a new 2.0 version with new technology and expertise in digital and leveraging content to engage consumers with content as well as seeding it online,” said Tamaro. “And they do all the production in-house,” completed Barnard.

Mekanism offered Pepsi the advantage of being a fully integrated one-stop shop for creative ideas, production, promotion, and distribution. The company was home to an in-house production studio, a creative team with experience in 2D and 3D animation, and teams of digital and social media experts. Pepsi faced a tight timeline, with only a few months to put together and launch a successful campaign before the Super Bowl. Mekanism promised to make the process more efficient for Pepsi by eliminating the need to coordinate between separate agencies handling different parts of the project. Whereas other agencies could offer specialized services in, say, stop-motion production or social media outreach, but not both, Mekanism housed specialists in each area necessary for the creation of a successful campaign and its small size allowed for easy coordination between specialists. The company’s departments could work smoothly together both in the initial stages of launching a campaign and once the campaign was already underway, with the social media team providing continuous feedback to the creative team to allow for content adjustments along the way.

While integrated production was an advantage, what set Mekanism apart from other agencies was its approach to social media. From 2007 to 2010, they developed expertise in producing and promoting video ads online using social media, garnering millions of views with little to no direct use of offline or online paid media. For example, in 2009 Mekanism helped create the Fixers campaign for Axe Body Wash that garnered 3.8 million views and in 2009-10 they launched the ‘Best of Us Challenge’ for the Winter Olympics, which received 4 million views, all online and without any paid media. Based in part on Mekanism’s track record, Barnard and Tamaro were contemplating developing a couple of viral ads for the re-launch of Brisk.

Viral Advertising

Traditionally, television viewers had been seen by advertisers as a huge and somewhat captive audience. But by the time Mekanism was founded, in 2001, consumers had become increasingly savvy at tuning out TV ads. At the same time, the internet was becoming an increasingly popular alternative to TV for viewing video content. By the end of 2010, a study had found that 50% of viewers reported skipping through most of the ads (three quarters or more) while watching TV programs compared to 29% when watching online video ads.⁷

The growth of online video viewing also brought new opportunities for advertisers. Yet, when comparing the proportion of consumer time spent across media with that of advertiser spending,

there seemed to be a gap between the average proportion of media time consumers spent online, 28% and rising, and the money spent advertising online, only 13%. (See **Exhibit 8** for various media.)

In recent years, an even more appealing option for advertisers appeared with the prospect of so-called “viral advertising.” Brands could take advantage of unpaid exposure by posting ads to social networking sites like Facebook and YouTube, for little more than the cost of production. Once an ad was posted, the hope was that with some minor promotional activity it would then spread quickly, or “virally,” as each consumer passed it along to acquaintances. If an online video was widely shared, it might end up reaching a larger and more targeted audience than a TV ad, at a fraction of the cost.

Beyond cost savings and targeting, online video advertising also offered the potential for higher levels of consumer engagement with the brand. Studies had shown that viewers were more likely to watch, attend to, and form favorable opinions of videos of brands that came from acquaintances rather than from an advertiser.⁸ And online video offered viewers more possibilities for interaction than TV ads, which amounted to more brand-related time spent by the consumer. A 2010 survey found that 48% had *ever*^e visited a brand website after viewing an online video ad, 11% had ever shared it, and 22% had ever made a subsequent purchase. (See **Exhibit 9** for actions taken in response to video ads).

As television viewers grew used to multitasking, TV was also becoming a major driver of online chatter on sites like Facebook and Twitter. A study⁹ revealed that 86% of U.S. mobile internet users watched TV and used their phones at the same time, 40% of which were social networking online and about 50% were “texting” acquaintances. 60% of laptop users reported simultaneously watching TV and browsing online. Primetime shows and the Super Bowl were among the TV programs most commonly associated with social media activity.¹⁰

Despite “viral advertising” offering the promise to reach consumers online in a cheaper and less intrusive manner, critics to the approach were quick to point out that viral success was the exception. Indeed, the vast majority of attempts at viral video ads didn’t end up reaching more than a few thousand viewers; on YouTube, for instance, only 3% of videos got more than 25,000 views.¹¹ Another criticism was that it was difficult to predict which videos would be widely viewed and shared. As Ivan Askwith, chief strategy officer for digital agency Big Spaceship, pointed out:

For the handful of ‘viral campaigns’ that explode into cultural phenomena each year, hundreds of other efforts have little or no impact at all. We describe viral as if it’s an inherent quality we can design into our campaigns, or a deliberate strategy we can execute on. It’s time to accept a difficult truth: viral isn’t a quality that we, as marketers, have the power to bestow.¹²

Many in the advertising industry, like Askwith, took issue with the concept of viral advertising as a marketing tool. Co-founders Jason Harris, Mekanism’s President, and Ian Kovalik, Creative Director, on the other hand, begged to differ on the idea that advertisers couldn’t systematically build a successful viral campaign. So strong was their conviction that they began making a name for themselves with the promise to do just that. When asked what set Mekanism apart from its competition, in a 2010 interview¹³ Harris said, “We can engineer virality. We guarantee we can create an online campaign and make it go viral.”

^e A common practice was to divide these ‘ever’ rates by a factor, such as 3, to arrive at a video’s ‘one-time’ likelihood of leading the viewer to access a website, share it or make a purchase whenever the actual video’s conversion rates were unknown.

Mekanism's Approach

Mekanism had built a unique approach to viral advertising and claimed they had better odds of success than the rest of the market. (See **Exhibit 10** for comparisons of Mekanism versus same-period competitor campaigns). When pitching to a client for a job, Harris claimed as credentials having created ten of the weekly #1 most viewed brand videos on YouTube, having garnered 3.5 million viral video views on average per campaign, and having delivered a total of 300 million views to past clients. Of past campaigns similar to that of Brisk, Mekanism garnered more than one million viral views (a common industry threshold for an ad being considered viral, i.e., among the top 1% in video sharing sites) for nine out of twelve campaigns.

Mekanism credited expertise in content creation and content syndication (unpaid-media distribution) with “engineering virality.” The former was done using a storytelling focus and the latter by building a network of high-profile digital influencers to help initially spread a campaign.

Storytelling

The founders of Mekanism believed that in order to be successful, a video ad had to go beyond simply “pushing a message” or stating product information. Instead, an advertisement had to take on its own value independent of the product advertised, becoming, as Kovalik put it, “a product in itself.” “If you can engage the audience, entertain them and offer value,” Kovalik explained, “they will forgive you for inserting a brand.” Folks at Mekanism believed that the best way to do this was through storytelling. In Kovalik’s words, “storytelling builds brands.” Each brand had a story and ads were seen as vehicles to tell that story in a meaningful way to the target consumer.

According to Kovalik, a successful story was able to “take the listener on a journey,” inviting her to become invested in the brand. By crafting the right story for a particular target group, the Mekanism team believed a brand could connect with the consumer and this would lead to positive emotional associations with the brand and a desire to share the stories. “Stories engage emotions and connect on a deeper level,” Harris noted. “They take you out of the purely pragmatic, rational realm of advertising and strike a different chord that’s more emotional.”

According to Harris, one of the key advantages to using a story to shape an ad was that it “gives something for consumers to talk about within their social networks. Those conversations were increasingly taking place online, and people were always looking for something new to share and discuss. According to Kovalik: “People want to be seen as discoverers and curators of stories, not necessarily creators. Sharing is a source of creativity. Online, you are what you share.”

Mekanism took time to research and understand the interests and needs of a target group, by conducting focus groups and monitoring online buzz. They had become particularly well-known for creating viral stories for young adults. Finding and sharing funny videos, music, and other forms of entertaining content online had become an important online activity among the millennials. As Caroline Casey, New Business Manager at Mekanism, put it, “humor is their currency.” Mekanism tapped into this to benefit its clients by creating humorous stories that were edgy and unexpected.

Syndicating Videos Online

In Mekanism’s process for engineering virality, developing the right story for a brand and target audience was only the first step. Once viral content had been produced, Mekanism reached out to a number of popular online personalities to help promote the campaign and direct their followers to a brand’s website. Mekanism’s team reached out to popular bloggers and high-profile digital

influencers, online citizens with large followings, for help in creating editorial buzz around a campaign and kicking off the sharing process. By the end of a typical campaign, influencers were directly responsible for, on average, 58% of the views (ranging from 25% to 93%) of a viral ad, the rest being attributable to viewers visiting social media platforms directly. Mekanism's distribution strategy relied heavily on the use of social media platforms, including Facebook, Twitter and YouTube. These sites enabled Mekanism to aggregate content for free and to promote sharing and brand engagement.

Syndication was the process of "seeding" a campaign's content to a variety of blogs and other sites that could then post it for their visitors to see. By identifying and involving digital influencers who were both popular and respected, Mekanism could facilitate the spread of a brand's message to ensure that it reached the right people. Five steps characterized Mekanism's digital influencer strategy (See **Exhibit 11**): First, *identify* the influencers. Mekanism's social media experts monitored thousands of online influencers, including celebrities, YouTube directors, bloggers, and Facebook and Twitter users with large followings. From this pool of influencers, they selected the most relevant for each campaign based on the target audience. This usually involved choosing a core group of influencers to court as the primary "brand ambassadors" as well as a "long tail" of others to reach out to via email at a later stage. Second, *engage* with the influencers. Once selected, each individual was contacted by a digital specialist from Mekanism charged with building a friendly relationship. Once a rapport was achieved, the influencer was filled in on the campaign and the unique contribution he or she could make. Third, a *value exchange* was formalized. In addition to receiving personalized attention, brand ambassadors were given perks such as exclusive information and content from the campaign to share with their followers. Among these perks was the opportunity to interview famous personalities and executives. Some influencers were satisfied with that. Others, in addition to perks, were offered financial compensation for their cooperation that ranged from \$ 5,000 to \$20,000 (on average \$12,000). Fourth, the *message was distributed* to influencers. The influencer's role in a campaign varied greatly. For some campaigns, influencers might be given brand-related content to broadcast on their blogs or social media pages. In other cases, an influencer might be asked simply to mention, review, or link to campaign content on their blog. In an editorial context, influencers were encouraged to be honest and genuine. Finally, metrics of success were evaluated and used to *optimize* each influencer's role. Once influencers had begun their efforts to promote a campaign the impact of those efforts was tracked and adjustments were made as the campaign progressed.

Through measures of views of content posted by each influencer, traffic referred, and consumer comments/interaction, Mekanism could determine which influencers were having the most reach and positive impact. Yet a campaign was not solely driven by influencers so other metrics were also tracked. Among these metrics were reach (number of impression^f and people reached), engagement (amount of time and interaction with the branded content), buzz and mentions (comments and shares on sites like Facebook and Twitter), and brand sentiment (content and tone of brand-related chatter). Ultimately, Mekanism's team believed in more than just one-off interactions such as "Facebook likes." Campaigns were designed to encourage engagement, as measured by the amount of time consumers spent interacting with content. And social platforms were used for fostering a two-way relationship: responding to feedback, using interactive features, and contests to elicit participation.

^f Impressions are opportunities-to-see the ad based on content viewership. Media owners generally can't guarantee that these impressions will be converted into full views as consumers can't be forced to watch the entire video ad. Media also don't guarantee that impressions are garnered from unique viewers as ads can be shown multiple times to the same viewer.

Researching Millennials

Mekanism had experience with reaching millennial audiences. Their syndication approach to this demographic relied on enlisting a number of key influencers that were trusted by and could reach sizable audiences of male millennials online. In its proposal, Mekanism suggested 25 potential influencers identified specifically to be part of the network that could help promote the Brisk campaign to millennials (See **Exhibit 12** for sample of profiles and reach) using a ‘viral advertising’ syndication approach.¹⁴ Mekanism predicted 12.5 million ad impressions based on these influencers’ combined reach in various social media sites. The cost of perks and direct compensation to these influencers was expected to reach \$300,000, inclusive of management fees charged by Mekanism. While possible, it was unclear if Mekanism could get more impressions by adding more influencers.

In preparation for their proposal, Mekanism conducted a series of focus groups with millennial males to understand what they valued and how they perceived the Brisk brand. They learned that young males responded to three main features: (1) entertainment, especially involving their favorite celebrities who had “cultural relevance,” (2) humor, and (3) interactivity, or social media involvement. Regarding mode of entertainment, Tamaro explained, “If you think of entertainment more broadly, look at the growth of animation films and video games. There’s something about that style that is highly appealing to millennials.” PLP executives also learned that they sought outlets for creative expression, whether it be through creating art or sharing their favorite music or videos on social networking sites. Even for beverages, “it’s a part of their natural behavior to share what they’re drinking with their friends,” said Tamaro. In summarizing Brisk’s distinction, Barnard commented: “Brisk needs to be meaningful. We can’t go and plaster the logo everywhere. This is about a brand that has an attitude. It’s authentic.” With regards to media, while 59% of millennials got their news from the Internet, the major source was still television, at 65%. In part due to multitasking, it was unclear whether there was a trend of millennials consuming less amount of television time. In 2010, cable television and social networking sites were their most commonly consumed media. (See **Exhibits 13** and **14** for a profile of a typical Brisk drinker and characteristics of millennials.)

The Proposed Concepts

Based on their research and on Brisk’s last marketing campaign, Mekanism came up with the phrase, “Brisk revives your creative mojo,” to describe the campaign’s intended theme. They then presented Barnard and Tamaro with four concepts, each one differently executing that theme. The concepts were designed both to entertain the consumer and to leave him with the impression that Brisk was a cool brand that would reflect his attitude and aid his creative expression. The stories also intended to highlight key features of the brand, like its variety of flavors, bold taste and unique look. Each ad concept intended to show Brisk’s transformative impact on the main character (both mentally and physically), be funny and surprising, and encourage an interactive relationship with the consumer by inviting him to go to the brand’s Facebook page and view other ads or branded content. While the four stories proposed were created in the same overall spirit and were meant to build upon elements of the last Brisk campaign (all stories incorporated stop-motion animation, humor, and pop culture references), they were also expected to be different enough to offer a diverse range of options.

- 1) **“That’s Brisk, Baby”: Rebirth:** Mekanism’s first concept was a direct update of Brisk’s popular 1990s campaign. Video ads would showcase claymation puppet versions of popular celebrities and fictional characters experiencing some sort of identity crisis, then drinking Brisk to revive their creative mojo and return to their old selves. Like the original ads, the new ads would be shot in black and white, with only the Brisk bottle appearing in color. The ads would feature the original slogan, “That’s Brisk Baby!” Ideas for celebrity stars included Mike

Tyson, the cast of the movie *Superbad*, Ben Stiller as *Zoolander*, and Ryan Reynolds as *The Green Lantern*, a super-hero movie to be launched in the summer of 2011 (See **Exhibit 15**).

- 2) **The Brisk Brothers:** This concept, intended as a departure from the 1990s campaign, would feature six claymation characters (the “Brisk Brothers”), each of which represented one of the Brisk flavors. Each brother would have a unique personality and bottle design (See **Exhibit 16**). The wise-cracking brothers would host a show in which they highlighted and commented on the most “Brisk” (that is, funny, bold, etc.) content on the Web. During the show, the brothers would collect submissions from users and rate them as “Brisk” or “Not Brisk.” The brothers would always be out to revive creative mojo. The campaign would offer a number of interactive features. The Brisk Brothers would respond to user tweets via YouTube, a Facebook app would allow users to create a Brisk Brother version of themselves, and users could create and send their own messages to friends (See **Exhibit 16** for a shot of the website).
- 3) **Creative Characters:** The third concept possibility would focus on an actor who had played a number of iconic characters. The ads would feature an actor who lived in the everyday human world, and was visited and tormented by miniature black-and-white puppet versions of the iconic characters he or she had played. The different characters would correspond to different flavors of Brisk, each of which helped the actor revive the creative mojo that gave birth to the characters. Mekanism created this idea with Will Ferrell in mind as the actor of choice, visited by puppet versions of Ron Burgundy of *Anchorman*, Frank “The Tank” Richards of *Old School*, and Ricky Bobby of *Talladega Nights* (See **Exhibit 17**). Other celebrity possibilities included Jack Black, Al Pacino, John C. Riley, and John Travolta.
- 4) **“Now That’s Brisk”:** The fourth concept would, like the first, star black and white claymation versions of popular celebrities or characters, in a tribute to the original 1990s Brisk campaign. The concept would center around the word “Brisk,” used to mean quick, energetic, and to-the-point. These ads would tell a well-known story involving popular characters, in a “Brisk” 30-second short story format, with a climax in which the main character would drink a Brisk and have his creative mojo revived. Mekanism’s ideas for possible ads included “Brisk” versions of *The Hangover* (See **Exhibit 18**), *Jersey Shore*, *Lost*, or *Lollapalooza*. The campaign would feature an interactive website in which users could create their own puppets, view galleries of work created by others, and “Briskify” the things happening around them. In this campaign as well, the product (Brisk) would act as the hero, reviving the main character’s creative mojo at a critical time. The slogan would be altered to “Now That’s Brisk!”

Making the call

With a limited budget and a desire to capitalize on the big splash of the Super Bowl commercial, Barnard and Tamaro needed to act soon. The choice of media was one of the most important pillars of their re-launching strategy for Brisk and critical after the Super Bowl hype died out. Should Barnard and Tamaro have Mekanism manage the online syndication of a viral advertising campaign for Brisk? On one side, this approach could be a better way to engage with millennials. On the other was the uncertainty that the ads would indeed reach millions. If this was the chosen route, “we want to make sure we have more relevant measures of the quality of impressions in addition to our standard ones [impressions, unique views],” expressed Barnard. Alternatively, should they just go with the traditional approach: primetime television to reach consumers? It was costly, but ensured pre-defined audience sizes. The budget was limited and didn’t allow for both approaches. A decision regarding the ad concept to be produced by Mekanism also needed to be made. Different executions of the same concept would have to be used, for consistency, both for the Super Bowl and for two follow-up ads. Based on a long history of Super Bowl advertising, PepsiCo knew that success was tied to a celebrity endorsement. And this too would need to be defined. Who could be the stars in each of the three ads?

Exhibit 1 Dollar Sales and Market Share Growth of RTD Tea Brands, 2010

Brand	Dollar Sales (x1000)	Change versus Prior Year (%)	Market Share (%)	Change versus Prior Year (%)
Arizona	\$619,562	7.6	28	-0.1
Lipton	\$327,612	-7.9	14.8	-2.5
Lipton Brisk	\$191,614	34.4	8.7	1.7
Snapple	\$185,422	2.2	8.4	-0.5
Lipton Pureleaf	\$160,506	8.3	7.3	0
Nestea	\$118,020	5.3	5.3	-0.1
Diet Snapple	\$116,583	12.7	5.3	0.2
Gold Peak	\$76,358	33.1	3.5	0.7
Arizona Arnold Palmer	\$71,298	132.7	3.2	1.7
Lipton Diet	\$66,387	2.5	3	-0.2
Category Total	\$2,212,701	7.9	100	—

Notes: Numbers are for Grocery, Drug, Mass (excluding Wal-Mart) and Convenience for 52 week period ending May 2010; Total includes brands not listed.

Source: Data from SymphonyIRI Group, as cited in "Tea profits from healthy preferences," *Beverage Industry State of the Industry 2010*, July 2010, p. SOI-12.

Exhibit 2 Snapshot of 1990's clay-based animation ads

Source: Company documents.

Exhibit 3 Redesign of packaging



Source: Company documents.

Exhibit 4 Ad Spending (x1000) for Iced Tea Brands, January to August 2010

	Total	Television			
		Network	Spot	Syndication	Cable
Lipton Iced Tea	\$ 11,135	7,868	121	905	2,241
Lipton Brisk	\$ 195	-	-	-	-
Arizona	-	-	-	-	-
Snapple	\$ 5,769	1,559	3	201	3,983

Note: Total ad spending accounts for television and radio advertising.

Source: Adjusted estimates based on data from *Ad \$ Summary* (New York, NY: TNS Media Intelligence: Magazine Publishers of America, 2010).

Exhibit 5 Comparison of Social Media Campaigns and Number of Followers for Selected Brands



FB LIKES: 3,728
TWITTER: 279

CAMPAIGNS:

Make Your Mark - Contest to find emerging artists to make bottle art.

Spotters - If you are spotted by this team drinking Brisk, you win a shot at \$500.

Way of The Brisk - Chuck Liddell is training to master "The Way of the Brisk" which consists of 6 fighting styles corresponding to the 6 new flavors. There is a viral film related called "The Untold Story" which shows puppet Liddell trashing the commercial set. Videos look to be distributed through YouTube and Funny or Die.

INSIGHTS:

Social media presence is very small, but they appear to be very active with the community, replying to comments and posting multiple times a day on both Twitter and Facebook. Seem to have generated interest recently among MMA crowd in particular. Also - they're online presence is fissured (there is Brisk Canada, microsites, etc.).

Source: Mekanism



FB LIKES: 926,000
TWITTER: 6,194

CAMPAIGNS:

Weekly Photo Contests - Theme is provided through FB fan page (pool party, sports, etc.) and users submit photos to the page throughout the week. The winner each week gets 3 cases of Arizona Tea.

Photo Scavenger Hunt - FB based contest to find items and put them in a picture. Winner gets 2 cases and a T-shirt.

Design Your Own Can - The best user-designed cans are put in a FB photo album.

INSIGHTS:

Wildly successful Facebook contests have been driving a lot of engagement. Twitter has significantly less of an audience and it doesn't look like they do any of the weekly contests there. Major backlash from Arizona Immigration law started up "Born in NY" campaign.



FB LIKES: 237,000
TWITTER: 9,057

CAMPAIGNS:

"Best Stuff with Dave" - a YouTube show that lives on the Snapple YouTube channel. It doesn't seem to have much backing as there are only about 200 subscribers at 5-10k views on each episode.

Silent Auction - On Facebook, they've partnered with Brett Michaels to have a silent auction of random Brett Michaels memorabilia.

INSIGHTS:

Good use of YouTube. Could be expanded to include more Twitter and Facebook-based campaigns.



FB LIKES: 26,000
TWITTER: 3,983

CAMPAIGNS:

"Heads or Tails" - promotion where people can win prizes by checking SoBe bottle caps.

The Facebook page helps build awareness.

INSIGHTS:

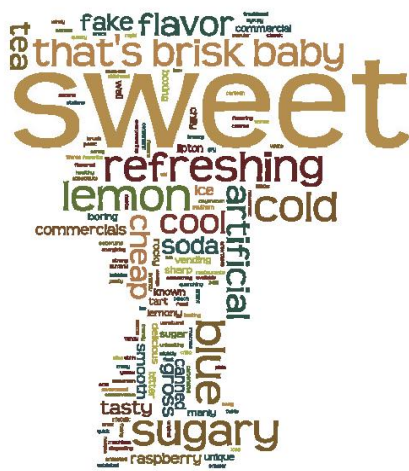
There appear to be a large amount of complaints about the contest website not loading properly or freezing up. SoBe does not respond to these complaints, at least not on the Facebook page.

INSIGHTS:

Twitter is updated regularly and has a conversational tone. The account often replies to followers in an engaging way, asking questions and being specific.

Exhibit 6 Word associations for Brisk and Arizona Brands Based on Focus Groups

USER GENERATED WORD CLOUD: BRISK

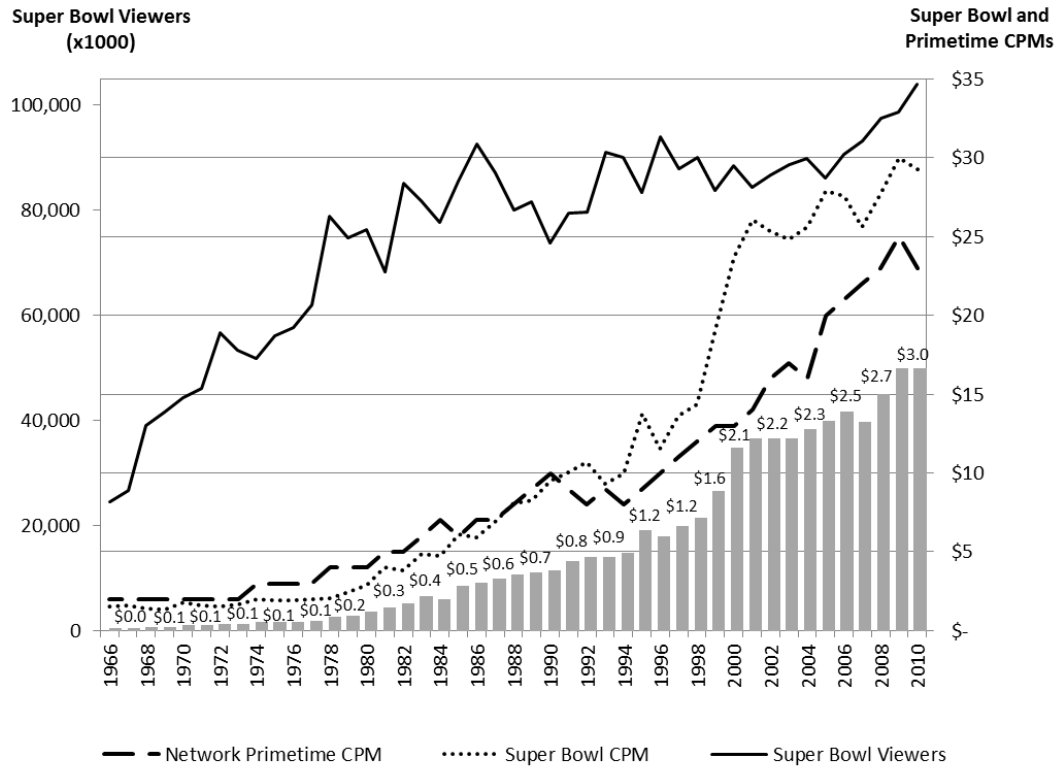


USER GENERATED WORD CLOUD: ARIZONA



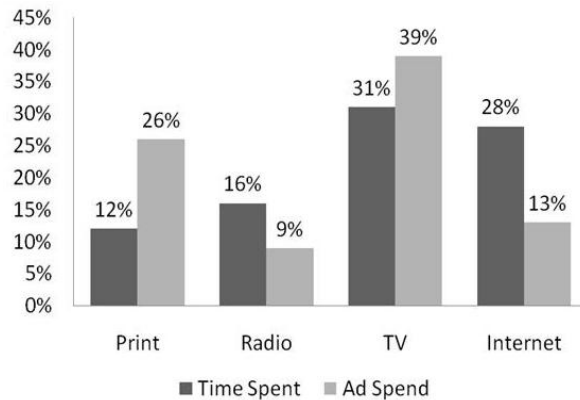
Source: Company documents.

Exhibit 7 Super Bowl ad prices (bars, in \$ millions for 30 sec. ad), audience, and average cost per thousand impressions (CPMs) during a Super Bowl and for primetime shows throughout the year



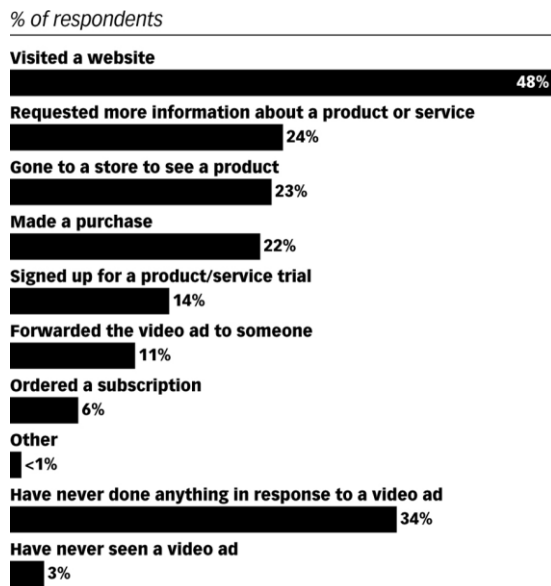
Note: TV CPMs are calculated based on guaranteed audience sizes via a combination of forecasting and error compensation.
 Source: Compiled from data from TVbythenumbers.com and TV Bureau of Advertising, as cited in "Super Premium," January 27, 2009, post on blog "Between the Screens," <http://betweenthescreens.com/2009/01/super-premium/>, accessed June 2011, and "Super Opportunity," February 14, 2011, post on blog "Between the Screens," <http://betweenthescreens.com/2011/02/super-opportunity/>, accessed June 2011.

Exhibit 8 Distribution of average (consumer) time spent with each media versus amount of advertising spending by media, 2009.



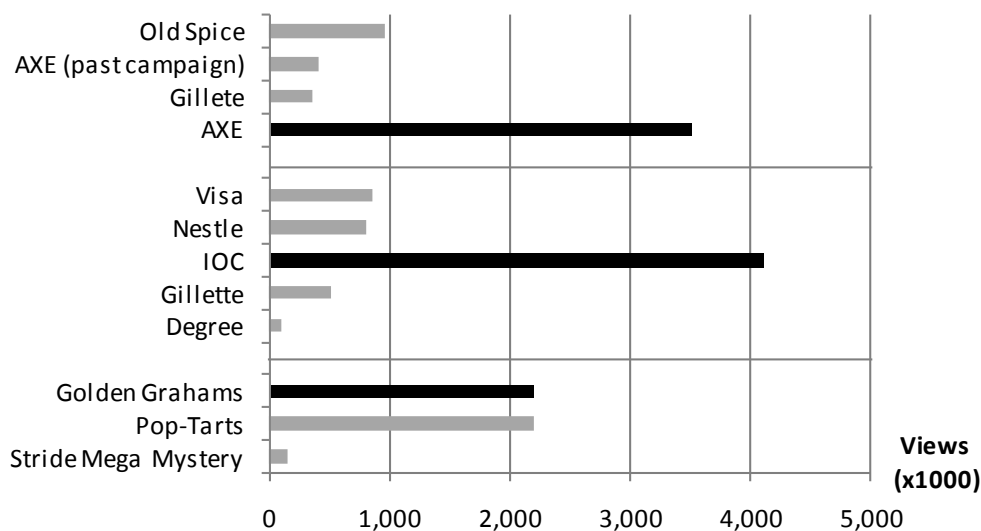
Source: Mary Meeker, Scott Devitt and Liang Wu, "Ten Questions Internet Execs Should Ask & Answer," PDF presentation to Web 2.0 Summit, November 16, 2010. San Francisco, CA.

Exhibit 9 Actions Taken by US Internet Users after Viewing Online Video Ads, December 2010



Source: Monetizing Online Video 2011, by Vision Critical, eMarketer, accessed June 2011.

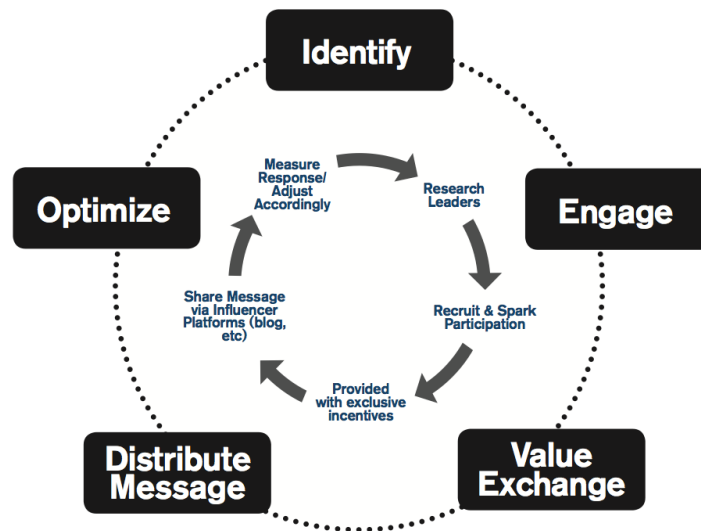
Exhibit 10 Comparison of Reach for Mekanism Campaigns (black) to Same-Period Competitor Campaigns



Note: Mekanism campaigns above used different number and type of influencers.







Source: Mekanism.

Exhibit 11 Mekanism’s Process for Engaging Influencers



Source: Mekanism.

Exhibit 12 Six profiles and Estimated Reach of All 25 Influencers for Brisk Campaign

 <p>SHAYCARL Shay is one of the most-subscribed comedians on YouTube. His jackass sense of humor, and day in the life videos covering sports, family, and friends have made him an online sensation.</p> <p>YouTube Subscribers: 701,315 Facebook Fans: 33,878 Twitter Followers: 131,921</p>	 <p>STREETER SEIDELL: COLLEGE HUMOR Streeter Siedell is a comedian, actor, and senior writer at College Humor, and star of the viral video hit series 'Prank Wars.'</p> <p>Monthly Visits: 4,400,000 YouTube Subscribers: 1,129,593 Facebook Fans: 209,951 Twitter Followers: 109,028</p>
 <p>RAY WILLIAM JOHNSON Another one of the most popular YouTubers, he integrates comedy and viral video reviews twice a week for his massive following of fans, followers, and viewers.</p> <p>YouTube Subscribers: 1,752,998 Facebook Fans: 789,477 Twitter Followers: 157,314</p>	 <p>A.J. DALERIO: DEADSPIN.COM A.J. Daulerio is Editor in Chief of Deadspin, the massively popular male lifestyle/sports blog.</p> <p>Monthly Visits: 1,700,000 Facebook Fans: 12,098 Twitter Followers: 22,547</p>
 <p>AFROJACKS.COM AfroJacks is one the most established millennial internet destinations. The Fro provides its dedicated audience with a daily dose of 'internet pop culture' and comedic content.</p> <p>Monthly Visits: 500,000</p>	 <p>PHIL DEFRANCO Better known as sxepphil, Phil has been making videos on YouTube since 2006, and has amassed thousands of fans that watch his videos daily. He is well known for his biting pop culture commentary.</p> <p>YouTube Subscribers: 1,214,023 Facebook Fans: 206,631 Twitter Followers: 134,923</p>
<p>Total Reach: 12,500,000+</p>	

Source: Mekanism

Exhibit 13 Target statement of Brisk drinker

Meet Travis. He just turned 20 and is finishing up his sophomore year at college. He just got his first place off campus with 2 buddies and is starting to feel the tinge of responsibility (bills & school work) but loves the freedom of having his own place. The apartment is small but is wired with all his and his buddies electronics including game consoles, flat screen TVs and a large sound system.

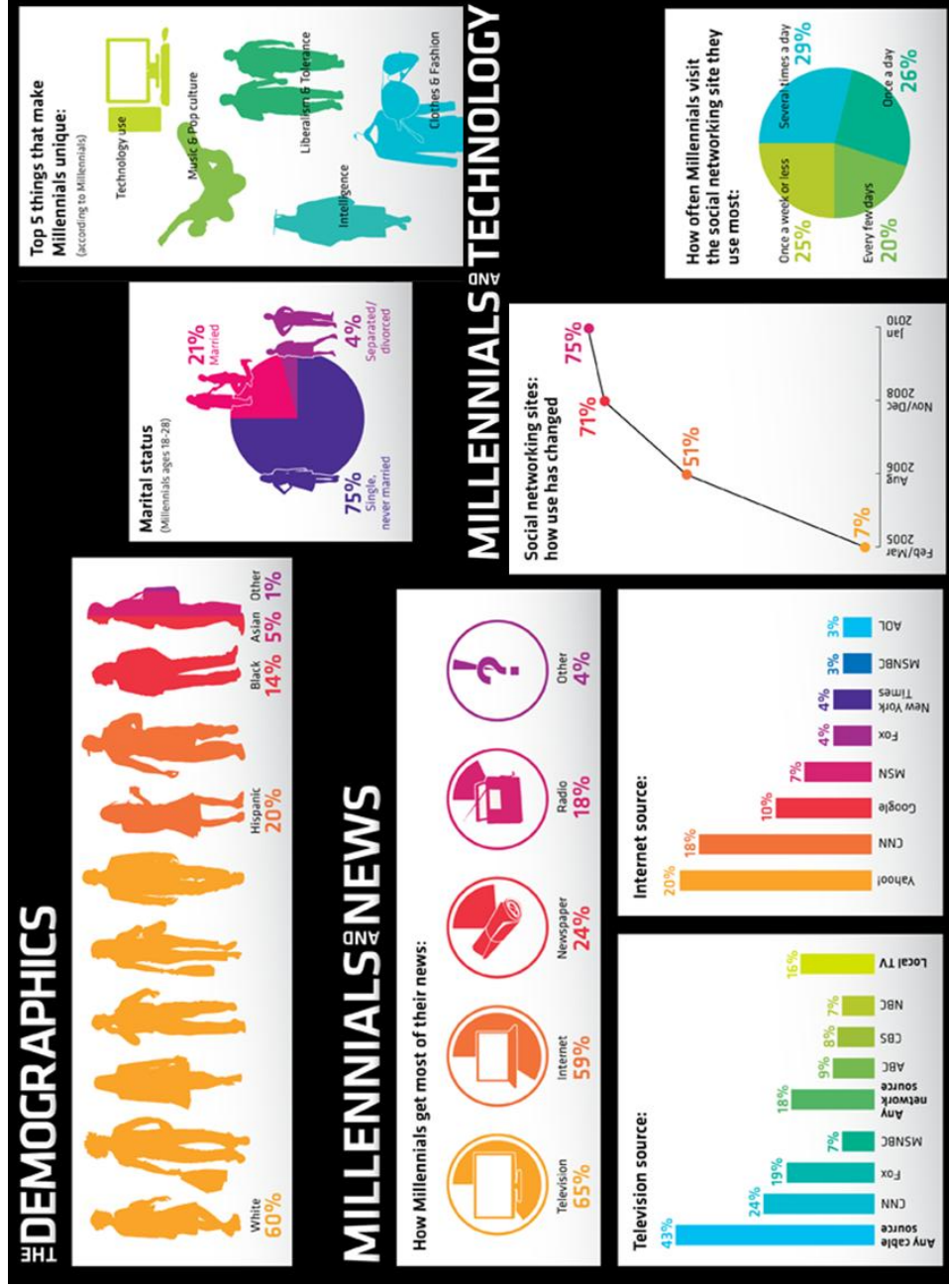
He loves living life out loud, experiences, exploration – his exploration and variety are shown in his music and video playlists which he is proud to show off. He is all about fun and entertainment and loves to escape with his buddies to concerts, road trips and parties. Boredom is his enemy and he places a huge premium on fun but is generally limited by funds. So when he is hanging out at home, he fills up his time sharing music, chatting with friends on line, collecting sneakers & boarding. He enjoys being in the know, having new info at his fingertips, and sharing information on the new things he's tried with his friends and on his blog & feeds.

What he chooses to buy is an important reflection of both his social and personal identity. He grew up with choice, expects it in the world around him and takes full advantage of it to experiment with various ways to express himself. He is not afraid to stand out in the crowd by voicing out who he is proud to be, using what fits his impulse or mood in the moment. He is promiscuous with brands and interested in trying the newest and coolest whether it be flavors, music or games. He also enjoys feeling validated by his peers: ideally, he loves to be the first one in his group of friends to find out about a new artist, a new song, a new ad that expresses his creativity, personality or opinion, and that he can also be proud sharing because he knows they will enjoy it too.

When it comes to beverages, he is looking primarily for flavor hit and fun. Health is not a concern for him and he is a big soda drinker. He sees iced tea as a flavor alternative to sodas which is particularly well suited when he is very thirsty due to its chuggable nature and a more mature but less fun alternative to CSDs.

Source: Adapted from company documents.

Exhibit 14 Profile of Millennials



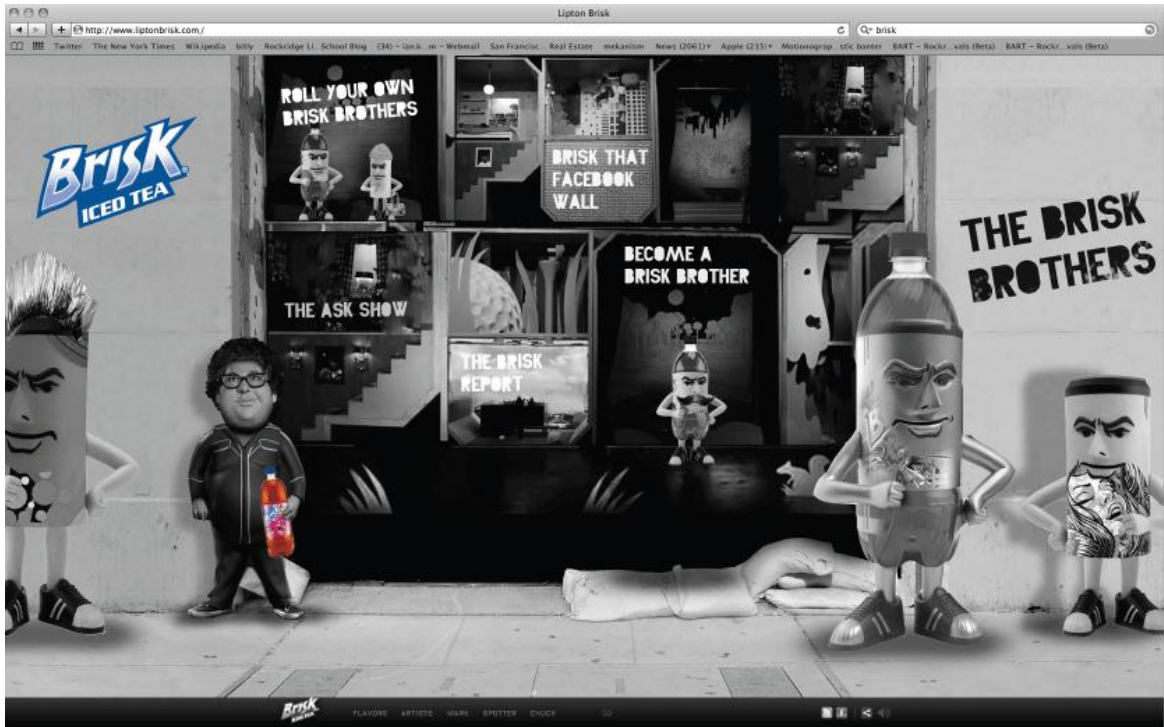
Source: Adapted from Ethan Bloch, "Who Are the Millennials?" July 16, 2010, post on blog "Flowtown," <http://www.flowtown.com/blog/who-are-the-millennials>, accessed June 2011, based on data from Pew Research and Wikipedia.

Exhibit 15 Depiction of "That's Brisk Baby: Rebirth"



Source: Mekanism.

Exhibit 16 Depiction of "The Brisk Brothers"



Source: Mekanism.

Exhibit 17 Depiction of “Creative Characters”



Source: Mekanism.

Exhibit 18 Depiction of “Now That’s Brisk”



Source: Mekanism.

¹ iStockAnalyst, "PepsiCo, Inc. (NYSE:PEP) : Second Quarter 2010 Earnings Preview," July 15, 2010, <http://www.istockanalyst.com/article/viewarticle/articleid/4311403>, accessed December 2010.

² Data from SymphonyIRI Group, as cited in "Tea profits from healthy preferences," *Beverage Industry State of the Industry 2010*, July 2010, p. SOI-12.

³ Data from Forrester and Trade Promotion Management Association Study "State of Trade Promotions and TPM Technology," 2006.

⁴ Cannondale Associates press release based on 2007 study "Trade Promotions Centered on the Shopper". Accessible at www.cannondaleassoc.com.

⁵ "Tea and RTD Teas - US - May 2010," Figure 29, based on Information Resources, Inc. InfoScan ® Reviews Information , Mintel, accessed June 2011.

⁶ Jennifer Preston, "Pepsi bets on local grants, not the Super Bowl," *The New York Times*, January 31, 2011, <http://www.nytimes.com/2011/01/31/business/media/31pepsi.html>, accessed June 2011.

⁷ YuMe (2011). *Online Video and Television Viewing Attitudes and Behaviors*. Retrieved from http://www.yume.com/sites/default/files/YuMe_Online_Video_Attitudes_Whitepaper.pdf.

⁸ A. Dobele, D. Toleman, & M. Beverland, "Controlled infection! Spreading the brand message through viral marketing," *Business Horizons*, 48(2), (2005) 143-149, and J. Phelps, R. Lewis, L. Mobilio, D. Perry, D., and N. Raman, "Viral marketing or electronic word-of-mouth advertising: Examining consumer responses and motivations to pass along email." *Journal of Advertising Research*, 44(4), (2004) 333-348.

⁹ I. Slutsky and K. Patel, "Is social media killing TV?" <http://adage.com/article/digital/social-media-killing-tv/227028/>, April 18, 2011, accessed August 12, 2011.

¹⁰ Ibid.

¹¹ Rubber Republic study based on 2007 YouTube video views. Accessible at www.viralmanager.com.

¹² I. Askwith, "Stop spreading viruses and start giving gifts," <http://www.bigspaceship.com/blog/think/getting-past-viral>, web log post January 26, 2010, accessed February 8, 2011.

¹³ M. Borden, (2010, May 1). "Repeat offenders," *Fast Company*, <http://www.fastcompany.com/magazine/145/repeat-offenders.html>, May 1, 2010, accessed February 8, 2011.

¹⁴ For details on their approach to creating and distributing videos on the web using social media, refer to Mekanism, HBS case No. 9-512-010.