

# Pepsi Passes on This Year's Super Bowl For Social Media

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The big game is more than a month away but a winner has already been announced – social media marketing has claimed a victory over traditional advertising with Pepsi's decision not to run any ads in this year's Super Bowl. It is the first time in 23 years Pepsi will not run a television commercial on the Super Bowl. The company will spend \$20 million on a social media campaign called the Pepsi Refresh Project instead.

Pepsi, headquartered in Purchase, N.Y., spent \$33 million last year advertising their products like Pepsi, Doritos and Gatorade on the Super Bowl and was one of the game's biggest advertisers. Only Anheuser-Busch spent more money. The St. Louis brewer says it will have 5 minutes worth of advertising in the 2010 Super Bowl.

## A New Playbook

This is a major shift in marketing strategy. Pepsi's relationship with the Super Bowl is legendary. Pepsi ads have been some of the most creative in history and the company has always pulled out the stops for the Super Bowl. It makes their move to social media that much more newsworthy.

## The Pepsi Refresh Project

The company will launch the Pepsi Refresh Project beginning January 13th. Users will submit their ideas to Pepsi on ways to "refresh" their communities and thereby making them a better place. Each month for 10 months there will be up to 32 potential Pepsi Refresh Grant recipients selected and up to \$1.3 million will be awarded. There will be 2 grants at the \$250,000 level, 10 grants at the \$50,000 level, 10 grants at the \$25,000 level and 10 grants at the \$5,000 level.

Pepsi will be looking for ideas from individuals, non-profit organizations and pro-social businesses that can make a positive impact in the community. Ideas should be feasible and completed 12 months from the date users receive the first funds. Pepsi anticipates spending around \$20 million to fund thousands of projects.

## Play-by-Play

Larry D. Woodard, President of New York ad agency – Vigilante - explains, "Pepsi represents one of the stalwarts, not just of the Super Bowl advertiser lineup, but of broadcast TV in general. In 2006, spending on brand, Pepsi was at about \$150 million. Although brand spending has been decreasing in recent years, Pepsi has continued to spend tens of millions on TV.

And the Super Bowl annually has the largest audience of any TV show.

Woodard continues, “As television viewership has gone down, internet usage, particularly social media interaction, has increased. The 2009 Super Bowl attracted an impressive 95.4 million viewers (approximately 42.1 percent of U.S. TV homes) and many of those watch the commercials as attentively as the football game. By contrast, in the important 18-34 demographic, a whopping 85 percent use social media texting, blogging or social networking - and the phenomenal growth of social media has the attention of every major company. This holiday season, Toys "R" Us developed a Facebook page that grew at the astounding rate of between 40,000 and 95,000 fans per day after its late November launch.”

### **Fumble or Touchdown?**

This is a giant move for Pepsi, especially because they still spend millions of their yearly advertising budget on television. The fact that they are not spending a dime on traditional advertising to even promote the Refresh Project says a lot for a company like this.

In our opinion – it is a win-win situation. Even if they drop the ball like Procter & Gamble did earlier this year with their self-serving Tide detergent “Loads of Hope” campaign, they will still help communities throughout the country and that’s a good thing. We think the user involvement and voting will help make this a social media success and Pepsi will reap the rewards of a buzz-generating ad campaign.

The Pepsi Refresh Project itself is big news. Pepsi sitting on the sidelines at Super Bowl XLIV? That is headline news.