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DAWN HUDSON'S HOLISTIC OUTLOOK AND TENACITY
HAVE CARRIED HER TO PEPSI-COLA'S PRESIDENCY

By Thom Forbes

Steve Reinemund, then the head of Frito-Lay, was driving to a meeting in the early '90s when his office patched through an urgent call from Dawn Hudson. A managing partner at DDB Needham, Hudson was working on the first-ever national campaign for Rold Gold. She had seen a prototype of the new, Healthy-Choice-green packaging for the pretzels, which was the vanguard product in a "better-for-you" initiative that Reinemund was pushing. Hudson had pleaded with Frito-Lay's brand team that it was wrong to walk away from the equity of the package's traditional blue, yellow and gold colors, but it had dismissed her.

"They said, 'You're an agency person, forget it,'" Hudson recalls. "So I called Steve."

Reinemund listened to her argument. It was important, she said, to communicate a health-and-wellness message of the low-fat snack. But, she insisted, it was just as important to do it in a way that didn't "lose the fun" of the brand. In other words, while you're pursuing the soccer moms, don't forget about the guys in bars drinking beer.

"She felt very passionate about what we needed to do and she was clearly right," recalls Reinemund, who is now chairman/CEO of PepsiCo. The brand team was overruled. The

green-packaging concept disappeared. In its place, advertising that could appeal to both men and women—a humorous campaign featuring "Pretzel Boy" Jason Alexander—quickly pushed Rold Gold from a 12% to 30% market share.

"It was very lucky for me, I have to be honest with you, because things make an impression, and sometimes they're small things," Hudson says. "So [Reinemund] had this impression—right or wrong—that I was tenacious, that I had a marketing point of view beyond an advertising point of view, and that I felt passionately about things."

He's not the only one with that impression.

"Dawn gets it," says DDB Worldwide Chairman Keith Reinhard, whittling down into one perfect tagline a long list of attributes and benefits that one hears from Hudson's colleagues and friends. "She was way ahead of the curve in terms of what everybody is now talking about—the need for thinking about a brand in its totality."

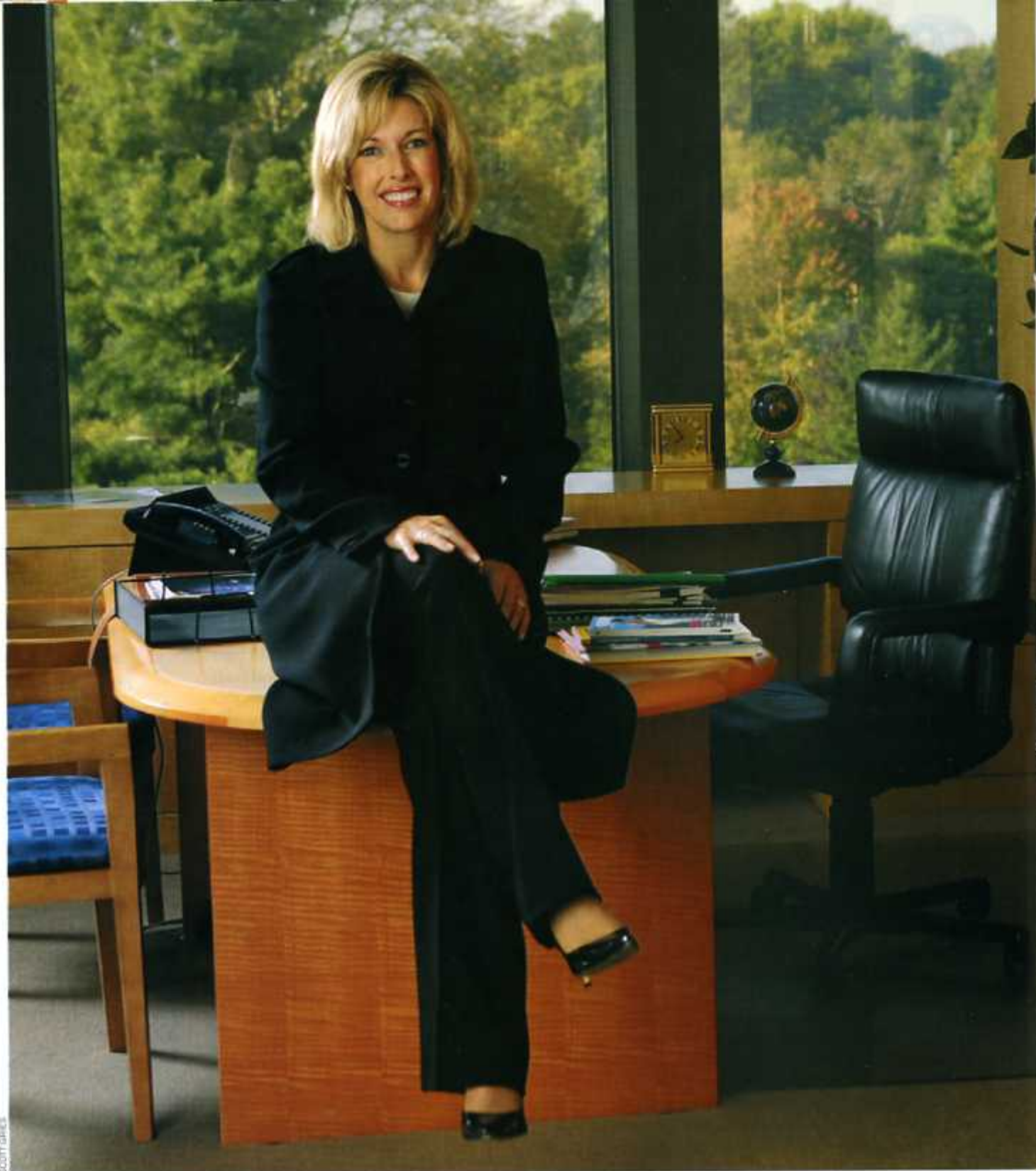
Hudson left DDB in 1996 to become managing director of D'Arcy Masius Benton & Bowles in New York, from which Reinemund recruited her six months later to head up Frito-Lay's sales and marketing. She became senior vice president-

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“

I look at things 360 degrees, so that when I hear of an issue, I understand it in its entirety, and understand what needs to be done.”

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SCOTT GIBBS

Dawn Hudson
October 8th, 2004

Colleagues say she's achieved the perfect career-family balance.

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marketing and strategy at Pepsi-Cola North America in 1998, where her achievements included the "Joy of Cola" campaign and the introductions of Mountain Dew Code Red and Pepsi Twist. Since her appointment as president of PCNA in June 2002, Hudson, 46, has been a dyed-in-the-wool marketer wearing general-management responsibilities. She oversees all aspects of the \$4-billion refreshment-beverage unit of PepsiCo in

the U.S. and Canada, including marketing, sales, strategic direction, and performance as well as bottler and food-service relationships.

If the Pepsi logo unwittingly suggests the Taoist principles of yin and yang—the opposing elements of nature that are ideally balanced—colleagues attest that Hudson is a harmonious blend of career-minded and family-centered; strategic thinker and innovator; hard worker and sports enthusiast; big idea and bottom line; charismatic personality and



a marketing perspective.”

The kind of 21st century marketing that's an integral part of Hudson's—not to mention PepsiCo's—mind-set includes expanding the urban market, opening up alternative media channels, paying close attention to bottler relations, and listening to a diverse customer base. Although Pepsi has been a new-product juggernaut in recent years—19 launches since 2001—Hudson has kept her eye on growing the mainstay products, warning against what she calls the “leaky-bucket” phenomenon.

“When you provide too much space to innovation and not enough to the base,” she says, “you spring a leak and lose critical volume on your core brands.”

Hudson's current focus is turning PepsiCo's three disparate food-service operations into a food-and-beverage powerhouse. Integrating the well-established Frito-Lay routes with Pepsi's fountain business and the less-developed Quaker food-service business is not merely a strategic challenge. It also means getting out and making it work operationally. She says she feels “like a kid in a candy store,” tackling tasks in an entirely new area and fashioning food and beverage programs for customers. Building a “differentiator for us vs. our competitor in Atlanta” is also a large part of the appeal. Competition drives Hudson, an accomplished tennis player, golfer, skier, runner and hiker.

“I'm an exercise nut; I love sports. People say, ‘How do you get home, have dinner with your family, put your youngest daughter to bed and go out and play tennis at 9:00 at night?’ Well, you just have to drag yourself,” she says. “If I didn't have exercise, I wouldn't be able to keep up the pace.”

She doesn't always win, of course, no matter how hard she tries. When Pepsi lost its account in 20,000 Subway franchises last year, her reaction was “Can't be. I'm going to change it,” even though others in the company were counseling that they just dust themselves off. Hudson enlisted Reinemund in an ultimately futile, month-long campaign to win back the business.

“That tenaciousness, of not giving up, I credit to my sports background and my family life experience,” Hudson says.

Hudson's father died of a heart attack when he was 54 and she was 23; five years later, her 15-year-old sister succumbed to congenital heart disease. Those two experiences forged a “personal fortitude” that Hudson has continually relied upon to bounce back from defeat, she says.

“To lose two people of your five-member family in a five-year time frame, you've got to look at the glass as half-full and keep pressing on.”

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DAWN HUDSON'S MARKETING RESOURCES

“Learn” is a frequently used verb in Dawn Hudson's lexicon. She has learned more from adversity than from her triumphs, she says. She has learned about strategic marketing and creative thinking from the likes of DDB's Keith Reinhard; Tatham, Laird & Kudner's Charlotte Beers; and Pepsi's Roger Enrico and Alan Pottasch. She has been inspired by Gene Bartley, now Foote Cone & Belding, president-coo, who gave Hudson her first agency job; Bill Connell, a Procter & Gamble client who steered her to TL&K; and DDB creative Susan Gillette, a family/career balancing model.

Hudson's advice to marketers at all levels who want to continue to learn about their craft is to take the Association of National Advertisers' marketing training courses found online at ana.net/training. Admittedly, there are many alternatives, but the ANA offerings are “real world and practical,” she says, as well as “enriching and engaging.”

Among her favorite business and marketing books are David Aaker's *Building Strong Brands*; Michael Silverstein and Neil Fiske's *Trading Up* and Rick Kash's *The New Law of Supply and Demand*.

Tellingly, the Stephen Covey book she recommends is *The Seven Habits of Highly Effective Families*.

empathetic thinker; retentive and spontaneous.

“Pepsi is not your rote client, and I think they have a great appreciation for the kind of skill sets and thinking that a very good agency person would have developed,” says Pam Mikulec, who worked closely with Hudson at DDB in Chicago and remains a good friend. “I think they have a very great sensibility to creativity and intuitiveness.” Reinemund agrees: “Everything we do at Pepsi is marketing, and I think Dawn approaches life from

