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## How Pepsi Opened Door to Diversity

A 1940s All-Black Team Targeted a New Market And Broke a Barrier

By STEPHANIE CAPPARELL

January 9, 2007; Page B1

The rivalry between Pepsi and Coke, which started in the 1940s, is legendary in business. Less known is that a more important battle was being fought on the front lines of the cola wars at the same time: the struggle of African-Americans to gain access to professional jobs in major corporations.



Boyd Collection

The ad was one of the earliest used by Pepsi to sell to blacks.

How those qualified employees would fit into Pepsi-Cola's corporate culture, and whether they could ultimately be promoted above their separate and narrow specialty -- that was the real Pepsi challenge.

At the time, Pepsi was already popular among members of the black population because it offered, as its ads boasted, "twice as much" for the standard nickel price of a soft drink: 12 ounces compared with the six-ounce bottle of most rivals. But the full revenue potential of what was then called "the Negro market" was largely ignored. It wasn't until the end of the decade that white-owned manufacturers began paying serious attention to the untapped market. In 1948, Modern Industry magazine estimated the spending power of America's 14 million blacks at \$10 billion -- an amount equal to that of the entire population of Canada, the magazine observed.

Mr. Mack had long believed that being different could sometimes provide an advantage. He started pursuing black customers by hiring a three-member sales team of African-Americans in 1940. During World War II, sugar rations and economic pressures made it all but impossible to continue that initial effort. But after the war ended, Mr. Mack decided

Walter S. Mack, the astute president of the underdog Pepsi-Cola Co., decided he could lift the stalled sales of his soft drink by hiring a team of African-American marketers to make a more concerted effort to pursue the black consumer dollar.

How those qualified employees would fit into Pepsi-Cola's corporate culture, and whether they

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to court the black consumer with a full department of salesmen, with a budget for advertising and promotional tools. In 1947, he hired Edward F. Boyd, a onetime singer and actor working then for the National Urban League in New York, to create the new division.

Six members of that team, now in their 80s and 90s, lived to tell their story for the book, "The Real Pepsi Challenge": Mr. Boyd, Dr. Jean Emmons of Florida, Allen L. McKellar of St. Louis, Julian C. Nicholas of North Carolina, William R. Simms of Massachusetts and Dr. Charles E. Wilson of New Jersey. To their delight, they also lived to see Indra K. Nooyi, an India-born woman, appointed chief executive officer of [PepsiCo Inc.](#) in August 2006 -- not long after the company edged past [Coca-Cola Co.](#) in value of market capitalization. Both milestones would have been unthinkable in the days when the marketing team was working.

Ms. Nooyi, in her post since Oct. 1, also marvels at the struggle of some of the company's earliest hires. "This inspiring team of African-American professionals were far ahead of their time and set the standard for passion, determination and connecting with our customers and consumers," she said. "They also established the economic value of diversity long before 'affirmative action' was conceived."

### Celebrity Salesmen

The mission of the black sales representatives at Pepsi-Cola was to win over loyal new customers -- first by making personal appearances, then by placing ads in the black press and setting up displays at mom-and-pop stores in black communities.



McKellar Collection

The all-black sales division, above, was developed in 1947 under the direction of Edward F. Boyd.

shout-outs for Pepsi from the stage. No group was too small or too large to target for a promotion.

These national sales representatives -- 12 at the team's peak in 1951 -- were celebrities in their communities when they worked for Pepsi-Cola. At that time, African-Americans rarely saw a black man working in a suit and tie, carrying a corporate business card. Their activities were covered in the black press, in front-page articles and in gossip columns. "We were living examples of what can happen to you if you go into business," said former salesman Julian Nicholas.

The team members were more qualified than their white counterparts -- all had college degrees and one, Jean

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Emmons, had an M.B.A. from the University of Chicago -- but they were consistently paid less. They also were well-trained, getting additional outside instruction from an expert at the National Urban League, one of the many black organizations desperate to have the men do well. The salesmen did succeed, boosting Pepsi sales in every area they hit with a marketing blitz. "This is what happened in Louisville, KY ... 13% increase among accounts called," read one sign posted by Mr. Boyd at a Chicago bottlers' convention. Thanks to their help, too, Pepsi was able to overtake Coke sales in some rare instances in Northern cities such as Cleveland and Chicago.

Their jobs turned most of the men into Pepsi fanatics. Said team member Jean Emmons: "All of my friends had to buy Pepsi. I kept stockpiles of Pepsi in my house. All the places I went had to have Pepsi. If I was out with someone and they ordered Coke, I might have thrown a glass of water in their face. ... My wife would say, 'I think you're going crazy -- Pepsi, Pepsi, Pepsi!'"

### **Dangerous Mission**

But as much as the men enjoyed their new status, their sales trips could also be humiliating, and sometimes harrowing. Lynchings were still part of the American landscape, and the men knew they had to be careful. They were traveling salesmen in the time of Jim Crow segregation laws. They had to sit in the back of buses, ride in separate train compartments, and eat behind closed curtains in dining cars.

Mr. Boyd said one team member, Alexander L. Jackson, the son of a prominent Chicago family, found the indignities too much to bear and soon quit. "The first time he saw a white bus driver order a black man to sit at the back of the bus, he nearly had a stroke," Mr. Boyd said of the late Mr. Jackson, who was a Harvard graduate, the son of a Harvard graduate and the brother of a Harvard graduate. "He just couldn't take it -- or any of the separate-but-equal laws of the South."

Early on, Mr. Mack tried to protect his sales force by insisting the black representatives travel in Pullman cars, so that they could dine and sleep by themselves. But even having the black salesmen traveling in the special, high-priced sleeping cars offended some people. "The conductor would come and pull down the shades so the whites couldn't see the blacks," Allen McKellar, a member of the special-markets team, recalled.

The white business leaders who hired black salesmen in the 1940s and 1950s also had to be careful. They wanted the black customer's dollar, but companies seen as pandering to African-Americans -- by donating to their communities, selling them products and hiring black professionals -- were often shunned by white consumers. Even Mr. Mack, who seemed sincere in his efforts to forward racial equality, mostly confined his boasts about pro-black business initiatives and charitable programs to the black press, away from the mainstream.

At one bottlers' convention in New York in 1949, Mr. Mack went so far as to tell the bottlers, "We're going to have to give Pepsi a little more status, a little more class -- in other words, we're going to have to develop a way whereby it will no longer be known as a *nigger* drink," recalled Mr. Russell. Mr. Boyd confirmed his recollection.

A seething Mr. Boyd walked out on his boss from the front row, and later received a personal apology from Mr. Mack. "I didn't forget it, but I didn't hold it against him, either," Mr. Boyd said.

In a statement yesterday, a PepsiCo spokesman said about the incident: "It's an appalling and completely unacceptable comment, with as much sting today as it had 60 years ago. Hopefully, starting with Mr. Mack's apology in 1949, and nearly six decades of positive actions we've taken since, we've shown PepsiCo's true commitment to diversity."

### **A New Look**

The so-called Negro marketers helped bolster sales at Pepsi-Cola during its most troubled times. But they

also helped define the concept and strategy of niche marketing and were instrumental in changing the way African-Americans were portrayed in advertising. Instead of stereotypes -- from Aunt Jemimas and Uncle Bens to offensive caricatures of bare-bottomed children -- the Pepsi ads that appeared in the black press showed African-Americans as stylish, fun-loving, middle-class consumers living the American Dream. Mr. Boyd hired some of the first professional black models. "I kept saying, I wanted to make something impressive," he said.

He launched three major press campaigns from 1948 to 1951. For the first, he found accomplished African-Americans to profile for a "Leaders in Their Fields" series -- about 20 names in all. The campaign compared the professionals with Pepsi, a "Leader in Its Field." It began in April 1948 with United Nations diplomat Ralph Bunche. That series was complemented in the upstart *Ebony* magazine by a seven-ad series drawn by award-winning African-American cartoonist Jay Jackson, known for his biting satire of racists and red-baiters. For his third series, Mr. Boyd took a crew to the campuses of black universities to photograph top students enjoying Pepsi.

Finally, Mr. Boyd was ready to tackle the displays in stores selling the soft drink. He wanted to make a splash with a colorful point-of-sale advertising piece showing a black family, and thought a friend's son would make a perfect model. The seven-year-old was handsome, bright and full of energy. His real-life father, William Brown, was the new manager of a hotel in Harlem. "Ronnie used to run around the Theresa hotel, in and out of the bar, greeting people," said Mr. Boyd with a grin. "He was very precocious. We were concerned he'd come to no good."

To everyone's surprise, when it was the young boy's turn to pose for the shoot, he was poised, cooperative and professional. He did his shoot, smiling and reaching up for a six-pack of Pepsi held by his "mother," a popular new model named Sylvia Fitt. The result was a handsome tableau of a middle-class African-American family enjoying a meal and Pepsi.

The boy was Ron Brown, who grew up to become secretary of commerce in the Clinton administration.

The ad campaigns were a hit. Thousands of individuals and schools asked for reprints of the Leaders series to use as educational tools.

### **Mixed Results**

But the Pepsi-Cola hiring experiment had mixed results. In the end, one team member who stayed on at Pepsi-Cola, the late Harvey C. Russell, became a vice president in the company in 1962, the first African-American ever promoted to that title at a major corporation. (Jackie Robinson, the baseball star, had been made vice president of smaller Chock full o'Nuts in 1957.) A handful of other team members had long and lucrative careers at Pepsi-Cola. But most of the team members complained they were never considered for other positions around the company.

The experiment came to an end after Mr. Mack left the company and was replaced by Alfred N. Steele, a former Coca-Cola executive and the future husband of actress Joan Crawford. (Mr. Mack died in 1990 at the age of 94. Mr. Steele died in 1959 just short of his 58th birthday.) The new boss was more focused on building up the company and expanding its reach overseas than on workforce diversity and marketing to minorities. Embracing the decentralization trend in management popular at the time, he saw no need for a New York-based special-sales division. In a broad reorganization in 1951, Mr. Steele fired Mr. Boyd and had his team members dispersed to offices around the country. In those offices, the salesmen succeeded only as far as their managers believed in the need for niche marketing to boost profits locally.

Most of the men quit soon after. One of the most educated found himself mopping floors for a time, but all eventually went on to remarkable second careers: Ed Boyd joined the international aid agency CARE in the Middle East, for example. Charles Wilson studied medicine in Geneva and became a doctor. Julian Nicholas, who stayed long enough to be promoted to national head of special markets, left in 1963 to work for the State Department and the protocol offices of the administrations of President Johnson and President Carter. Jean

Emmons earned a Ph.D. in education and became a career superintendent of schools.

All the way, they continued to break down color barriers to their careers. Mr. Boyd proudly takes credit for helping open the door to diversity. "It was a contribution to social progress," said Mr. Boyd of his work at Pepsi. "I didn't make that much of a dollar. I wasn't paid on the basis of other executives. It was at the beginning."

**Write to** Stephanie Capparell at [stephanie.capparell@wsj.com](mailto:stephanie.capparell@wsj.com)

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**EDWARD F. BOYD (1914 - 2007)****Former Pepsi Manager Broke 1940s Color Line; Fought Stereotypes in Advertising**

It was 1947, Jackie Robinson was integrating baseball -- and Edward F. Boyd was breaking down the corporate color walls as an assistant sales manager at [Pepsi-Cola Co.](#)



Marcelo Montealegre

**Edward F. Boyd**

Mr. Boyd created a team of black salesmen, graduates of such schools as Harvard and the University of Chicago, to visit campuses, churches, women's clubs and jazz concerts to introduce audiences to the cola drink. Much of the country then was strictly segregated, making simple travel an often humiliating and dangerous experience. "I led my men to the back of a bus, to the back of a bus!" Mr. Boyd recently told an audience of diversity executives in Los Angeles, before breaking down in tears.

Mr. Boyd, who died in Los Angeles Monday at age 92, didn't pioneer only as an African-American. The all-black sales division he led in the postwar years helped create a template for target-marketing strategy decades before it became routine business. "It was an idea before its time," says Paul Kurnit, clinical professor of marketing in the Lubin School of Business at Pace University, New York. "It was opportunistic more than visionary, but it has become visionary when considering all the sophisticated efforts now tailored to specific markets."

This past week, Indra K. Nooyi, PepsiCo's India-born chairman and chief executive officer, said, "Sixty years ago, in an incredibly challenging social environment, Ed Boyd and his team set Pepsi on a path that we still follow today."

Over the decades, Mr. Boyd also made his mark in other lines of work -- from helping the poor and refugees via the relief agency CARE in Egypt to raising alpacas at his country home in Bethel, N.Y.

But Mr. Boyd's years from 1947 to 1951 at Pepsi-Cola represent his key legacy. "The role of African-Americans had yet to be accepted or understood in society, and things were only a little better at Pepsi," said Donald M. Kendall, Pepsi's chairman and chief executive from 1965 to 1986, who started at the company the same year as Mr. Boyd as a fountain-syrup salesman. "Ed put doors where previously only walls existed."

Mr. Boyd employed and trained some of the first black professionals in American business, setting career models and developing lectures for what had to be some of the earliest diversity-training efforts. Elegantly mannered in the fashion of a bygone era and a stickler for social protocol, Mr. Boyd never let casual acquaintances call him by his first name, a holdover from the days when many of the whites he met refused to address a black man as "Mr." He was proudest of fighting ad caricatures like Aunt Jemima and Uncle Ben -- and images that were far more insulting.

Mr. Boyd's central ad campaign, "Leaders in Their Fields," featured nearly two dozen living African-American men and women of achievement. Educators asked for thousands of reprints of the ads, which appeared in the nation's black weekly newspapers. (At the time, mainstream media wouldn't have been willing to run such ads.) "He had no role model or training but pulled together all the ideas necessary -- and boldly instituted them -- to be successful," said Jean Emmons, who was hired by Mr. Boyd in 1950 after graduating with a master's in business administration from the University of Chicago.

But the company ultimately decided a centralized special-sales division wasn't necessary and focused more on overseas sales. Mr. Boyd's boss, Walter S. Mack, left Pepsi, Mr. Boyd was let go, and the salesmen were assigned to regional offices.

"I was walking on eggshells the whole time I was there," Mr. Boyd said in an interview last year. "So when I was fired, I didn't think badly of the company." But Pepsi was changed. In 1962, Harvey C. Russell, one of Mr. Boyd's hires, became a vice president, the first African-American promoted to such a rank in a major company. Today, of a staff of about 62,250 in the U.S., some 30% are employees of color, according to PepsiCo statistics; 8.5% of those in positions of vice president or higher are African-American.

Edward Francis Boyd was born in 1914 to a father who owned a barbershop chain and a mother who ran a real-estate business. He graduated from the University of California, Los Angeles. One day after World War II, Mr. Boyd was lunching in New York's famed Algonquin Hotel and by chance met Mr. Mack, president of Pepsi, then based in New York's borough of Queens.

Mr. Mack wanted to pursue the so-called Negro market, a mostly untapped consumer powerhouse valued in the late 1940s at \$10 billion. He knew he would have to risk the ire of segregationists to do it. Mr. Mack had first hired a black sales team of three in 1940, but the war all but ended the experiment. He hired Mr. Boyd to resume it. By 1951, when the team reached its peak, Mr. Boyd estimates that he and his 11 salesmen were able to show gains of as much as 13% in every market they targeted with one of their well-orchestrated campaigns of public appearances, letter-writing and advertising.

After leaving Pepsi, Mr. Boyd worked in the 1950s for CARE and the Society for Ethical Culture in New York. In the 1960s, he sold baby formula in Africa, and in the 1970s, he worked in Washington for a computer marketer. He retired in 1981.

--Stephanie Capparell

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