

<http://www.brandchannel.com/home/post/2011/01/06/Pepsi-Refresh-Cant-Catch-a-Break.aspx>

Pepsi Refresh Project: What a Rocky, Strange Trip It's Been

Posted by [Barry Silverstein](#) on January 6, 2011 12:00 PM

Try to do a little good and what does it get you? A lot of heat.

PepsiCo's [Pepsi Refresh Project](#) launched a year ago as an alternative marketing vehicle to its Super Bowl spend. The socially conscious [crowdsourcing effort](#) was designed to give consumers a voice and stake — not to mention the opportunity "to play a central role in developing and promoting ideas that they believed would move the world forward," according to Frank Cooper, the company's chief consumer engagement officer.

The company set aside \$20 million that [would have gone](#) to its 2010 Super Bowl campaign to "fund ideas created by everyday people who want to make a positive impact on their communities."

[Doubling](#) its commitment last September, Pepsi Refresh awards grants of amounts from \$5,000 to as much as \$250,000 to organizations and causes competing for online votes. With that kind of money at stake, it appears organizations will do just about anything to get their hands on the cash. While the project has been widely praised, it also proves that when a major brand engages in a breakthrough idea that empowers consumers and encourages online voting, things can go awry.

Early on, the project was [tripped up](#) by the perception it favored a celebrity-backed (Mariska Hargitay) charitable cause, which it addressed in a blog post [headlined](#), "Learning As We Go."

In October, Pepsi was [charged](#) with "political pandering" by a fundraising organization alleging that 16 contestant groups were members of the Progressive Slate with ties to the Democratic Party. Pepsi disagreed and said those groups were not advocating for candidates or issues.

But that wasn't the end of it. Now, several contestants representing animal shelters are claiming that results are being manipulated, potentially by "Mr. Magic," a mysterious figure accused of inflating online votes, [reports](#) the *New York Times*.

Ann Goody, founder of an Hawaiian animal sanctuary called Three Ring Ranch, and Randall G. Herzon, founder of Kritter Kountry, an animal rescue center in California, both claim that Illinois-based Guardian Angel Feline Rescue, operated by Carol Schultz, won a \$50,000 grant from Pepsi using a third-party service that generated proxy votes from abroad.

Schultz told the *Times* she did nothing wrong, but she would not confirm or deny using the services of a vote-wrangler in India using the memorable moniker of Mr. Magic.

"I'm not going to incriminate myself with anything as far as this goes," Shultz said. However, Ms. Goody provided e-mails that appear to be from Ms. Schultz, and they refer to a payment made to Mr. Magic.

For its part, Pepsi says it "deployed a variety of proprietary methods to identify fraudulent votes" and remove them. The company said "We take any allegation of fraud very seriously, and once we have completed a thorough investigation, we will take appropriate action."

Pepsi Refresh Project (PRP) organizers also took to their blog today to address this latest controversy, with [a post](#) titled "Maintaining the Integrity of PRP Voting."

Pepsi recently had another [PRP-related headache](#) on its hands with a controversial video that was submitted to the Doritos/Pepsi MAX "Crash the Super Bowl" contest. The contest encouraged the submission of videos, six of which would potentially be aired during Super Bowl XLV. Contest winners could share prize money of as much as \$5 million.

The problem is, one of the video entries, called "Feed the Flock," shows a pastor using Doritos and Pepsi MAX to encourage parishioners to come up to the church altar. The video was condemned by one Catholic organization called "America Needs Fatima" as a "horrific blasphemy."

The video was not selected as a finalist, and Pepsi removed it from the contest site, but the video's creators posted it on YouTube late last month. [According to Marketing Daily](#), the "Feed the Flock" video "had already generated more than 100,000 views through that channel, in addition to more than 20,000 views through the contest site..."

PepsiCo countered that "Feed the Flock" was just one of more than 5,600 video entries, and apologized "to anyone who was upset or offended by this consumer submission."

Looks like when it comes to running consumer contests, Pepsi could really use the pause that refreshes — though it would be a shame if these incidents took the steam out of its corporate citizenship, social marketing, crowdsourced do-good fervor.

More about: [Crowdsourcing](#), [Social Media](#), [Corporate Social Responsibility](#), [PepsiCo](#), [Pepsi](#), [Pepsi Refresh Project](#), [Pepsi Refresh](#), [Corporate Citizenship](#), [Social Marketing](#)