

NORTH CAROLINIANS *of* NOTE

Caleb Bradham

Invented and launched Pepsi

By Kinsey Sullivan

The renovated Birthplace of Pepsi, a store and diner in historic downtown New Bern that specializes in Pepsi memorabilia, is drawing more visitors than ever. The grand re-opening was Nov. 1.

Caleb Bradham, a New Bern resident and pharmacist, invented Pepsi-Cola in the building that is now The Birthplace of Pepsi. The store is a fixture of historic downtown New Bern, and originally opened in 1998 on the 100th anniversary of Pepsi's creation.

When he invented Pepsi-Cola, the building was a drugstore and soda fountain, and the renovations were intended to make the store more like a traditional pharmacy, Fabrina Bengal, managing partner of The Birthplace of Pepsi, said recently.

"It's a historical attraction," Bengal said. "New Bern is a city of many firsts. It was the birthplace of Pepsi and the colonial capital, so the store fits into our history."

"The restaurant is a quaint place for a date," Kane Price, a junior at UNC-CH and New Bern native, said.

Pepsi's influence is still widely felt in New Bern, Price added. "It would be hard not to hear about Pepsi while living in New Bern."

Creating the cola

In a bizarre twist of fate, Caleb "Doc" Bradham invented Pepsi and, 25 years later, lost the Pepsi company due to bankruptcy.

Much about Bradham's life is described in the official Pepsi website, the N.C. Department of Cultural Resources online sources, the North Carolina History Project and The Birthplace of Pepsi website.

Bradham, born in Chinquapin, N.C., in 1867, enrolled at the University of North Carolina at Chapel Hill in 1886. He later attended the University of Maryland's School of Medicine. That was when Bradham's father declared bankruptcy, forcing Bradham to drop out of school. He later entered the School of Pharmacy at the University of Maryland. When he returned to New Bern, he opened a pharmacy called Bradham's Drug Co.

Through the 1890s, Bradham served customers a concoction known as "Brad's Drink." In 1898, Bradham renamed the blend of kola nuts, vanilla, carbonated water and other oils "Pepsi-Cola." "The Pepsi Legacy," a book available on the official Pepsi website, details the saga.

Pepsi-Cola's popularity bubbles up

Realizing the increasing popularity of Pepsi, Bradham launched the Pepsi-Cola Company in the back room of his pharmacy

in 1902 and devoted himself to the soda business. That year he applied for a trademark. The U.S. Patent Office granted Pepsi-Cola a patent in 1903.

As a young entrepreneur, Bradham mixed the syrup and sold it through local soda fountains, according to the official Pepsi site. As availability grew, so did demand. Bradham expanded operations from his drugstore to New Bern's Bishop Factory building in 1904. The Pepsi company sold 7,968 gallons of syrup in 1903, which increased to 19,848 gallons in 1904.

Franchises were the backbone Pepsi's growth, according to "The Pepsi Legacy." In 1905, bottling franchises opened in Charlotte and Durham. By the end of the decade, 250 franchises in 24 states bottled the drink.

Pepsi, although growing rapidly, had not yet established itself as Coca-Cola's primary rival. Coca-Cola, the giant of soft drinks, began large-scale bottling in 1899 and had opened bottling factories in Cuba, Canada and Panama by 1906, according to Coca-Cola's Heritage Timeline.

Advertising and the short-term success of Pepsi

Through the first decade of the 20th century, Bradham and the Pepsi company used a variety of advertising schemes.

Bayard Wootten, Bradham's neighbor and friend and a prominent female photographer and advocate for equal rights, created Pepsi's first logo around 1905.

Pepsi added the slogan, "The Original Pure Food Drink," in 1906, after the Pure Food and Drug Act passed, according to the Pepsi site.

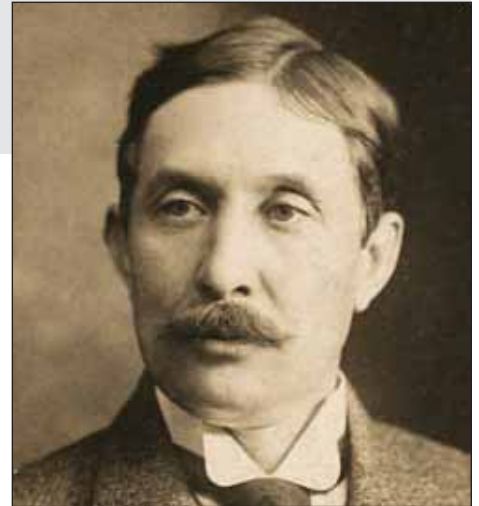
Celebrities and women began endorsing the drink in ads as the decade ended. Barney Oldfield, an automobile racer, appeared in newspaper ads in 1909, describing Pepsi-Cola as "a bully drink...refreshing, invigorating, a fine bracer before a race."

Today the soft drink market is radically different, and celebrity endorsements are but one aspect of huge advertising campaigns. Last year Pepsi spent \$1.9 billion on advertising, according to its annual report. Coca-Cola spent even more: \$2.9 billion on advertising in 2010, according to "Business Insider."

Modernizing the Pepsi-Cola Company

A contemporary of Bradham's, Leonard Wilson, wrote an article in the book "Makers of America," and said that "through his [Bradham's] progressive methods, [he] has become the leading factor in modernizing his hometown."

Bradham is credited with bringing industry and modern technology to New Bern. In 1908, Pepsi was one of the first manufacturers to switch from horse-drawn carts to automo-



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biles. Coca-Cola didn't use cars until 1909.

Pepsi-Cola goes flat

But after two decades of early success, Pepsi faced troubles. As a result of World War I-induced sugar shortages, the cost of sugar spiked in the early 1920s, according to John McDonough's "Pepsi Turns 100." When the price per pound reached 26 cents, Bradham bet that the price would keep rising. He bought stock in sugar. Bradham was wrong. By the end of the year, the price of sugar dropped to a catastrophic 2 cents per pound.

Bradham struggled to recover from gigantic stock market losses, and the Pepsi corporation declared bankruptcy in 1923.

Craven Holding Company bought the company for \$30,000 in 1923, and Pepsi continued to struggle until the mid-1930s. Finally, it began to grow, and it hasn't stopped.

In 2010, PepsiCo raked in approximately \$119 billion in annual retail sales, according to its annual report. Coca-Cola's annual report estimated its annual retail sales at only \$67 billion, almost half of PepsiCo's.

Bradham beyond Pepsi

Bradham married Charity Credle, a NC native, in 1901. They had three children: Mary McCann, Caleb Darnall and George Washington Bradham.

Bradham was an active citizen in New Bern as long as he lived there. As chairman of the Board of County Commissioners of Craven County, Bradham was "in touch with important matters pertaining to the State and its people," Wilson, wrote in "Makers of America." Contemporary citizens considered him a candidate for governor, Wilson added.

In 1934, 11 years after Bradham sold Pepsi, he died. He never lived to see the drink's resurgence in popularity.

Profile written by a student in the School of Journalism and Mass Communication, UNC-CH. Provided by the N.C. Press Foundation, www.ncpress.com.