PepsiCo Inc, Cost of Capital

Joseph Thac, Jared Grabels, Qijia (Vicky) Huang, Michael Maiorelli

TheCaseSolutions.com
PepsiCo's Future in a Changing Market

- Growing criticism toward the food and beverage industry
  - Partially responsible for the increasing trend in obesity, disease and widespread ecological devastation
  - Mainly due to the production and sale of food and beverages that are high-calorie, nutrient-poor, while containing high levels of sugar and saturated fats
Consumer Awareness

• An increasing number of scientific studies are confirming that many processed foods are unhealthy to consume

  • Due to today’s widespread internet access as well as the use of social media more and more consumers are becoming aware of the associated risks with consuming convenient processed foods

• The market is seeing a shift as more and more consumers are seeking more healthy organic choices
Market Position

- PepsiCo is one of the largest and most widely recognized in the industry
  - Huge opportunity to target the consumers who seek out healthier organic alternatives
  - Can increase brand image by producing healthier products and by being ecologically friendly