1. What political/ legal issues do firms like Pepsi face?

* Advertising campaigns can be risky and have trouble with political issues. A perfect example of this is when Pepsi received major backlash on their ad with Kendall Jenner. This ad which touched on police and riots aired in an inconvenient time where tensions were high. Because of this Pepsi was thrown in a bad light and suffered.
* When working globally, Pepsi and similar firms could face legal and political troubles internationally. There is always the chance of violating foreign laws, airing ads that are incentive in different cultures, and promoting products that aren’t popular in different countries.

1. How do economic factors like GDP growth, inflation, or interest rates impact firms like Pepsi?

* Soft drink companies are not a necessity in everyday life. Therefore, when the economy does well and more consumers have extra income then they spend it on products such as Pepsi. When the economy suffers consumers have less disposable income so that they spend less money on treats and snacks such as the ones PepsiCo offers.

1. Why is Pepsi so popular and how is it changing society?

* Huffington Post stated that half of Americans drink soda daily. Soda is extremely popular among people from 18-35. Combine great advertising, taste, and a string of products and this explains why Pepsi is popular amongst Americans.
* Fortune states that Pepsi is trying to move with the customer preference and target healthier products. 25% of sales are from the healthier options while their main drink Pepsi cola is only amounting to 12% of sales. Therefor society is shifting to drink the healthier products that PepsiCo offers.

1. How has technology impacted the growth of firms like Pepsi?

* With technological advancements beverage firms can reduce costs, explore more products, and reach consumers on newer platforms. Firms like Coke and Pepsi are attempting to use new vending machines by engaging with their customers in more interactive machines. – Stellarix Consulting Services.
* The world is always changing and companies most adapt to it. Pepsi and similar companies are trying to create innovative ways of reaching more costumers and relating to the up-and-coming generation.

1. Examine the financials of Pepsi. Are they performing well over time (3 years minimum)? What measure of financial performance are you using? Do you see any roadblocks in their financial performance in the future? Why?

* In the past five years Pepsi’s Net Income has been slowly dropping, where the peak was in 2013, the lowest point was in 2015, and 2016 saw a slight increase. Pepsi clearly seems to be losing sale value but not by a significant amount. – Nasdaq.
* One roadblock for PepsiCo is the downward popularity trend of soda due to health reasons. Many people are drinking soda less in substitute of healthier options. One way PepsiCo can combat this is to focus more on their healthier options. Another roadblock is the competition of Coca-Cola. Pepsi has not been able to overcome Coca-Cola and won’t be able to if they rely solely from their soda. In order to beat Coke, they would have to continue to expand their snack and beverage products.