



2022 PepsiCo & YCCI Case Competition

**A Design and Innovation Competition: Making Wellness Fun
through a Digital App Focused on Social Connectivity**



Yale SCHOOL OF MANAGEMENT
Center for Customer Insights

Overview



PEPSICO



Yale SCHOOL OF MANAGEMENT
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The Yale Center for Customer Insights (YCCI) is excited to partner with PepsiCo on a new design and innovation competition that takes a deep dive and explores innovative ways of increasing engagement using a new digital app. Students from across US business schools are invited to register and submit their ideas to YCCI.

After academic and industry experts judge the Phase 1 abstract submissions, 8 finalist teams will be selected for Phase 2, which will include presenting virtually to PepsiCo executives for a chance to win the grand prize.

The Prize

- Top 8 teams will present their ideas to senior leaders at PepsiCo and the Yale Center for Customer Insights
- 1 Grand Prize-winning team will receive **\$7,000**
- 2 runner-up teams will receive **\$2000** per team

Introduction

The wellness trend has contributed to the development of over 300,000 mobile wellness apps globally¹, a number that has more than doubled with the increasing prevalence of smartphones. Research shows that around 60% of Americans have now downloaded one or more of these apps, with over 42% downloading 5 or more apps.²

However, close to half stopped using the wellness apps that they downloaded,³ and the majority fail to follow through with healthier habits, despite the recognition of the importance of wellness.

Research in behavioral science has shown that **social support** (such as engagement with others, receiving support from others, and role models) can help overcome barriers and sustain motivation.

PepsiCo is currently developing a new wellness app and is interested in driving not only uptake but most importantly ongoing engagement and interest with the app to help users achieve their health goals big or small. **PepsiCo's goal is to make wellness fun and create a social ecosystem.**

¹ <https://liquid-state.com/mhealth-apps-market-snapshot/>

² <https://www.cbsnews.com/news/many-americans-download-health-apps-then-ignore-them/>

³ <https://directorsblog.nih.gov/2019/10/01/americans-are-still-eating-too-much-added-sugar-fat/>



Dimensions of Wellness to Consider



PHYSICAL WELLNESS

- Caring for your body to stay healthy now and in the future
- Avoiding disease

EMOTIONAL WELLNESS

- Engagement with life
- Maintaining healthy relationships and contributing to a community
- Feeling positive and enthusiastic about your life

MENTAL WELLNESS

- Maintaining high cognitive function
- Mindfulness
- Sleep



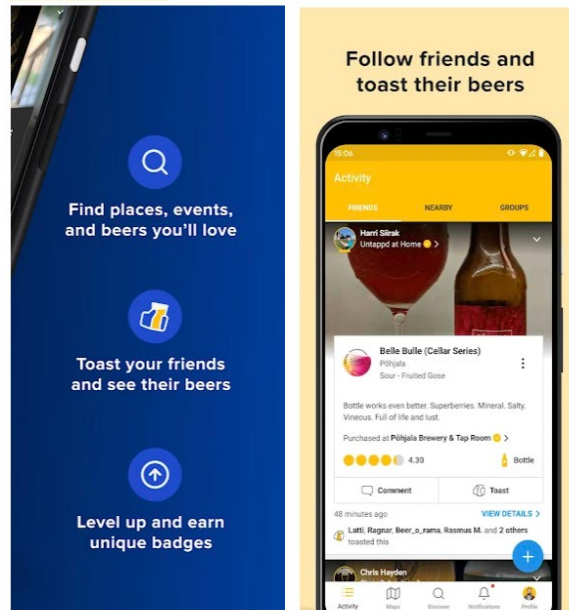
Creating a Community for Wellness

Many apps today have identified tactics for cultivating community around specific interest areas such as beer, books or music. PepsiCo is interested in developing an ecosystem that cultivates community for the purpose of influencing PepsiCo's 1 billion daily consumers towards increased wellness.

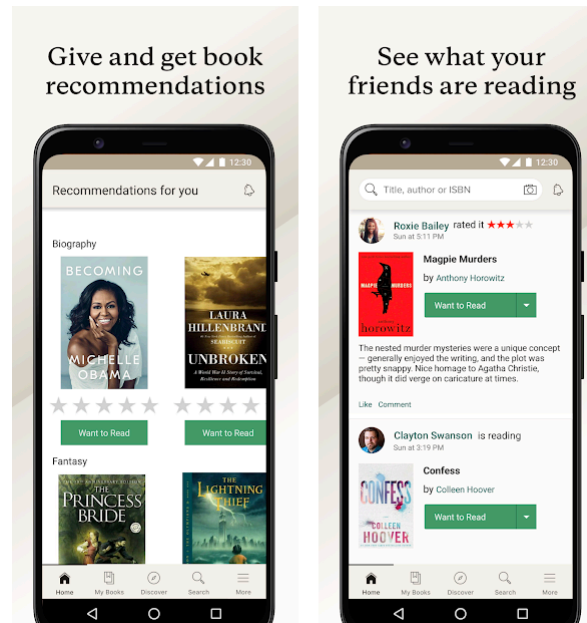
SAMPLE APPS:



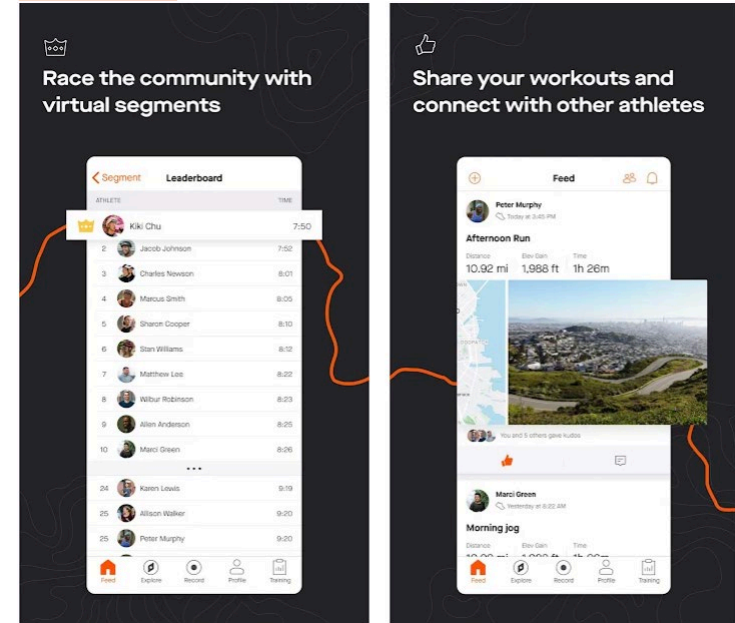
Untapped: An app for discovering beer



Good Reads: An app for discovering new books



Strava: An app for tracking running, cycling and swimming

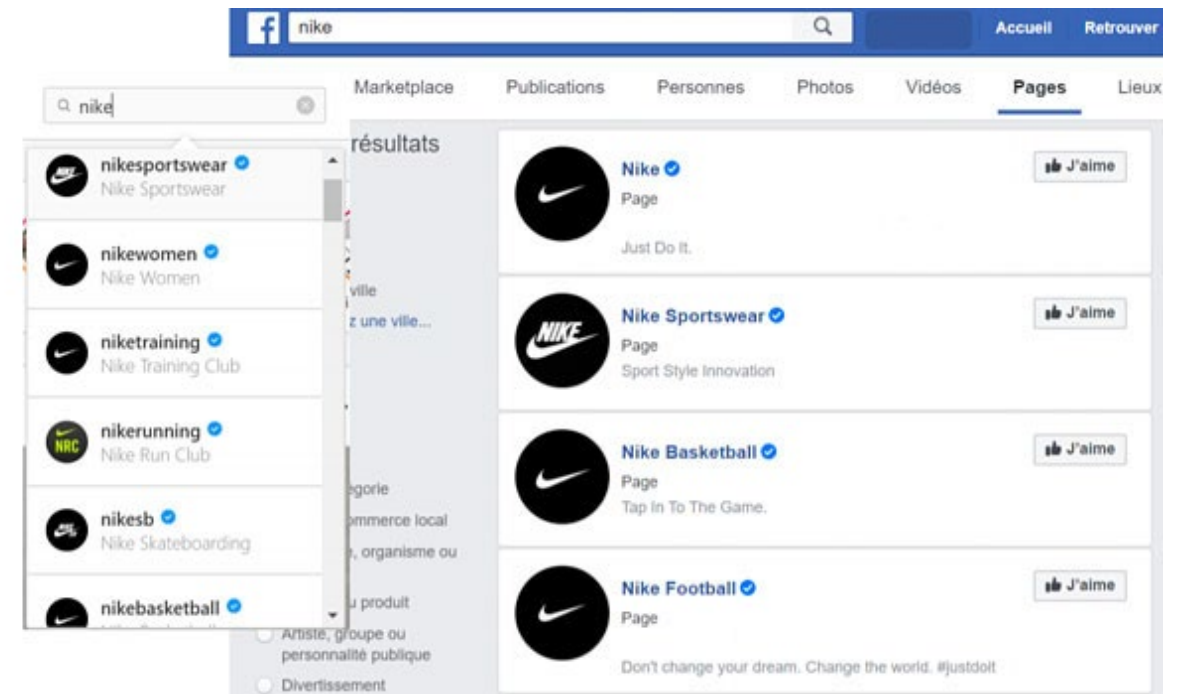
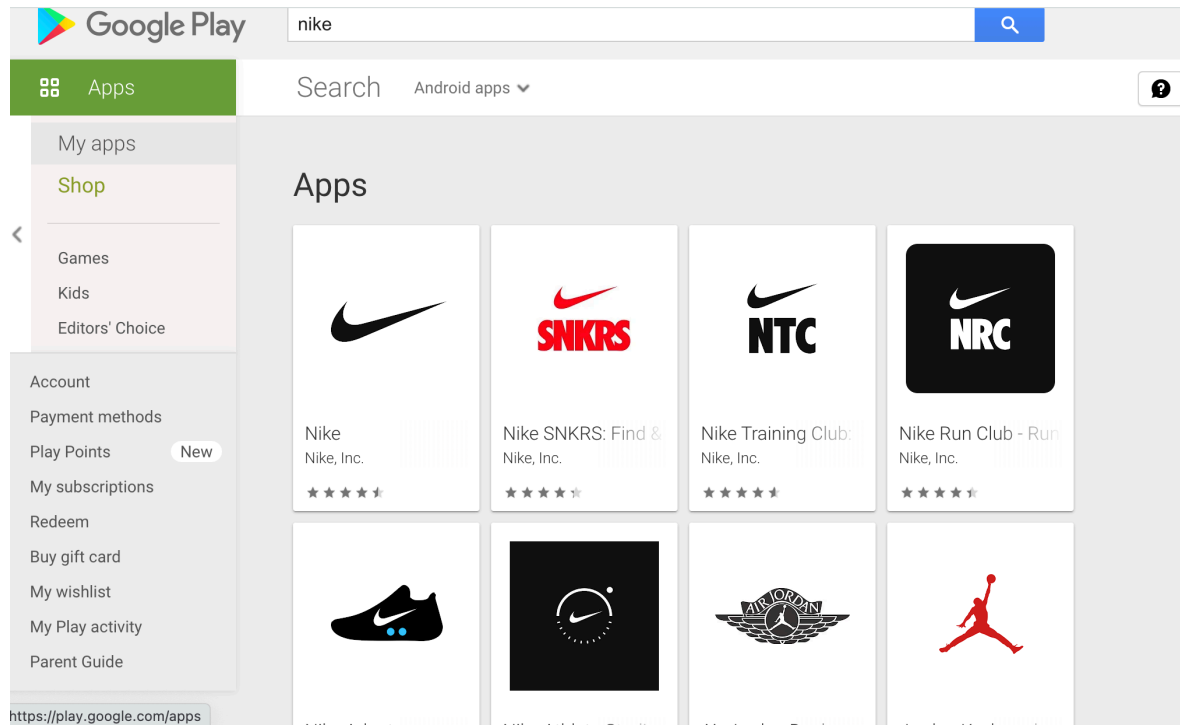


Key questions to consider:

What learnings can you take from apps that successfully cultivate community? Which features are most effective at driving long-term engagement?

Deepening Engagement through Segmentation

Nike uses separate apps, such as **Nike Run Club** & **Nike Train Club**, as well as different Facebook groups, to segment users to by interests (e.g. basketball, football) and gender (e.g. Nike women). This segmentation supports the cultivation of subcommunities within Nike's broad consumer base, allowing for deeper levels of engagement.



Key question to consider:

How do you create an experience that feels tailored and personal amid very broad consumer interests and perspectives on what wellness means?

The Challenge

Your challenge is to create a concept for a digital platform that harnesses **social connectivity** to inspire behaviors that promote wellness among PepsiCo's 1 billion daily consumers.

Specifically, you should address the 3 areas of wellness that PepsiCo is focusing on: physical wellness (fitness and nutrition), emotional wellness, and mental wellness.

This can be a new concept or set of concepts that utilizes digital technology to inspire customers to engage where social wellness and connectivity are at the forefront, and the unintended consequence is improved overall wellness. Think of people buying a pet and the unintended consequence of having to take it for regular long walks (physical activity) or how to make wellness fun.

The concept should address the following objectives:

- 1 – Create a clear and differentiated value proposition for the app
- 2 – Harness the power of relationships and social connectivity to increase stickiness and motivation to engage
- 3 – Ensure participation improves wellness, but as unintended consequences and through a social community
- 4 – Consider how the app will address multiple areas of wellness (emotional, physical, and mental)

Other optional ideas to consider:

- 1 – How might you enable the co-creation of new products with app users
- 2 – How might you monetize the app and/or bring other partner organizations into the platform

Primary areas of focus for this case competition

Usage & Retention

Include engaging features to enhance user engagement with the app over time.



**Monetization and
Uniqueness**



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Background



PepsiCo's commitment to health and nutrition

For almost 20 years, PepsiCo has been transforming its product portfolio in order to better meet the nutrition needs of its customers. This has been achieved through substantive reformulations, various acquisitions and more nutritious innovations.

In addition, PepsiCo is exploring ways to help consumers make healthier choices, for example by exploring personalized nutrition techniques, such as digital apps.

REFORMULATIONS



ACQUISITIONS



INNOVATIONS

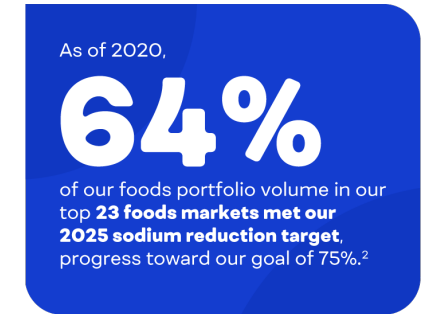


Improving choices across the PepsiCo portfolio

Around the world, consumers enjoy PepsiCo products more than one billion times a day. With that global scale comes an enormous opportunity to provide our consumers with products that meet human needs for nutrition and enjoyment.

To help build a more sustainable food system, we are making it easier for consumers to choose foods and beverages that feel good for themselves and are good for the planet. We're improving the nutritional profile of our products, working to provide simple, clear information on our packaging, rethinking packaging sizes, and leveraging the scale of our brands to drive positive change.

Our product sustainability goals are to reduce added sugars in our beverages and sodium and saturated fats in our food products so that people can continue to enjoy our most-loved brands as part of a balanced diet.



Gap between behavior and intent reflected in health app usage



Many Americans download health apps, then ignore them

Are [smartphone health apps](#) the 21st century equivalent of home treadmills, bought with good intentions but left in the corner to collect dust? According to a new national survey of health app use among U.S. [smartphone](#) users, the answer is a decided "yes."

The online 36-question survey by researchers from NYU Langone Medical Center questioned 1,604 adult smartphone users, with an average age of 40. It found that 58 percent of them had downloaded one of about 40,000 health apps available in the marketplace, with 42 percent downloading five or more. While 65 percent of those surveyed reported that the apps improved their health, 46 percent said they have downloaded apps that they just don't use anymore.

Many cited concerns about hidden app fees, [privacy](#), and waning interest over time as reasons for letting their health apps lie fallow.

"There's a takeaway mainly for developers -- I think there has to be a greater usability testing of the apps," Paul Krebs, PhD, assistant professor in the NYU Langone Medical Center's department of population health, told CBS News. "A big barrier for people who have not been using the apps, or those who tried and stopped using them was the difficulty of use. There was a burden of data entry, which was a big pain."

<https://www.cbsnews.com/news/many-americans-download-health-apps-then-ignore-them/>



A man with a beard, wearing a blue jacket, is shown in profile drinking from a clear plastic Aquafina water bottle. He is sitting on a wooden bench in an urban environment, with a blurred cityscape and buildings in the background. A dark blue horizontal band is overlaid across the middle of the image, containing the word "Logistics" in white text.

Logistics

Initial Participation

Participation:

Any team of students who are registered in a full-time graduate business school program are eligible to apply. Yale Masters of Advanced Management students and executive MBA students are also welcome to apply. Interested students should form teams of 2-4 and submit an abstract in the form of a short PowerPoint deck (6 slides maximum).

The competition has two phases:

Phase 1 – Abstract Submission, where teams deliver their initial concept, to be judged by Yale School of Management faculty and PepsiCo senior leaders.

Deadline: March 28, 2022 to register. March 31, 2022 to submit.

Phase 2 – Final presentation, delivered to PepsiCo, judged by a panel consisting of PepsiCo senior leaders and Yale School of Management faculty/Executive Fellow.



Phase 1 Submission Guidelines

- Register your team by **March 28** to join the competition and submit your **completed abstract by March 31**. Go online [here](#) to register and submit.*
- You may only join one team, and each team may only submit one abstract.
- Teams must include at least 2 individuals and a maximum of four (4) individuals per team are allowed.
- Your submission should be in a PDF format with maximum of 6 slides (excluding title page and appendices), containing the following information:
 1. Name of the team, members of the team, one (1) email address for the team
 2. Name & description of the idea
 3. How the idea will work
 4. How the idea will drive engagement
 5. How will your team create subcommunities among PepsiCo's target consumer base (20-60 year olds)

Phase 2

After teams have submitted abstracts, a panel of judges will select 8 teams to move on to Phase 2.

Phase 2 – Virtual Presentation: The 8 selected teams will be given more information from PepsiCo on the app as well as information from the Yale Center for Customer Insights on a set of behavioral science concepts that can be applied. They will then have an opportunity to further the thinking around their idea.

Teams will develop a robust virtual presentation to bring their idea to life. This could include, for example, a multi-media visualization of what the concept might look like for the user, illustrating what steps would be required to bring the idea to life, or showcasing the development of a minimum viable concept.

The submission should include:

- A 10 min. PowerPoint presentation, delivered virtually to PepsiCo and YCCI.
- Optional video (max 3 minutes);
- Any other multimedia files the team desires to include.

Presentations will be delivered virtually to the panel on **April 29, 2022**, and winners will be selected by the Pepsi executives and Yale faculty.



Timeline

