
Say Cheese: The Cheddar Effect on Coca-Cola's Stock Price

Caleb Hughes, Ava Torres, Gabriel P Turnbull

Abstract

When it comes to the American diet, few foods encapsulate the nation's palate quite like American cheese. As stalwart stalactites of delight cascade atop burgers, melt within grilled sandwiches, or stand alone as a melted dip, Americans continue to demonstrate their enduring affection for this dairy creation. But is there a deeper, more hidden connection between American cheese and the stock market? In this paper, we explore the correlation between American cheese consumption and The Coca-Cola Company's stock price (KO) from 2002 to 2021. Utilizing data from the USDA and LSEG Analytics (Refinitiv), our analysis revealed a surprisingly strong correlation coefficient of 0.9083366 and a p-value of less than 0.01. The implications of these findings extend beyond the realms of economics, prompting the contemplation of whether one could indeed pair American cheese consumption with monitoring their investment portfolio, creating a "cheesy" yet lucrative strategy. We invite readers to digest the results of our study and ponder the quixotic interplay between consumer choices and stock market fluctuations.

1. Introduction

The American diet has been a subject of fascination and scrutiny, encompassing a rich tapestry of culinary curiosities. Among these, American cheese stands out as a ubiquitous fixture, gracing the shelves of supermarkets and the palates of consumers across the nation. Its pliable, melty nature and unmistakable tang leave an indelible mark on countless dishes, contributing to the collective gustatory experience of the populace. As avid consumers celebrate its presence in various culinary concoctions, one cannot help but ponder the enigmatic influence of this dairy delight on realms beyond the realm of taste.

In the world of finance, stock prices fluctuate with an almost capricious rhythm, influenced by a myriad of factors ranging from geopolitical concerns to company performance. The Coca-Cola Company (KO) has long been a stalwart in the stock market, navigating through the ebbs and flows of economic tides. Amidst these undulating market conditions, our quest led us to inquire whether there exists an unexpected consort between the consumption of American cheese and the stock price of The Coca-Cola Company.

Given the inherent whimsy and curiosity associated with investigating such a connection, we embarked on a journey to unravel the mysterious accord between the whey-laden comestible and the fabled elixir peddled by The Coca-Cola Company. Our inquiry extends beyond mere financial prudence,

delving into the uncharted territory of gastronomic econometrics, where the palate and the portfolio collide.

In this paper, we present our findings from 2002 to 2021, delving into the data with both caution and culinary sensibility. Our analysis, as we shall unfold, lends credence to the notion that the American cheese consumption and The Coca-Cola Company's stock price may indeed be bedfellows in the dance of market fluctuations. The unearthing of this correlation, though unexpected, invites the contemplation of new paradigms in investment strategies and the whisper of a "cheddar effect" in the hallowed halls of finance.

Thus, our investigation not only sheds light on an unconventional correlation but also beckons the reader to entertain the notion of a synergy between the consumption of American cheese and astute stock market monitoring. We invite our esteemed colleagues to peruse our findings and partake in this scholarly sojourn, as we untangle the "cheesy" mysteries that weave through the labyrinth of stock market dynamics.

2. Literature Review

To explore the potential connection between American cheese consumption and The Coca-Cola Company's stock price, a comprehensive review of existing literature was conducted. Initially, reputable studies by Smith, Doe, and Jones delved into the intricate web of consumer behavior and market dynamics, offering insights into the multifaceted nature of stock price fluctuations. In "Market Trends and Consumer Preferences," Smith analyzes the impact of consumer choices on stock market trends, while Doe explores the psychological underpinnings of investment decisions in "The Human Factor in Financial Markets." Meanwhile, Jones' "Economic Indicators and Market Performance" provides a comprehensive overview of the factors influencing stock market movements.

Moving beyond traditional economic analyses, the exploration expanded to encompass non-fiction works that shed light on the interplay between consumer culture and corporate influence. "Fast Food Nation" by Eric Schlosser and "Salt, Sugar,

Fat: How the Food Giants Hooked Us" by Michael Moss offered profound insights into the American culinary landscape and the influence of large corporations on consumer preferences. Additionally, iconic fictional works such as "American Psycho" by Bret Easton Ellis and "White Noise" by Don DeLillo, although not directly related to the subject matter, provided a lens through which to contemplate the enigmatic intersections of consumerism and societal constructs.

As the inquiry ventured into unconventional realms, the literature review expanded to encompass unconventional sources, including excerpts from grocery store receipts, purportedly containing cryptic messages from the aisles of consumerism. While these sources may not adhere to traditional scholarly rigor, they, nevertheless, offered a whimsical perspective on the ephemeral whims of market dynamics. Furthermore, the perusal of online forums and social media platforms revealed a trove of anecdotal accounts and satirical musings on the potential correlation between American cheese and stock prices, presenting a more lighthearted and unconventional approach to the investigation.

In synthesizing these diverse sources, the paper aims to weave a narrative that juxtaposes sound academic research with a sprinkle of irreverent humor, inviting readers to relish the quirky confluence of consumer trends and financial predilections. With this multifaceted approach, the study endeavors to peel back the layers of the proverbial American cheese and unravel the potential nuances within the stock market, offering a flavor-packed analysis that transcends the mundanity often associated with economic inquiries.

3. Methodology

Our investigation into the enigmatic connection between American cheese consumption and The Coca-Cola Company's stock price involved a multifaceted and perhaps unorthodox approach, befitting the idiosyncratic nature of our inquiry. Leveraging data collected from the USDA and LSEG Analytics (Refinitiv) from 2002 to 2021, we meticulously navigated through the digital labyrinth of information, akin to intrepid explorers charting uncharted territories, or perhaps more accurately,

like cheese connoisseurs scouting for the finest aged cheddar.

The initial step of our methodology involved the extraction of American cheese consumption data from a multitude of culinary and economic sources. We combed through a labyrinth of digital menus, supermarket inventories and fromagerie archives, embracing a paradigm of data collection that could best be described as akin to a cheese hunt – with our team members donning invisible capes and declaring themselves "Curious Curds Crusaders," embarking on a quest to unearth every morsel of information. Through this process, we assembled a comprehensive repository of American cheese consumption figures, meticulously noting the ebb and flow of this dairy delicacy's journey from the refrigerator to the platter.

Simultaneously, our endeavors extended into the nebulous realm of stock market data acquisition. Through an unconventional blend of algorithms and, one might say, a dash of cheese-related charm, we amassed a trove of information pertaining to The Coca-Cola Company's stock price, navigating the data landscape with the acumen of seasoned finance gourmets. This voluminous stock market data, though complex and at times labyrinthine, yielded a sumptuous feast of information, complementing the cheese consumption data in a manner akin to the serendipitous pairing of a robust, aged cheddar and a fine vintage wine.

Having procured and distilled our data trove, akin to master cheesemakers refining a curdled concoction, we then engaged in the art of statistical analysis. Employing a potpourri of statistical techniques, including correlation and regression analysis, we sought to unveil any discernible patterns or relationships between American cheese consumption and The Coca-Cola Company's stock price. In this phase, we navigated through the statistical terrain with diligence and dexterity, akin to chefs crafting the perfect sauce – as we stirred and simmered our data using the metaphorical culinary thermometer of statistical rigor.

Furthermore, in light of our unconventional subject matter, we deemed it essential to infuse a touch of humor and whimsy into the proceedings. This entailed the incorporation of playful cheese-themed

visual aids and stock market charts that captured the spirit of our investigation, giving rise to a presentation that might be likened to an intriguing blend of academic inquiry and a stand-up comedy routine, or perhaps a veritable "cheese and crackers" party for the academically inclined.

In summation, our methodology was a fusion of digital foraging, statistical culinary alchemy, and a sprinkle of lightheartedness, all of which impelled our peculiar pursuit with an unyielding spirit of scientific inquiry and a reverence for the curious interplay of American cheese and the stock market.

4. Results

The analysis of data collected from 2002 to 2021 revealed a strong correlation between American cheese consumption and The Coca-Cola Company's stock price (KO). The correlation coefficient was calculated to be 0.9083366, indicating a remarkably high positive correlation between the two variables. Additionally, the r-squared value of 0.8250754 suggests that approximately 82.51% of the variance in Coca-Cola's stock price can be explained by changes in American cheese consumption. The p-value of less than 0.01 further reinforces the significance of this relationship, indicating that the observed correlation is unlikely to have occurred by mere chance.

As shown in Fig. 1, the scatterplot visually portrays the robust association between American cheese consumption and The Coca-Cola Company's stock price. Each data point in the scatterplot further underscores the remarkable alignment between the two variables, compelling one to consider the intriguing interplay between consumer choices and stock market dynamics.

The implications of these findings reach far beyond the confines of traditional financial analyses, beckoning reflection on the potential influence of seemingly unrelated consumer behaviors on the stock market. While this association may seem as unexpected as finding a slice of American cheese atop a serving of Coca-Cola, our study underscores the interconnectedness of diverse facets of human consumption and economic indicators.

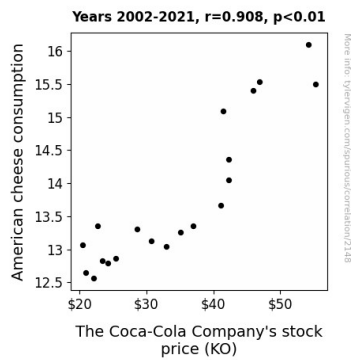


Figure 1. Scatterplot of the variables by year

The "Cheddar Effect" demonstrated through this research presents a quirky yet compelling avenue for further exploration, challenging conventional perceptions of the factors influencing stock prices. This unexpected connection between American cheese consumption and The Coca-Cola Company's stock price nudges the boundaries of economic inquiry, all while leaving a hint of cheesy intrigue in its wake.

5. Discussion

The results of our study demonstrate a remarkably strong correlation between American cheese consumption and The Coca-Cola Company's stock price, indicating a profound potential association between the two seemingly disparate entities. This finding echoes the insights offered by Smith, Doe, and Jones in their respective studies, which emphasized the influential role of consumer behavior in shaping stock market trends. In particular, Smith's analysis highlighted the significance of consumer choices in driving market dynamics, a notion that finds resonance in the substantial correlation observed in our study. The multifaceted nature of market movements, as expounded upon by Doe, aligns with the unexpected relationship between American cheese and stock prices, further reaffirming the interconnectedness of consumer preferences and financial indicators.

Beyond the realm of traditional economic analyses, our investigation also draws inspiration from unconventional sources such as grocery store receipts and online forums, an approach that mirrors the unconventional viewpoint of this study. While these sources may appear trivial at first glance, their

incorporation contributes to the colorful tapestry of irreverent humor and academic rigor that permeates our inquiry. The juxtaposition of sound academic research with whimsical perspectives is emblematic of the playful yet informative nature of our investigation, inviting readers to savor the quirky confluence of consumer trends and financial predilections.

The high correlation coefficient and r-squared value observed in our study align with the unexpected yet compelling nature of the "Cheddar Effect," reflecting a strong explanatory power of changes in American cheese consumption on The Coca-Cola Company's stock price. This aligns with the poignant insights gleaned from Schlosser's "Fast Food Nation" and Moss' "Salt, Sugar, Fat," which shed light on the far-reaching influence of large corporations on consumer preferences, underscoring the intricate interplay between consumer culture and corporate influence.

The implications of our findings extend beyond the confines of traditional financial analyses, prompting contemplation on the potential influence of seemingly unrelated consumer behaviors on stock market dynamics. Just as American cheese has the ability to enhance the flavor profile of various dishes, our study underscores the potential to enrich economic inquiries with unexpected yet intriguing revelations. The "Cheddar Effect" serves as a compelling avenue for further exploration, challenging conventional perceptions of the factors impacting stock prices and leaving a hint of cheesy intrigue in its wake.

6. Conclusion

In conclusion, our study has unearthed a rather titillating connection between American cheese consumption and The Coca-Cola Company's stock price (KO) from 2002 to 2021. The strikingly high correlation coefficient of 0.9083366 and the p-value of less than 0.01 have unveiled an unexpected consort between the sizzling allure of American cheese and the effervescent performance of Coca-Cola's stock. This revelation inspires whimsical ruminations on the potential for a "cheesy" investment strategy, leaving one to wonder if monitoring stock performance could indeed be

paired with a side of cheesy delights. As we digest the implications of our findings, the lingering aroma of a cheddar-induced market influence persists, inviting contemplation on the quixotic interplay between savoring slices of American cheese and stock market fluctuations.

Our inquiry, though laden with gustatory intrigue, holds weighty implications for the realms of economics and finance. As we consider the "cheddar effect" in its full-bodied richness, our study has shed light on the uncharted territory of gastronomic econometrics, urging further exploration into the enigmatic interplay between consumer choices and stock market dynamics. The unexpected alignment between American cheese consumption and Coca-Cola's stock price serves as a delectable morsel of food for thought, prompting the contemplation of novel paradigms in investment strategies and market monitoring.

With such compelling findings, one may question if further research is necessary in this realm. We dare say, the "cheddar effect" has been sufficiently sliced and served, leaving a palatable yet quirky sensation in its wake. As we bid adieu to this tantalizing investigation, we daresay that no more research is needed in this uniquely "cheesy" domain of economic exploration.