

PepsiCo Foodservice Insights

COVID-19 INSIGHTS

STICKY BEHAVIORS

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We Continue to Grapple with How to Move Toward a “New Normal”

Possible return to restricted living if
COVID-19 cases spike

HORIZON 0
Prevention & Preparation

Feb-Mar 2020



Rapid shift to fear and uncertainty about the seriousness of the virus and how to prepare for “shelter-in-place”

HORIZON 1
Confinement & Cocooning

Mar-Jun 2020 (est.)



Going through stages of adapting to a new, stressful lifestyle and restless for a return to normalcy

HORIZON 2
Restricted Recovery

Jun-Dec 2020 (est.)



Cautiously optimistic and taking cues from others on how to balance our responses

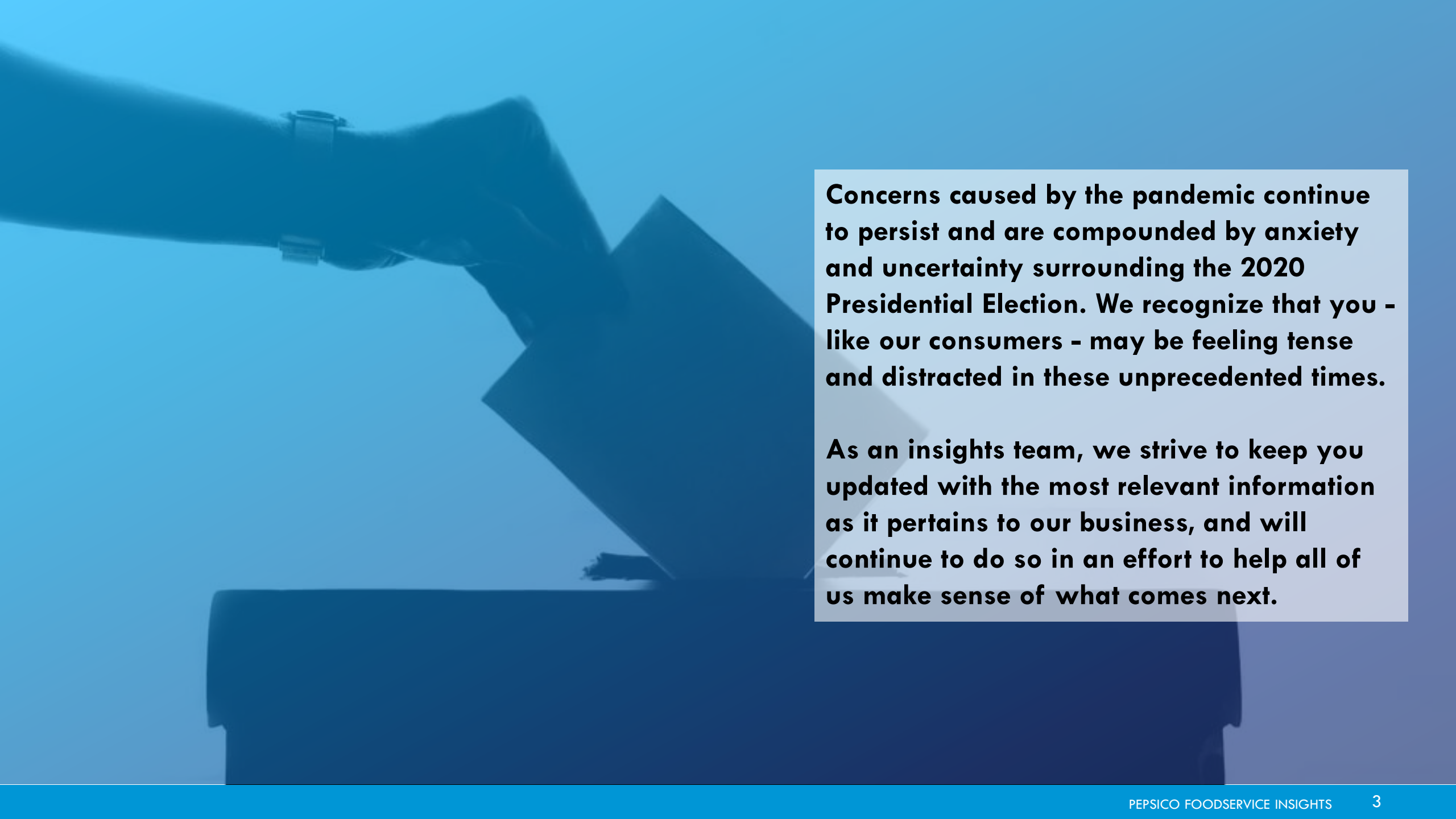
HORIZON 3
New Normal

2021+



New behaviors form if finances, desire, and/or opportunity dictate; old behaviors return otherwise

Varies by market based on COVID-19 impact, government actions and human response

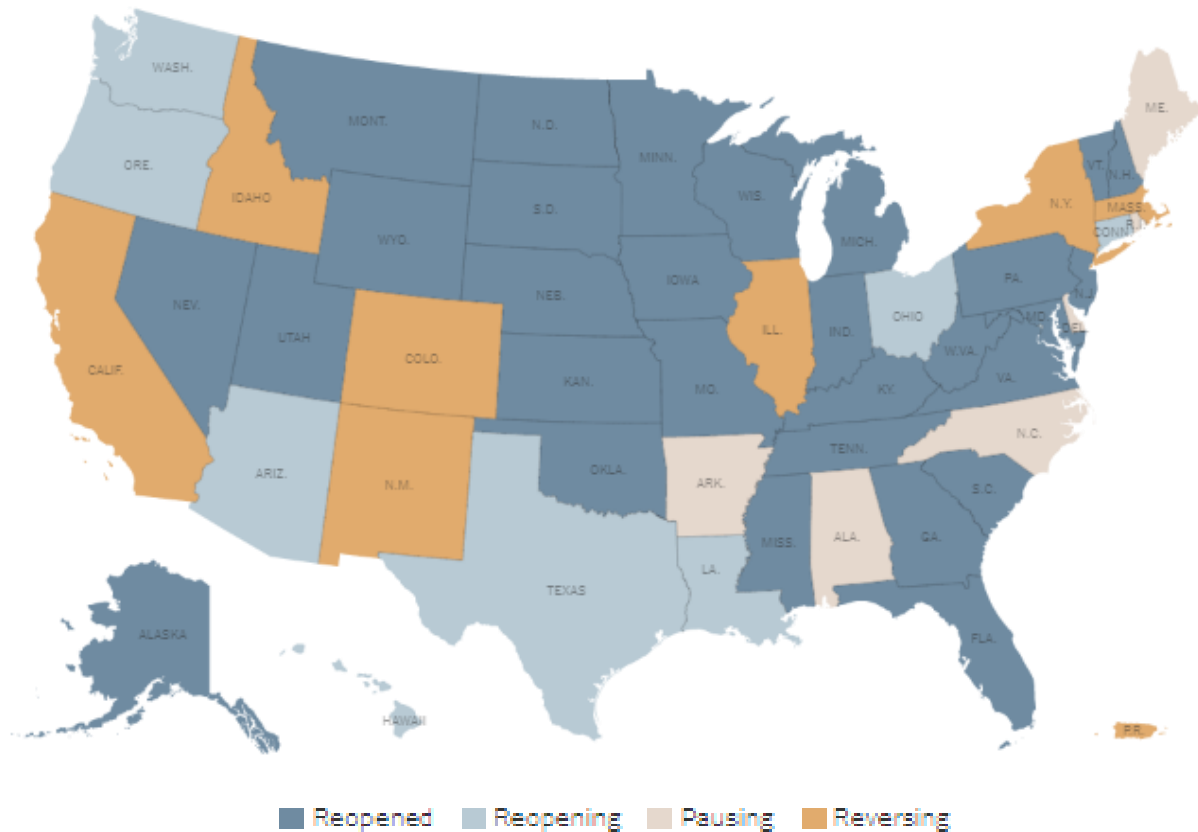
A blue-tinted background image showing a hand holding a pen, poised to write on a document. The image is overlaid with a semi-transparent white box containing text.

Concerns caused by the pandemic continue to persist and are compounded by anxiety and uncertainty surrounding the 2020 Presidential Election. We recognize that you - like our consumers - may be feeling tense and distracted in these unprecedented times.

As an insights team, we strive to keep you updated with the most relevant information as it pertains to our business, and will continue to do so in an effort to help all of us make sense of what comes next.

Experiencing A New Wave...

Daily case counts in the USA surpassed 100,000 for the first time and some states are hitting pause



Countries around Europe are imposing new lockdowns & restrictions as their second wave surges

- The **UK's** Prime Minister has imposed a **one month stay at home** order beginning Nov. 4, with potential to be extended through Christmas
 - The country **extended wage support** for citizens through Dec. 2 to support the new lockdown
- **Italy's** Prime Minister has ordered **bars & restaurants to close by 6 pm** and complete **closure of gyms, theatres & schools** across the country through Nov. 24
 - Six regions will go into full lockdown, with a ban on crossing into or out of those regions except for essential reasons (i.e. work, medical, etc.)
- Germany & France are both in the middle of new lockdown measures as cases surge in both countries

Foodservice Landscape: Trend Tracker

DINE



- **Inspire Brands** has agreed to **buy Dunkin' & Baskin-Robbins** for \$11.3 billion, making it the largest restaurant acquisition the industry has seen in the last 6 years
- **Friendly's** has found a buyer amid their Chapter 11 bankruptcy proceedings
 - Amici Partners Group has agreed to buy Friendly's for \$2 million

PLAY



- As we gear up for winter and the ski industry gears up for the 2020 season, the **National Ski Areas Association** has released their **Ski Well, Be Well** operational best practices to help operators provide a safe environment for guests

TRAVEL



- **Cruise ships** will be setting sail starting Sunday, but with unpaid volunteers & crew only for the time being...
 - **The C.D.C.** has issued a **conditional order** requiring cruise ships be able to **prove they can provide safe trips** through simulation journeys

Foodservice Landscape: Trend Tracker

WORK



- **NYC** became the **first large city to reopen all of its public schools** at the end of October, marking the first time many students had attended in-person learning since March

SHOP



- **Quick Trip** is growing beyond the bounds of the C&G channel, **expanding into healthcare** as the sole investor in MedWise Urgent Care LLC
- **Sam's Club** has recreated National Lampoon's Christmas Vacation, allowing customers to **virtually shop from Clark Griswold's home**, which showcases new & hot seasonal items available at the club store.



Sticky Behaviors Shaping The New Normal



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**LIKE NEVER BEFORE, PEOPLE HAVE ADOPTED NEW
BEHAVIORS IN A VERY SHORT PERIOD OF TIME.
WHAT BEHAVIORS WILL STICK?**



**CONTACT YOUR PEPSICO
REPRESENTATIVE TO LEARN MORE**



We are in a time of unprecedented change and disruption as a result of the COVID-19 pandemic. While there are more questions than answers right now, we are committed to delivering best-in-class insights and perspectives that will provide a more informed approach as we jointly build plans that can succeed on the other side of this challenge.

Due to the dynamic nature of the situation, this document will evolve as new information refines our hypotheses.