

PepsiCo Foodservice Insights Briefing

ANTICIPATING 2021

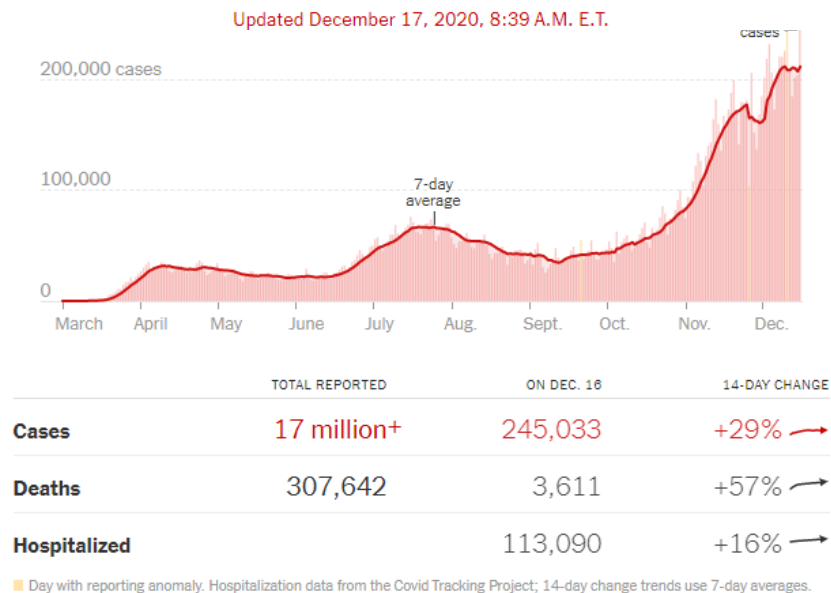
December 18, 2020



Jaime Friedman
Director, FS Consumer Insights

We're Not Out of the Woods Yet, But We are Definitely Getting Closer....

Daily COVID-19 case counts are on the rise, with record-high number of newly reported cases per day



- Many states are once again imposing limits on businesses and everyday life, some closing sectors that had reopened after spring lockdowns.
- Others, to fuel the economy, are letting businesses stay open, but imposing stricter capacity limits or mandating masks.

Major news on the vaccine and testing advancements give us hope

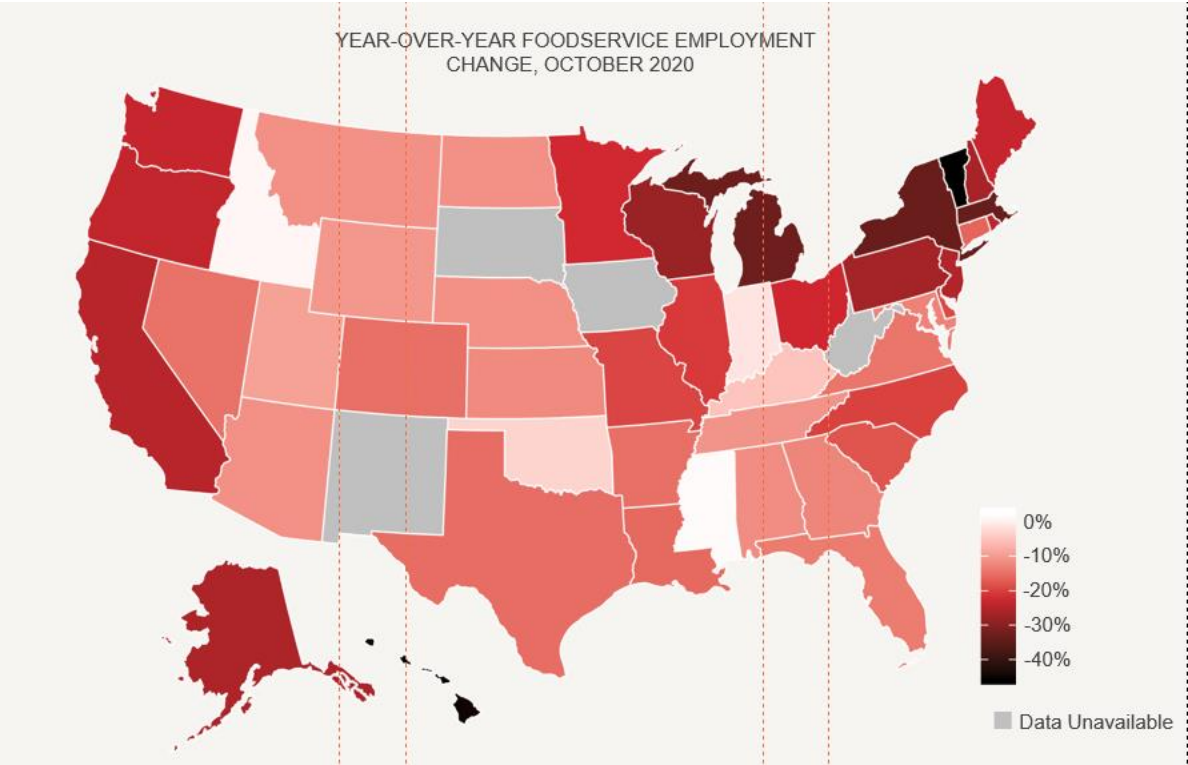
- Pfizer vaccine approved in the U.S. , 3 million doses being shipped week of 12/14, first vaccinations already underway.
- An FDA panel is likely to recommend Moderna's Covid-19 vaccine for emergency-use authorization at a hearing today.
- This Tuesday, the FDA announced authorization of a rapid coronavirus test that can be done entirely at home.
- The EU intends to start vaccinations as soon as Dec. 27.



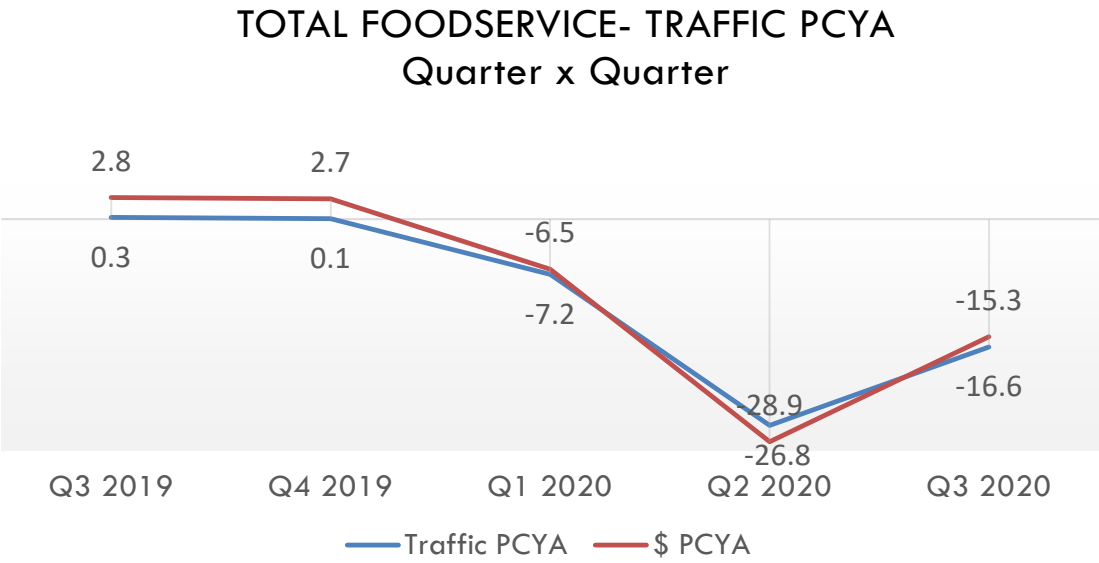
Fun Tip: If you want to find out where you are 'in line' for the vaccine, check out this link from the NY Times. [Link Here](#)

Restaurant Recovery is Uneven across the US

Many States Experiencing Double-Digit Employment Declines in the Foodservice Sector



Traffic and Spend Improved in Q3, Fueled by Take-Out and Drive-Thru,

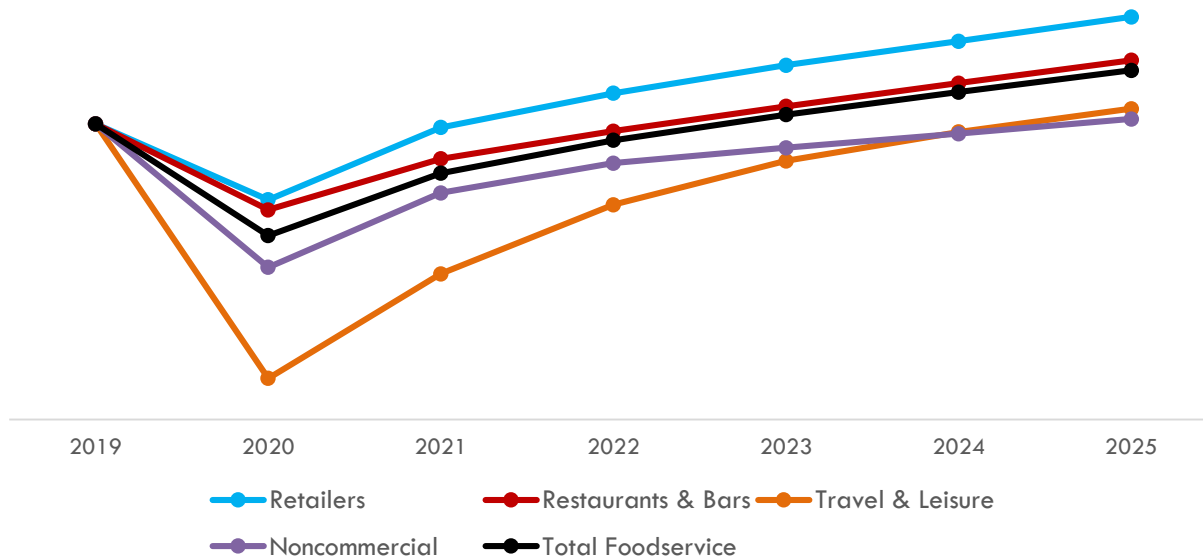


- QSR, FS Retail and Senior Care show the least traffic declines
- While Recreation, Lodging, C&U, B&I and Fine Dining are hurting the most.
- Recent DoorDash IPO and Uber's acquisition of Postmates will likely put pressure on independent delivery services.

Industry Forecast

The Foodservice Industry is Expected to Finish 2020 with a Steep Decline, and Struggle into 2021.

Cumulative Segment Growth Index
Nominal Growth



- Technomic expects the Foodservice industry to contract by **28.6% in 2020** in real terms, reflecting a slight downward revision from August 2020 expectations.
- Aggressive growth is expected in 2021, with even the Worst Case Scenario predicting growth of 17.1%. However, the expectation is that it will still take **more than five years** for the industry to reach pre-pandemic levels.
- Recovery is completely dependent on the spread of COVID-19, the effectiveness of the vaccine, a robust stimulus package and the comfort levels of consumers.

Holiday Foodservice Trends



GATHERING

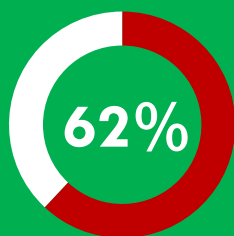
43%

Say that holiday gatherings will be smaller than usual this year.



32%

Say they will not be gathering at all.



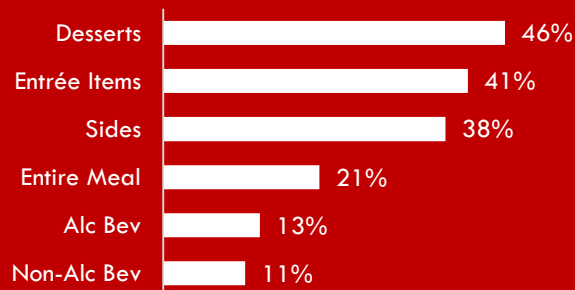
Will be staying home and making their own meal due to COVID-19



THE MEAL

22%

Say they will use restaurant food for at least a part of their holiday meal. Among these consumers, ___% will order:



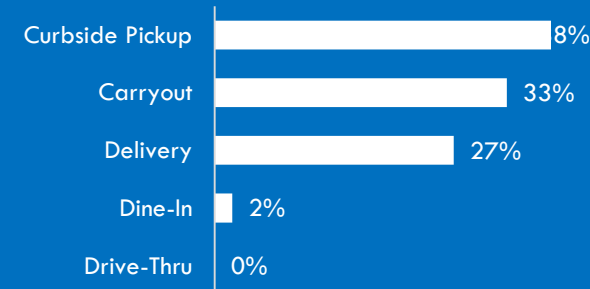
22%

Say that, if available, they would be likely to purchase a full ready-made holiday meal for pickup from a restaurant

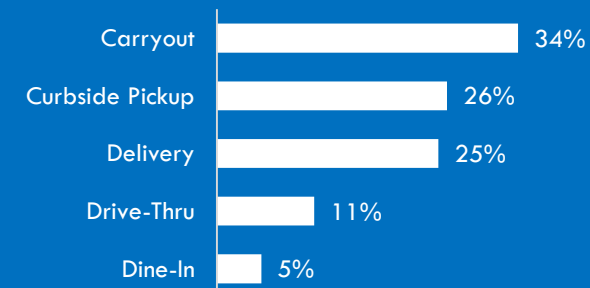


ORDER FORMAT

Format used by those who will get their **entire holiday meal** from restaurants:



Format used by those who will get **a portion of** their holiday meal from restaurants:



Anticipating 2021



Nina Guest
Sr. Manager, FS Insights



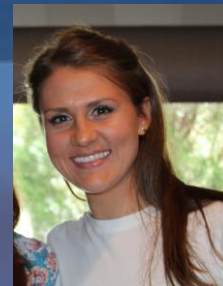
Ashley Dodge
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The Trends We're Watching

01



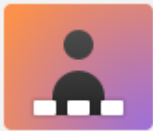
Normalization of
Personal Protection

02



Rise of Direct to
Consumer

03



Virtual Hybrid
Everything

04



Fandom without
Borders

05



Slow Travel

06



Renewed Focus On
Loyalty

07



Accelerated Automation
& Digitization

08



Homebody Economy

09



Rise of Celebrity Food
Collaborations

10



Emerging Optimism &
Moving Forward

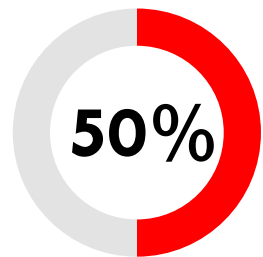


Normalization of Personal Protection

HOW IT STARTED

COVID-19 changed the discourse around wellness this year as consumers quickly learned to prioritize **sterilization and sanitation above all else.**

For many people, especially those in their formative years - this newly-formed mindset will last long past the pandemic.



Good hygiene will be an important skill for my kids to have as a result of coronavirus
(among parents with children under 10)



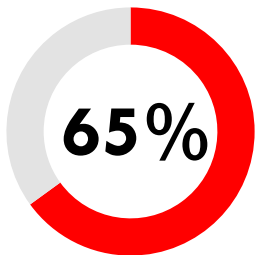


HOW IT'S GOING

Consumers have been **jolted into a starker understanding of how contagion works** in public places.

Division over the Covid-19 vaccine presents another challenge to achieving herd-immunity and will force concerned consumers to continue personal protection measures

With staged roll out of the vaccine still far on the horizon for most – we will likely **continue to see masks in shared spaces**



Five years from now, it's **very/somewhat likely facemasks will be a normal part of public life in America**

Consumers Are Polarized Over Vaccine

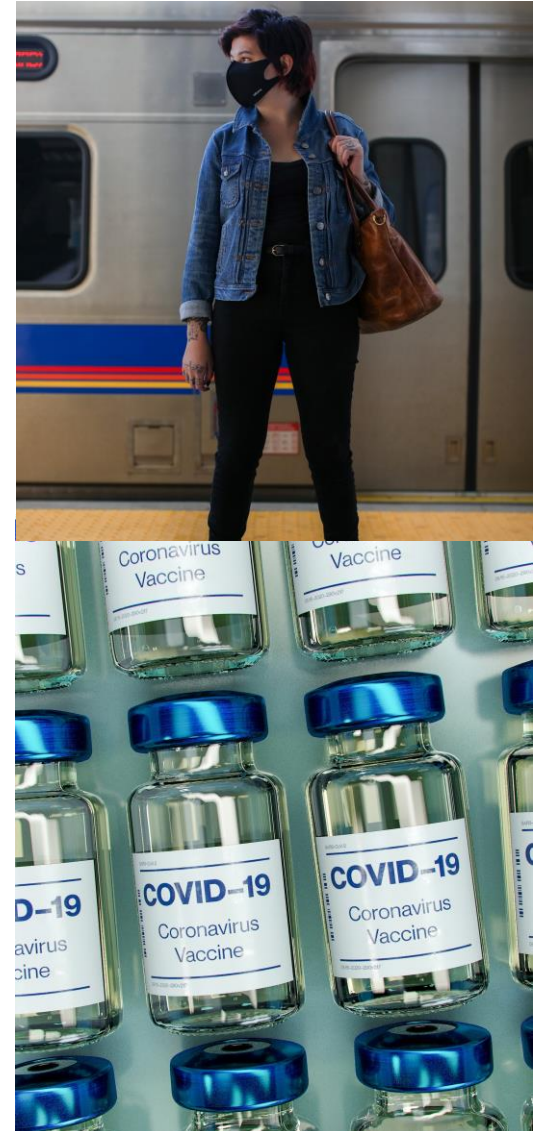
58% v. 42%

58% of Americans believe the FDA approving a Covid-19 vaccine means that it is safe; 42% do not believe so



OUTLOOK

Signaling cleanliness and visibly **showing hygiene efforts** will continue to be an operational imperative for FS operators next year



MARKET SIGNALS

01



Normalization of
Personal Protection



Cleanliness Credentials

- Clorox launched partnerships with United Airlines, Uber, and AMC Theatres this year; while Hilton partnered with Lysol to signal cleanliness to its customers.
- Fitwel recently launched a 3rd party Viral Response Certification targeted at property owners. Several large developers have had their operational policies certified using the module.



Masks As Functional Fashion

- Athleisure manufactures including Under Armor, Adidas and Reebok all introduced sports masks designed to be worn while active.
- Luxury fashion houses including Collin Strada and Off-white have started releasing luxury face masks that cost \$100 and up.



Decline of Cash

- Most Americans fear touching coins and bills, and many FS operators mandated different workers handle cash vs. food as an assurance to consumers.
- The pandemic has already produced a coin shortage in part due to decreased activity at high-coin transaction venues (i.e., laundromats) – but a cashless future has many barriers for the most vulnerable and unbanked.



Rise of Direct to Consumer



HOW IT STARTED

Ghost Kitchens (aka Ghost Restaurants, Dark, Virtual, Cloud Kitchens - the newest DTC phenomenon in FS) had been growing in popularity pre-COVID, fueled by the forecasted growth of the delivery space.

They mainly served as preparation spaces for existing brick-and-mortar locations and fledgling restaurant businesses.



Pre-COVID, **40% of consumers** had heard of ghost kitchens



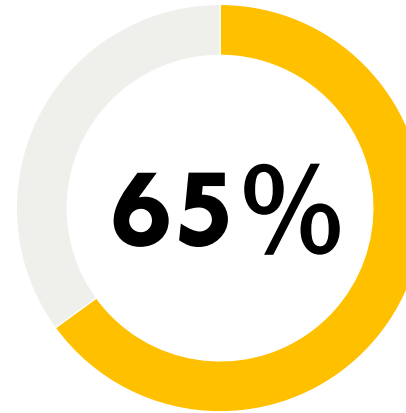
Pre-COVID, sales via ghost and virtual restaurants were **forecasted to rise by 25% for each of the next five years**, to \$300 million annually, according to Technomic





HOW IT'S GOING

- Growth of ghost kitchens as restaurant operators seek solutions for incremental revenue streams as well as ways to reduce overhead costs
- Consumers drove demand for fast, contactless, convenient access to the products they needed leading them to seek the optimal solution – sometimes going straight to the source
- CPG companies & Distributors have started going direct, also developing playbooks to help operators build ghost kitchens
- Expansion into other channels has begun, including travel and entertainment

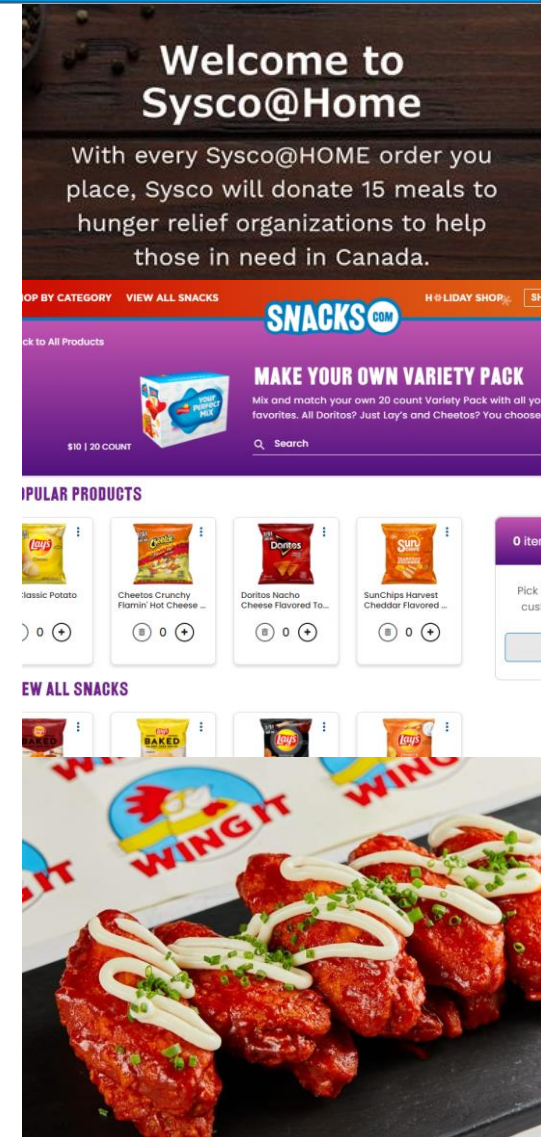


Buying things online during the coronavirus has been more convenient than I expected



OUTLOOK

Companies & operators will need to continue to be agile and evolve their business models in new ways to meet consumers where they are



MARKET SIGNALS

02



Rise of Direct to Consumer



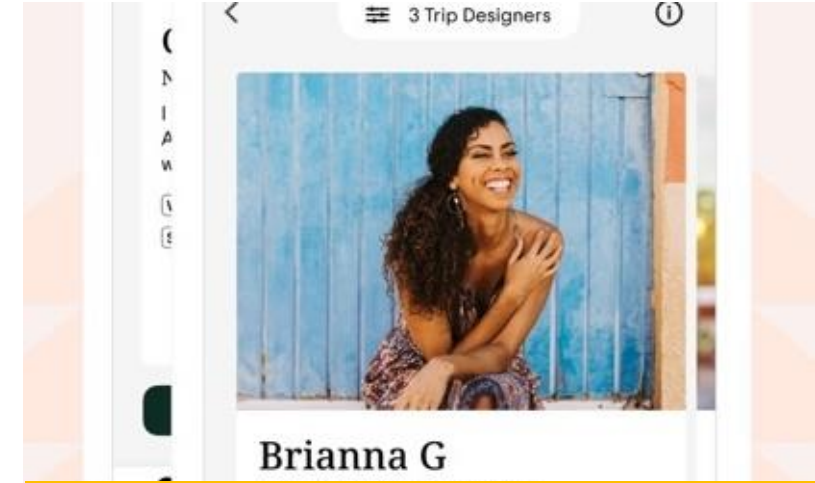
Tyga Launches Virtual Restaurant

- Popular rapper Tyga launched his own "delivery only" restaurant, available to order through GrubHub.
- His website also offers the ability to "leverage your existing restaurant's kitchen with Tyga bites. Increase your restaurant sales with a turnkey, celebrity backed, nationally marketed restaurant brand."



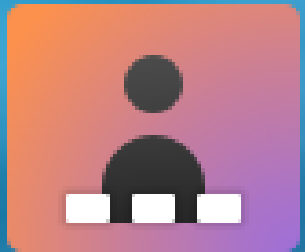
Direct to Streaming Platform Releases

- Warner Bros recently announced that its 2021 films will be released on HBO Max the same day as the theatrical release.
- In a pivot from their strategy with the release of Mulan, Disney & Pixar's Soul will be released on Disney+ the same day as theatrical release with no additional cost.

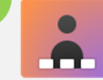


New D2C options from TripAdvisor

- Reco by TripAdvisor allows consumers to book vacations through experts, who build tailor-made itineraries specific to the destination.
- TripAdvisor Plus is an annual subscription that gives members access to deals and perks on hotels and experiences.



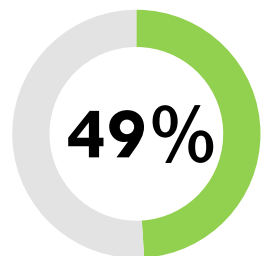
Virtual Hybrid Everything



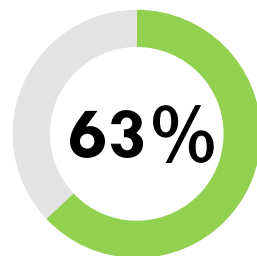
HOW IT STARTED

Pre-COVID-19, consumers were already reporting feelings of isolation, even worrying that technology was a distraction from their ability to be in the moment.

The desire for more meaningful connections had led to high value being put on in-person experiences.

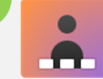


Feel isolated
from others



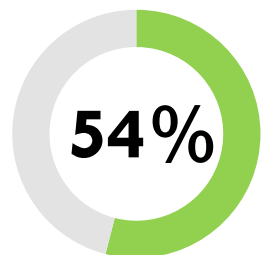
More likely to
choose a brand if
it exposes them to
new **sensations or**
experiences





HOW IT'S GOING

- Adaptation to virtual events, finding new ways to connect and celebrate milestones, though pent-up demand for in-person
- New ways of connecting (and staying connected) with friends and family across the globe
- Increased digital access to events and channels (i.e., fitness, live music)



Rated their **enjoyment of the celebration of an online event the same or greater than in person**

(Among those who have celebrated an event online recently)

When the economy opens back up again, how much are you looking forward to doing each of the following activities?

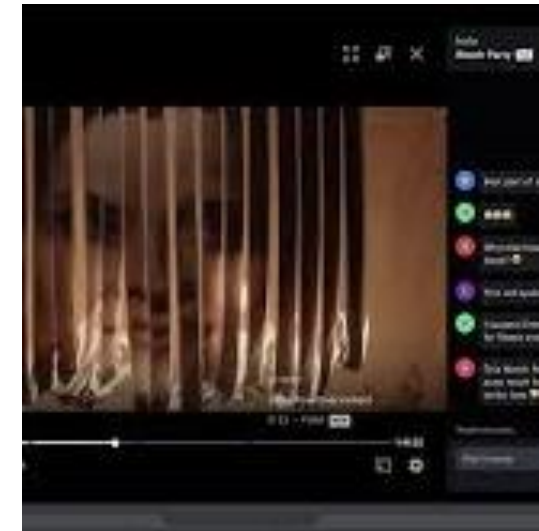
(Very much/somewhat)

- | | | |
|-----------|---|------------|
| #1 | Celebrating special occasions with friends/family | 74% |
| #2 | Hang out with friends/family | 71% |



OUTLOOK

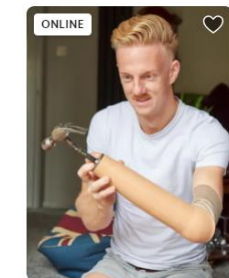
With uneven recovery, **virtual accessibility will be an imperative.** Preference for digital attendance is expected to remain in some capacity



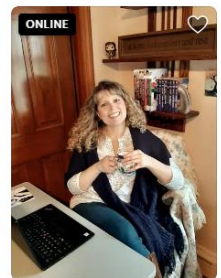
Start your sea

Introducing Online Experiences

Unique activities we can do together, led by a world of hosts.



★ 5.0 (27) · Great Britain
My success with prosthetic adaptations
From \$31 / person



★ 4.97 (70) · United States
Novel Writing with a Bestselling Author
From \$25 / person

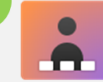


★ 4.97 (382)
Tarot Reading
From \$59 / person

[Show all online experiences >](#)

MARKET SIGNALS

03



Virtual Hybrid
Everything



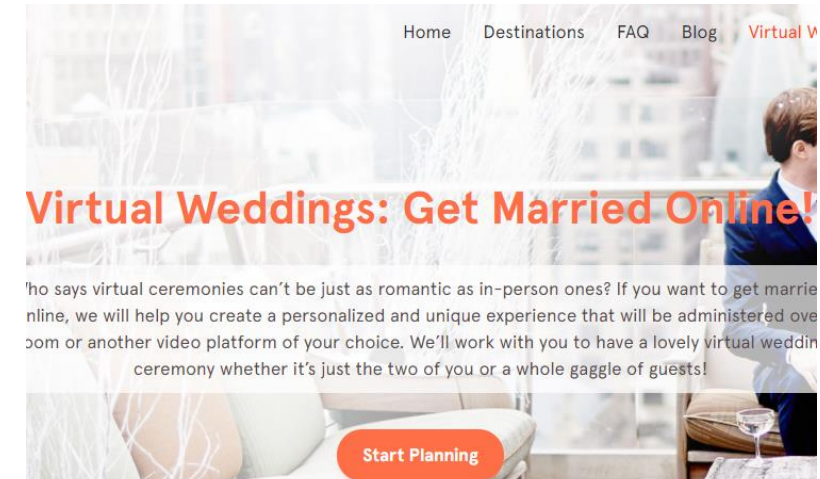
Microsoft Teams Virtual Commute

- Building on the insight that those WFH had replaced their commutes with additional work time, Microsoft Teams plans to release a Virtual Commute feature.
- The new feature allows users to block time to use features like meditation, to-do list consolidation, and reflection to ease in and out of the workday.



Expansion of Virtual Fitness

- Connected fitness trends have been amplified, giving consumers access to trainers and fitness regimen that fit their schedule (and space).
- Peloton has expanded accessibility through their mobile app, recently adding popular programs like Pilates and Barre.



Virtual Celebrations

- With the adoption of virtual ways to celebrate, these elements will no longer be out of the norm in our 'new normal.'
- Virtual Wedding & Elopement services and Driveway DJs are offering new ways for consumers to share special moments with loved ones, wherever they are.



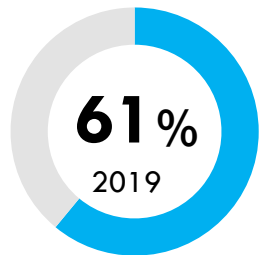
Fandom Without Borders





HOW IT STARTED

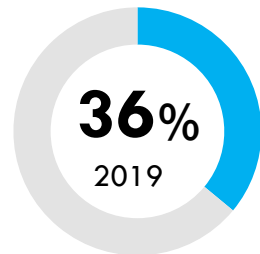
The **experience of a live event** like a concert or sporting game was evolving into something of a **status symbol**, experiences had become more aspirational than material possessions for those looking for enrichment and to **broaden horizons**.



Prioritizing experiences over material possessions is important in my personal life today

67% among Millennials

63% among Centennials



Of 19-37 year old's spent money on experiences/ events every month





HOW IT'S GOING

The way that we view sports and experiences, as well as how we engage with our favorite teams & artists has seen a major shift. Most people are uncomfortable venturing outside their bubble, but are still craving the thrill and atmosphere of a live event.

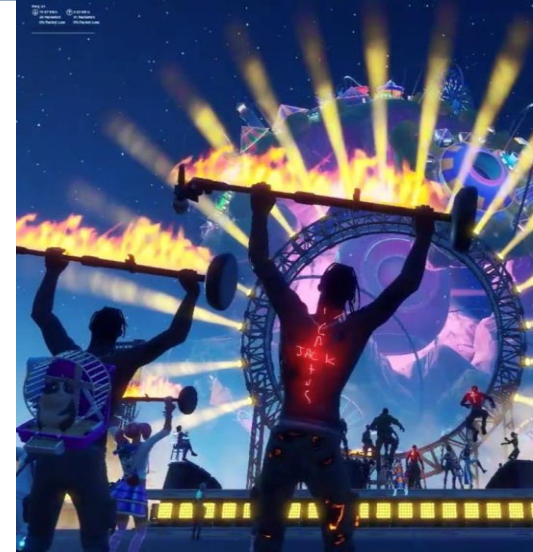
13% of consumers said they have been to an event at a stadium or arena since the start of the pandemic

35% of U.S. consumers said they'd be willing to pay a premium for private access to public spaces, or private events

Only 10% of concertgoers could permanently opt to stay home and take advantage of livestreams, citing health concerns



Although sports took a pause this year, there was still **2 BILLION tweets about sports in 2020**. Fans took to the platform to rally around their fandom and lean into a virtual sports community when in person wasn't available.



OUTLOOK

Even with traditional sports venues and meeting areas closed, fans are finding ways to connect and keep the spirit of fandoms alive. **Operators need to leverage this pent-up demand and find alternate ways to engage with fandoms**





E-Concerts & Sports

- The first ever NBA 2K Players Tournament was announced, which brought current NBA players together virtually, with the winner getting \$100K towards a charity of their choice.
- Recording artists have teamed up with popular video games to perform; with Travis Scott announced a 5 part virtual tour in Fortnite, and Lil Nas X performed a set in Roblox viewed more than 33 Million times.



Unbounded Sports Betting

- With over 100 sports “dead days” in 2020, many consumers turned to unconventional and alternative sports to fill their competitive void.
- Online gambling and betting websites took advantage of this shift, creating betting pools for a variety of “non-sports” competitions including the Presidential election and outcome of The Bachelor.



Intimate Experiences

- Kevin Hart’s most recent comedy special, Zero F**ks Given, was filmed and released in a post COVID-19 world. This intimate gathering was ultra-exclusive, filmed in his LA home, a vastly different format than his normal arena tours.
- In his intro he explains the reasoning for the intimate setting, stating “I’m no longer comfortable anywhere but my house,” echoing a sentiment felt by many nationwide.



Slow Travel

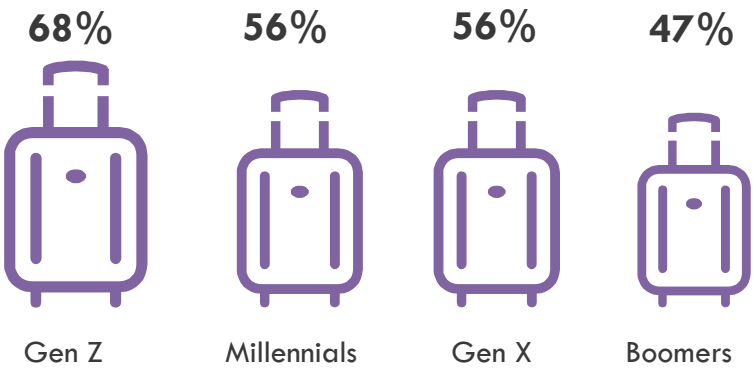


HOW IT STARTED

Travel pre-Covid was viewed as aspirational & inspirational – an expression of people’s identities.

Half the population perceived travel as more of a necessity than luxury – a profound opportunity for exploration, connection and getting away from day-to-day present

I love the idea of travel and do so whenever I have the opportunity*





HOW IT'S GOING

Consumers are eager to travel again, but uncertainty and ongoing restrictions will require **end-to-end trip planning**.

Thus we are likely to see **a slower, more flexible and purposeful pace** to peoples travel plans.

Until global travel protocols are normalized – Americans will continue to avoid crowds and exposure by choosing to escape to nature, stay in short-term rentals, and opt for road trips over air-travel.

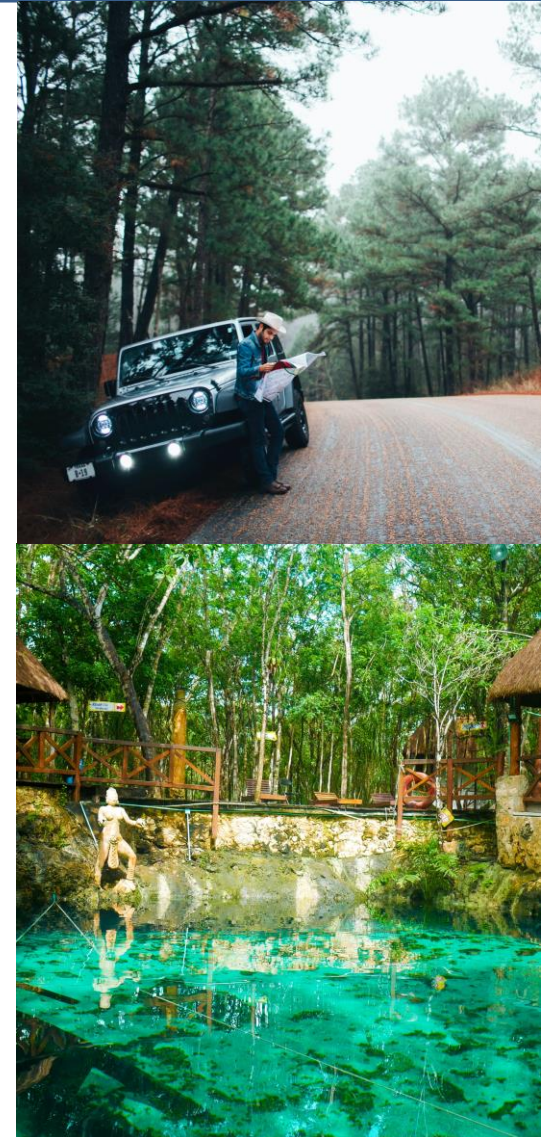
What type of vacation would you most want to take once you feel safe enough to travel?

#1	Road Trip	46%
#2	Beach Trip	41%
#3	City Vacation	21%
#4	Resort Vacation	21%
#5	International Vacation	16%



OUTLOOK

Operators will need to help consumers **navigate the complex travel environment and emerging regulations** as the industry recovers and evolves



MARKET SIGNALS

05



Slow Travel



Covid-free flights

- Delta recently announced 'Covid-free' flights to several locations from Atlanta: Netherlands, Rome, etc.
- In order to board the flight, fliers must be willing to test multiple times on the trip.



Vaccine Passports

- Start-ups like CommonPass are developing a health passport app to prove immunity and health status.
- Airlines including United, Jet Blue and Lufthansa plan to adopt the app that could soon be embraced by employers, schools, summer camps and entertainment venues.



Corporate Nomads

- The pandemic allowed many people to work from anywhere for extended periods of time and enjoy the freedom of being untethered to an office.
- 'Work-from-hotel' programs combine day rates with leisure incentives like pool access and free drinks. Corporate subscription models are also hitting the market as a perk for people working remotely.



Renewed Focus On Loyalty



HOW IT STARTED

Building repeat business and selling to existing customers was always an important imperative for any brand – but COVID-19 disrupted peoples routines and accelerated an ongoing decline in consumer loyalty.

After lockdowns – when consumers could not find their preferred product or dine-in at their favorite restaurants – they were **forced to seek alternatives and try new channels and products.**

Even before COVID – customer loyalty and retention were in decline

2/3

of people said they are more likely to switch to the competitor that provides the best customer service or experience in 2019

75% of American shoppers have altered their brand preference amid the rapid changes in the world*

Unavailability Of Trusted Brands

Accelerated Acquisition Of New Delivery Customers



HOW IT'S GOING

Many operators and brands acquired a slew of new customers during the pandemic

Retaining these new customers and encouraging repeat behavior – **while nurturing and rewarding your core fandom** with emotional and experiential perks will be essential components of any winning loyalty strategy

Customer Acquisition Costs Far More Than Retention

5x

It costs 5x as much to attract a new customer than retain an existing one

50%

Existing customers are 50% more likely to try new products when compared to new customers

Focusing On Customer Experience Is A Winning Strategy During A Recession

3x

Companies that invested in customer experience during the last recession saw 3x higher returns for shareholders than companies that did not



OUTLOOK

As people remain less mobile and less exposed to traditional touchpoints — **brands will have to work harder to remain top of mind and engaged with their core and newly acquired consumers.**



MARKET SIGNALS



Subscription Platforms

- Paytronix - a digital guest experience platform recently launched Paytronix Subscriptions.
- The platform makes it easy for restaurants and convenience store brands to launch and manage a subscription program.



Insider Clubs

- Coca Cola launched a wildly successful Insiders Club that offers fans swag and samples of the companies newest innovations.
- Kit Kat followed suit with its own flavor club that gives a limited number of fans access to the brands newest innovations.



Loyalty Eco-Systems

- Panera recently announced a partnership that gives T-Mobile customers a free 3-month subscription to MyPanera+ Coffee.
- Loyalty partnerships like this enable disparate brands to craft benefits that feel personally relevant to the consumer and their lifestyle and needs.



Accelerated Automation And Digitization



HOW IT STARTED

Dynamic digital signage was fast replacing static signs across the QSR industry AND adoption has been accelerated by COVID19 because:

- Digital signage coupled with predictive analytics presents consumers with **customized information and relevant promotions**
- The ability to change signage in real time allows operators to **respond to spikes in demand or future disruptions in a more agile manner**





HOW IT'S GOING

The pandemic ushered in a rush of retailers looking to **monetize their digital assets and first party data**.

Walmart, Target, Home Depot, Kroger, UberEats, CVS and Walgreens all recently launched their own **retailer media networks**.

These ad networks are designed to bring in new revenue streams by selling digital media on store shelves, retailer websites, in-app and on self-serve kiosks to brands

Digital Ordering To Overtake In-Person Ordering at QSRs by 2025



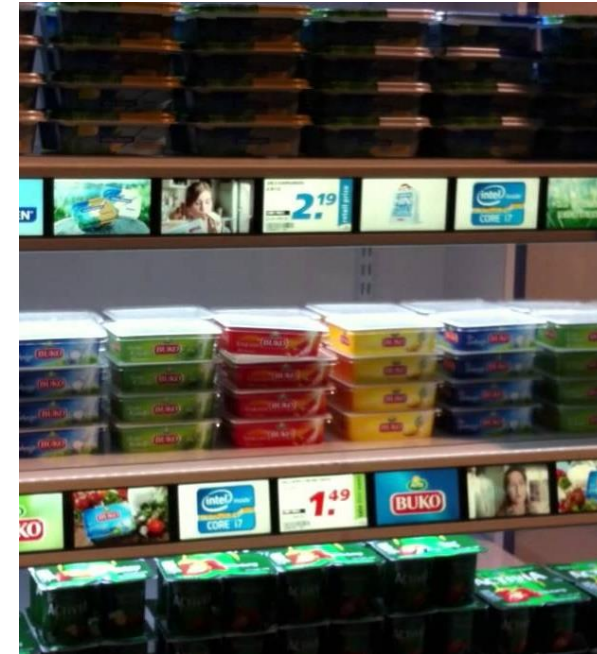
54%

Digital sales are predicted to comprise 54% of sales for limited-service restaurants in the next five years.

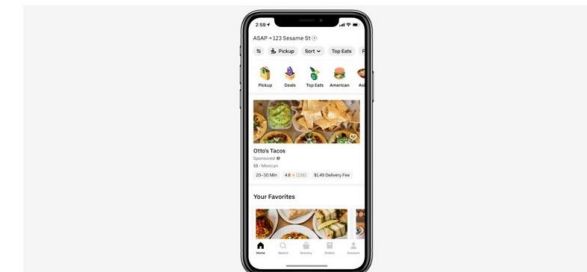


OUTLOOK

The digitalization of menu boards and signage allows merchandising and promotions to be executed and adjusted on the fly — requiring a more agile approach to how promotion windows are planned.



Uber Eats unveils first ad format with sponsored restaurant listings



Courtesy of Uber Eats

MARKET SIGNALS

07



Accelerated Automation
& Digitization



Ubiquity Of Digital Signage

- McDonald's spent more than \$300 million to buy Dynamic Yield, a company that does AI-based suggestive selling on the order screens at drive-thrus.
- Burger King, Tim Hortons and Popeyes have all also announced plans to modernize outlets with predictive menu boards this year.



Roaming KFC Vending Machines

- Customers in China can order from these vending machines via a touchscreen, then pay by scanning a QR code with their phone.
- The autonomous vehicle was developed by a startup called Neolix, which raised close to \$29 million this year.



New Self-Serve Solutions

- Starbucks recently introduced unmanned self-serve coffee kiosks in Thailand and China.
- Amazon opened several check-out free convenience stores in Seattle this year and plans to sell the technology that powers them to retailers and operators.



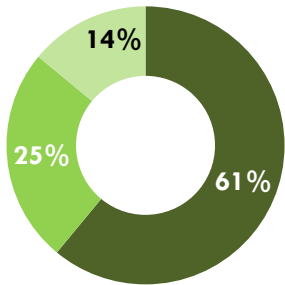
Homebody Economy

HOW IT STARTED

The idea of **Instant Gratification** had become an integral part of society, long before COVID was a concern. Services like two-day shipping and same day pick-up were increasingly becoming the norm.




- Pre-COVID, 76% of consumers agreed they enjoyed the experience of shopping online

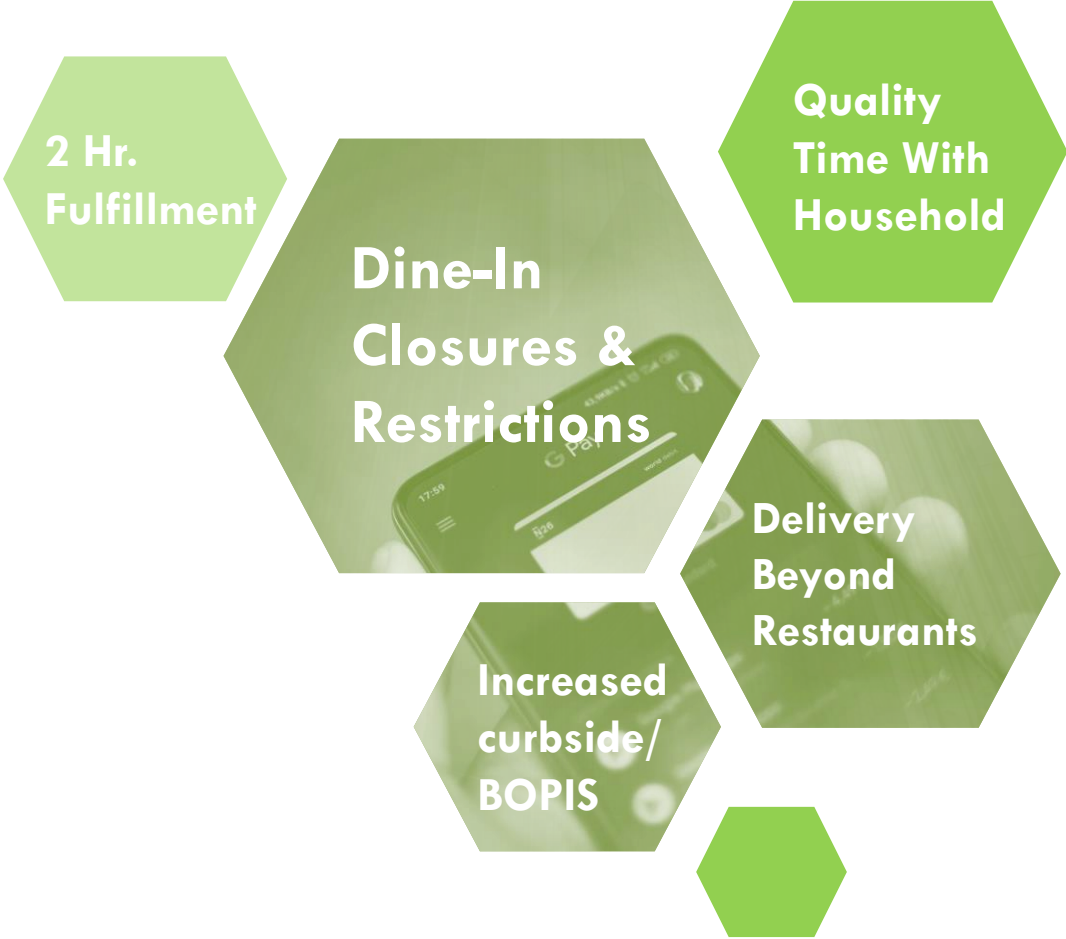
Food Ordering Methods



Majority of Dining occasions are “In-Restaurant”

Pre-COVID Feb 2020

 In Restaurant  Drive-thru  Pickup & Delivery



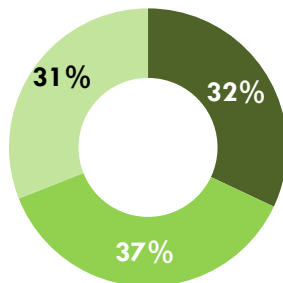


HOW IT'S GOING

Off-premise ordering for delivery and pick-up for restaurants, grocery, and retail stores went from a nice-to-have to a MUST have.

- 40% of third party delivery users say their orders have increased
- BOPIS sales are up 259% compared to pre-COVID

Food Ordering Methods



Oct 2020

In Restaurant
 Drive-thru
 Pickup & Delivery

- Dining occasions more evenly distributed
- Pick-up & Delivery +17%

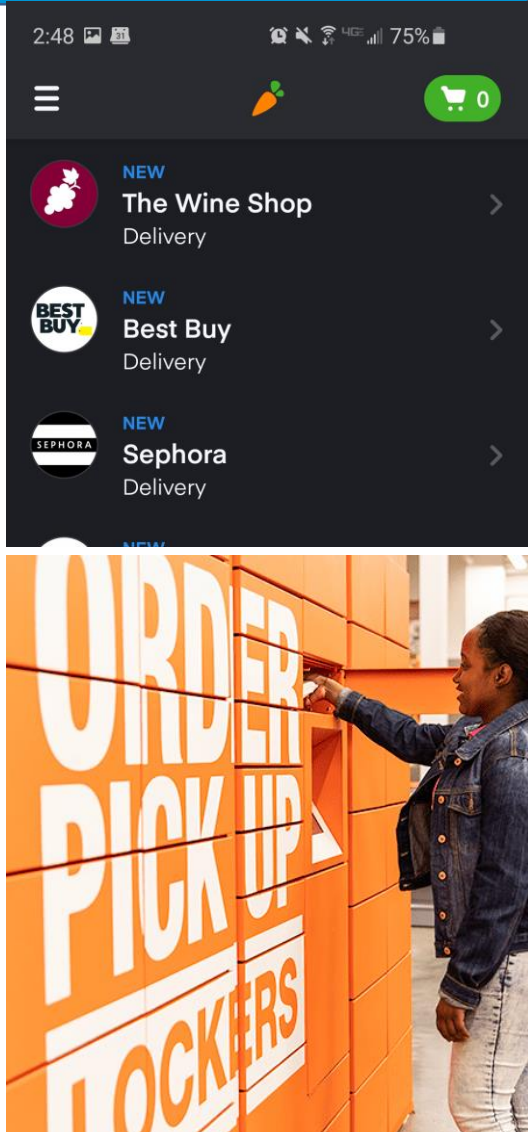
3 in 10

consumers indicate a desire for new take-out & delivery options to continue



OUTLOOK

Consumers are increasingly able to fulfill their needs without leaving the comforts of their home. Operators looking to be the standouts of emerging at-home economy need to position themselves as leaders through a strong off-premise strategy.



MARKET SIGNALS

08



Homebody Economy



Mobile Micro-marts

- Micro-marts are getting a mobile makeover. Robomart is a new delivery service in beta testing that allows consumers to summon the “store” like an Uber, pick from 50 drug store essentials like toiletries, medicines, and household goods, and pay in the style of Amazon Go.
- A separate Grocery Robomart as well as autonomous vehicles are intended to be added in the future.



Bring the Experience Home

- Marriott is finding creative ways to interact with consumers, selling hotel amenities including robes from the Ritz-Carlton, pillows from the Regis, and tea diffusers from the Westin on their Bonvoy App
- The Cowboys NFL Team & the Rangers MLB team partnered with AT&T stadium to launch *AT&T Stadium At Home* which offer fans the opportunity to have stadium food delivered



“What Else Can I Do In My Car”

- This year, with the spread of COVID a looming threat over all activities, Drive-Thrus have transcended their usual bounds of QSRs and pharmacies into activities like voting (seen here in Harris County, TX), concerts and revival of drive-in movies, as well as into the medical world with COVID-19 Drive-Thru testing centers.



Rise of Celebrity Food Collaborations



HOW IT STARTED

‘Limited Time Offers’ (LTOs) were innovation items that were used to: **engage core guests, drive new traffic & generate buzz**

- Pre-COVID, 44% of restaurants were actively developing food & beverage LTO’s

Most **LTOs revolved around new & exciting ingredients or menu items** that would be brought in for a small window, and potentially brought back year-after-year if successful





HOW IT'S GOING

- LTOs remain important visitation drivers
- Seasonal and healthy items are planned for LTOs, while comfort foods are becoming permanent menu additions
- Many operators are innovating with ingredients already on hand, without cumbersome menu development
- This is manifesting as celebrity-endorsed meals, mashups that use 'pantry' ingredients, app-only secret menu items and exclusives being featured by restaurants
- CPG is in on the trend too, with continued celebrity & pop culture collabs in the retail space

31%

of consumers would be more likely to purchase a food or beverage endorsed or promoted by a celebrity or celebrity chef, versus a generic product



OUTLOOK

As operators look to drive traffic & loyalty, they will continue using **creative ways to promote existing products**, leveraging pop culture and social media in new ways



MARKET SIGNALS

09



Rise of Celebrity Food Collaborations

'Tis the Season for Free Daily Deals with \$1 Min. Purchase*

McDonald's – Celeb, Holiday Collabs

- The 1st McD's food collab in 30 years, the Travis Scott meal, became a phenomenon in Sept, while boosting same store sales
- After initial success, McD's launched the 2nd celebrity meal with J Balvin, offering a free McFlurry to sweeten the deal
- For the holidays, McD's is giving away menu items with mobile app purchases, themed to beloved holiday characters – like Scrooge, the Griswolds, Santa, & even John McClane

Uber Eats Wendy's

Wendy's, Dunkin', Chipotle Collabs

- Wendy's made a play for gamers by partnering with Uber Eats & five Twitch streamers to sell branded meals and give away gaming prizes with purchase
- Dunkin' partnered with TikTok star Charli D'Amelio, to promote her 'go-to coffee order.' And for their holiday campaign, they used influencers doing TikTok dances & 'Cheersin'
- Jumping onto a TikTok trend, Chipotle made a Miley Cyrus-themed burrito in their app after social engagement with her

Cookie & Ice Cream Collabs

- Lady Gaga is teaming up with Oreo for a line of cookies inspired by her new album, coming in Jan 2021
- Mariah Carey launched 'Mariah's Cookies,' her delivery-only cookie concept in 30+ cities
- Dwayne Johnson released boozy holiday-themed ice creams with Salt & Straw, one featuring his tequila brand, Teremana
- Jeni's Splendid Ice Cream launched limited-time flavors with Tyler, the Creator

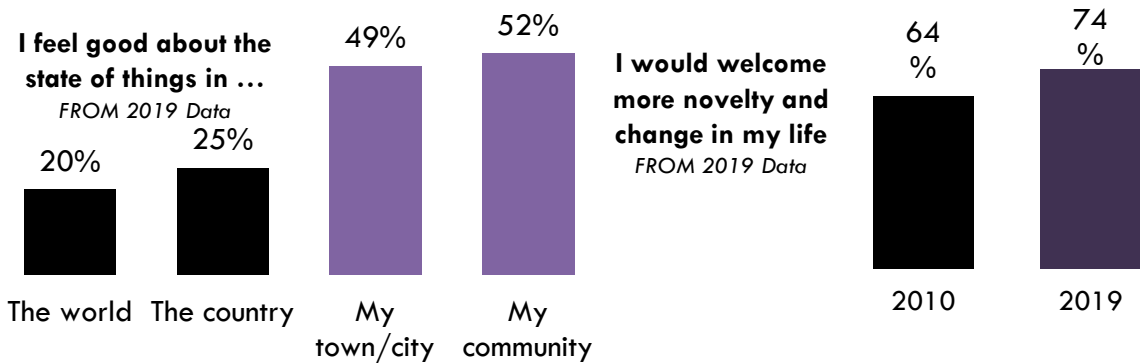
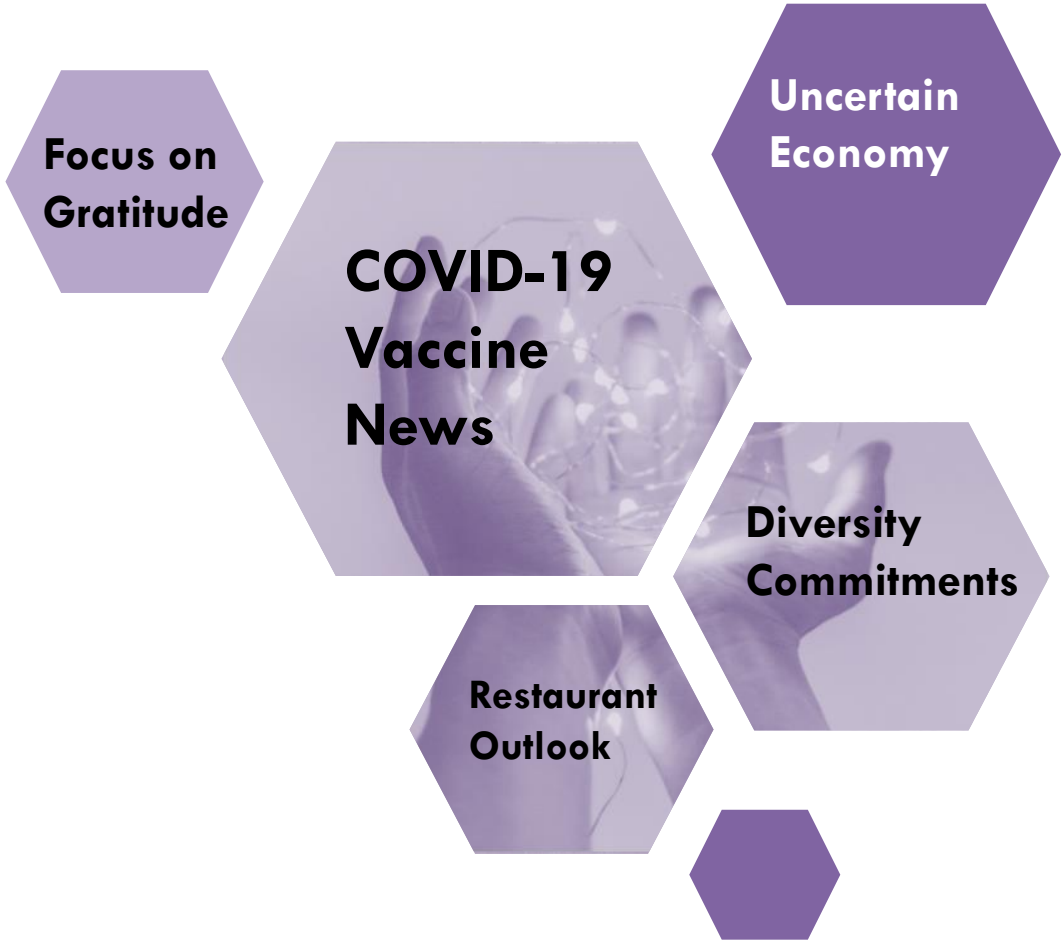


Emerging Optimism & Moving Forward

HOW IT STARTED

2019 was a relatively “normal” year. Consumers were feeling positive about the state of things in their communities, if not so much in the country/world. They were looking for novelty & change.

In Foodservice, the outlook was stable. The industry was focused on innovation, with over-the-top LTO’s, chicken sandwiches, plant-based foods. Also, off-premise and sustainable packaging were hot topics.



HOW IT'S GOING

- Even though the impacts of COVID-19 continue to ripple through communities, there is now hope on the horizon
- Consumers can visualize the end of the pandemic after several weeks of good news, like the long-awaited vaccine, beginning to ship to every part of the US
- Optimism for dining in or returning to work is on the rise among consumers
- Despite many ambiguities, the outlook for the foodservice industry remains optimistic
- Up-to-the-minute strategies are positioning foodservice segments to kick off a wider resurgence through 2021



Tweets expressing being grateful or thankful increased by 20% globally [in 2020], with a particular recognition of doctors (+135%), teachers (+30%), and essential/frontline workers (that phrase was Tweeted more than 17 million times this year)

73%

Of Americans agree that the administering of the first COVID-19 vaccines will go down in world history as a major event along with elections, wars, and peace treaties

covid19



kindness contagion



OUTLOOK

Operators will be looking to integrate all the trends we have discussed and more, **engaging in new spaces and reinventing themselves for 2021 & beyond**

MARKET SIGNALS



Popeye's Early "NYE Ball Drop"

- To celebrate the 1-year anniversary of their now iconic Chicken Sandwich, Popeye's launched a social media campaign and featured a Times Square "Ball Drop" 4 months early to remind the world that the end of 2020 is in sight and that "At least we still have THE SANDWICH."



Celebrity Chefs Help Out

- Rick Bayless debuted a Members-Only YouTube channel featuring cooking demos & live shows, which is designed to help pay the salaries of employees while traffic is still slow.
- Food Network star Robert Irvine inspired & filmed "Restaurant Impossible: Back in Business," in which he revisits restaurants he assisted in the past and is now helping them adjust to the current state.



Pantone 2021 Colors

- The Pantone Color Institute has selected not one but two colors for its Color of the Year 2021—Ultimate Gray and Illuminating yellow—a pairing that, Pantone said, come together to conjure "deeper feelings of thoughtfulness with the optimistic promise of a sunshine-filled day."



HINDSIGHT IS 2020...

2021 will be a year of getting to know our consumers all over again.

The pandemic has disrupted consumer behavior like nothing before and it's become clear that we won't be able to go completely back to "normal" when it's done.

In 2021, your PepsiCo Foodservice Insights Team will continue to keep the pulse on the consumer, reporting out to you the key trends, dynamics, behavior changes that impact our business.



PepsiCo Foodservice Insights

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.