

PepsiCo Foodservice Insights Briefing

2021 BEVERAGE TRENDS

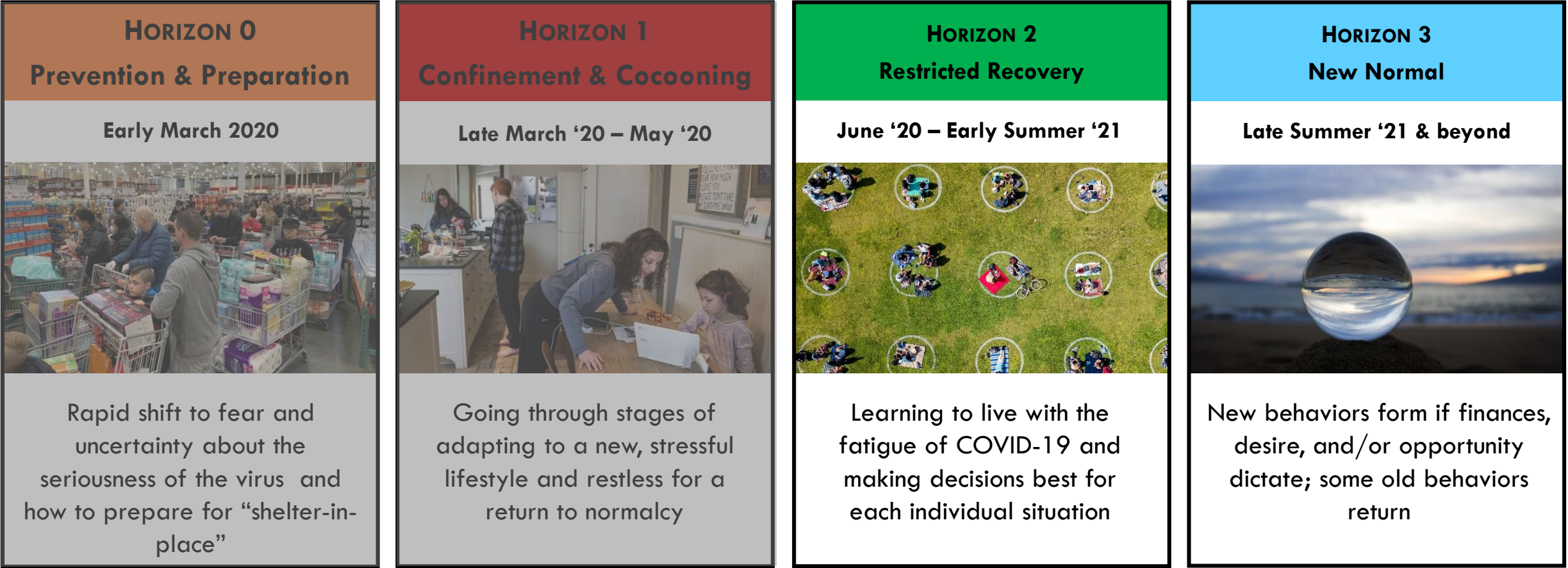
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Jaime Friedman
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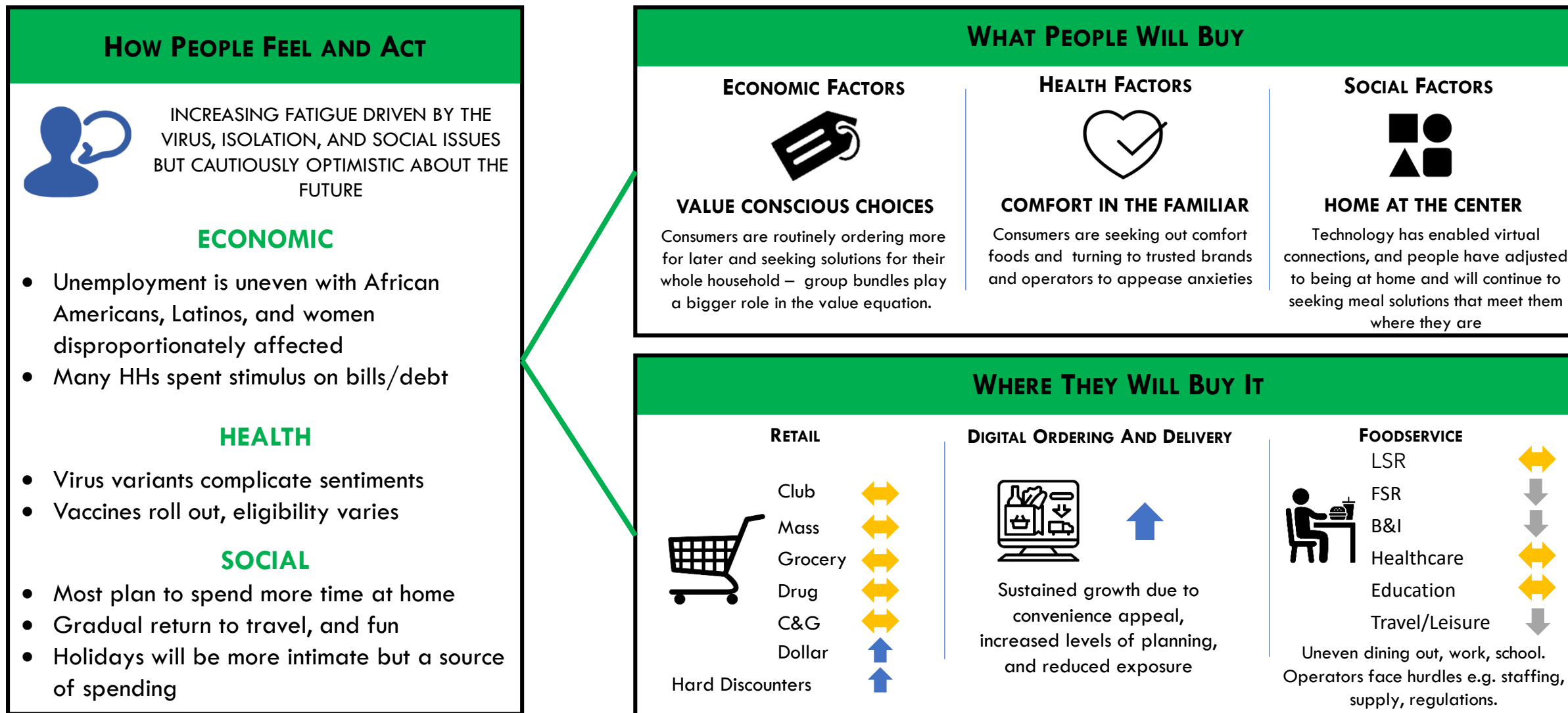
The rollout of a vaccine gives us a path to a “New Normal”...

2021: A tale of two horizons



Horizon 2: Restricted Recovery – Omnichannel View

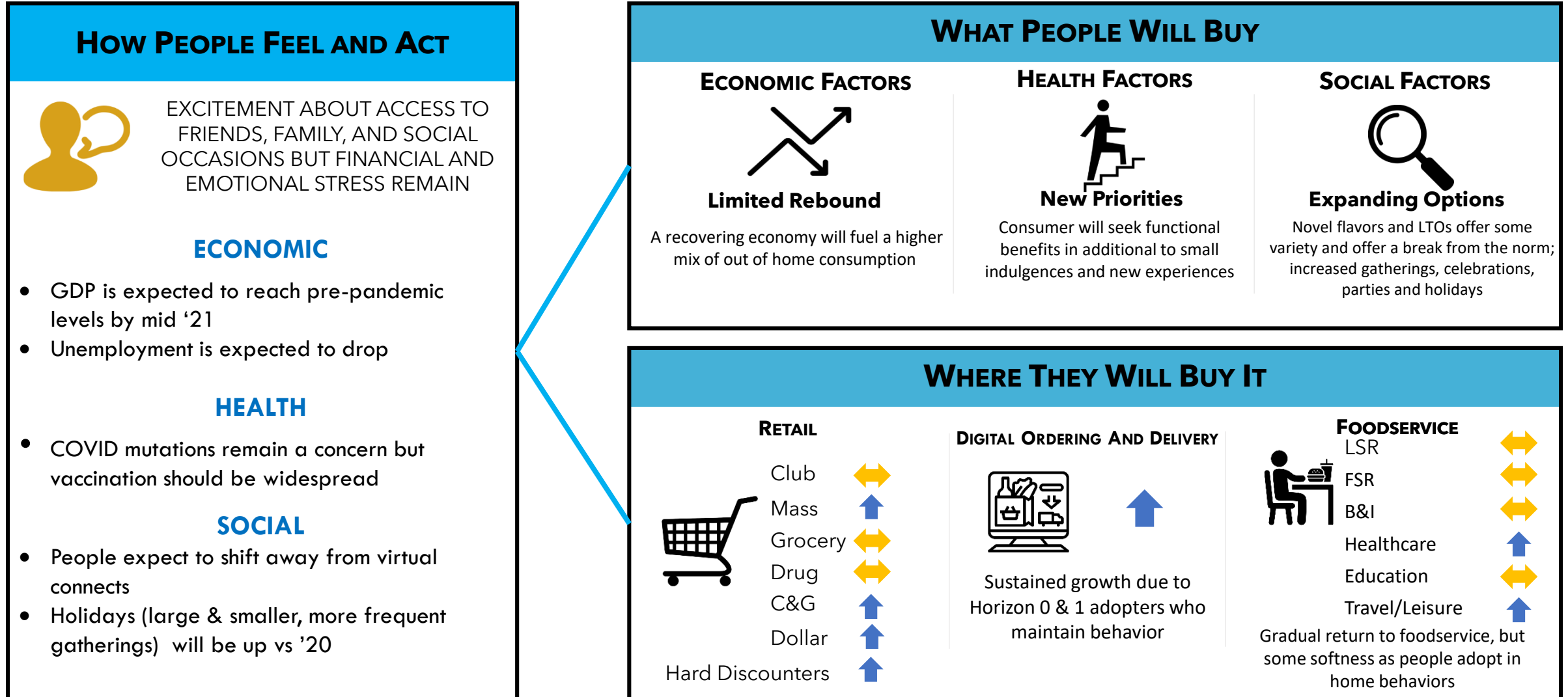
Virus variants, vaccine timing, economic ups and downs continue to impact peoples routines



*Please note arrows are based on Q1-Q2 '21 vs Q1-Q2 '20 comparisons

Horizon 3: New Normal

Excitement and relief as the world reopens but some in home behavior will likely continue



*Please note arrows are based on Q3-Q4 '21 vs Q3-Q4 '20 comparisons

MOVING TOWARDS A POST PANDEMIC WORLD...

COMBATTING THE VIRUS



- Some states have begun loosening the restrictions on vaccine eligibility
 - NY & FL have opened the vaccine to anyone 60+
 - Alaska is the first state to open the vaccine to anyone over 16
 - Washington D.C. launched a pre-registration site for COVID vaccines and receive them when they become eligible
- Despite warnings from public health officials, some states have started to roll back preventative COVID measures
 - Texas, Mississippi & Wyoming have all repealed state-wide mask mandates
 - Texas & Mississippi also gave the green light for all businesses to reopen at 100% capacity

SIGNALS AS TO WHAT'S NEXT...



- The CDC has released a set of guidelines for fully vaccinated Americans, detailing what activities they can safely do. Safe activities include
 - Visit other vaccinated people indoors without masks/physical distancing
 - Visit indoors with low-risk, unvaccinated people from a single household without masks or physical distancing
 - Skip quarantine and testing if exposed to someone who has Covid-19 but are asymptomatic
- A new “Safe Spaces Initiative” aimed at laying out safety protocols for buildings is getting the star treatment
 - Supporters include Lady Gaga, Michael B. Jordan, Robert De Niro and Jennifer Lopez

BEVERAGE TRENDS



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INNOVATION IS A GO

One year into the pandemic we are finally seeing light at the end of the tunnel. With Vaccinations on the rise and all states' food service establishments at least partially open, we look to the future to identify what beverage trends will continue to be relevant as we return to dining outside of the home



The Attribute Engine is proprietary collection of integrated + curated datasets that were leveraged to identify five broad innovation platforms

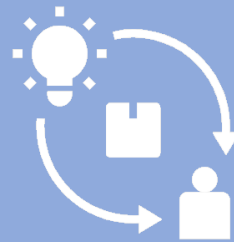


Always on Machine Learning



Social Listening
Market Signals
News and Opinion Leaders

BROAD New product/ Venture scouting



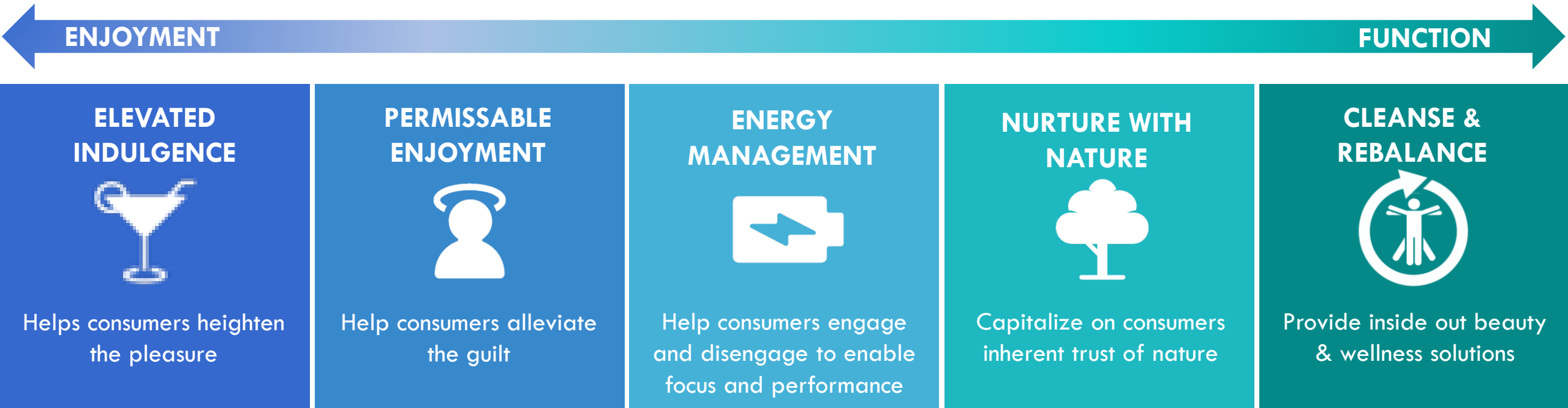
Trade Shows
Venture deals
Menu Tracking

DEEP Human Drivers



Scale Ad Hoc Surveys
Proprietary Panel

OUR PROPRIETARY RESEARCH HAS IDENTIFIED FIVE KEY INNOVATION PLATFORMS SHAPING FUTURE DEMAND ACROSS TOUCHPOINTS IN FOODSERVICE





ELEVATED INDULGENCE

Beverages that help consumers heighten the pleasure

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