

Peapod[®]

**Figuring out Delivery.
Every Day**

Peapod[®]

1989 – 2019

30 Years of History Survival

Who is Peapod[®]?

- Founded in 1989 by Andrew and Thomas Parkinson
- Started in Evanston, IL, shopping in a Jewel Food store
- Serves the Midwest and East Coast
- Went public in 1997
- Sold to Ahold, a Dutch company in 2000
- Sold 150 million bananas and 65 million pounds of kitty litter
- **World's oldest e-commerce company founded in Chicago!**

internet retailer®

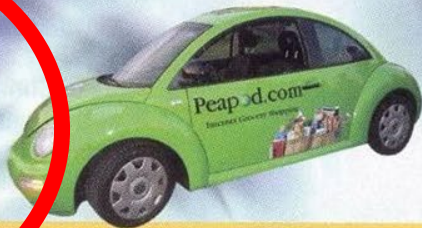
STRATEGIES FOR WEB-BASED RETAILING

MARCH 2009

www.internetretailer.com

The History of E-commerce

▶ Peapod brings the grocery store to the home PC



1989

1992

1994

1995

1997

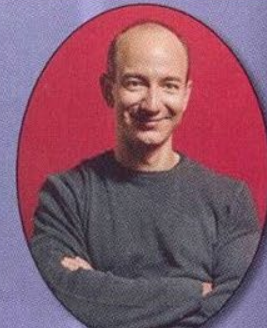
▶ A department store comes to the Internet: J.C. Penney
▶ Jerry and David's Guide to the World Wide Web is renamed Yahoo
▶ Netscape unveils SSL encryption, enhancing web security

▶ Dell becomes first company to hit \$1 million in annual online sales
▶ Netflix begins operations, changing the way people rent movies



▶ U.S. Supreme Court upholds 1997 ruling, effectively freeing web retailers from collecting sales tax in states where they have no physical presence
▶ Phone-based 1-800-Flowers plants itself on the web

▶ The future king of e-commerce, Amazon.com, launches
▶ AuctionWeb launches a site soon to be rechristened eBay



Jeff Bezos, CEO, Amazon.com

Zeroing in on an idea.

Andrew learning the business as a Domino's Pizza delivery guy in 1988



The 1989 Plan

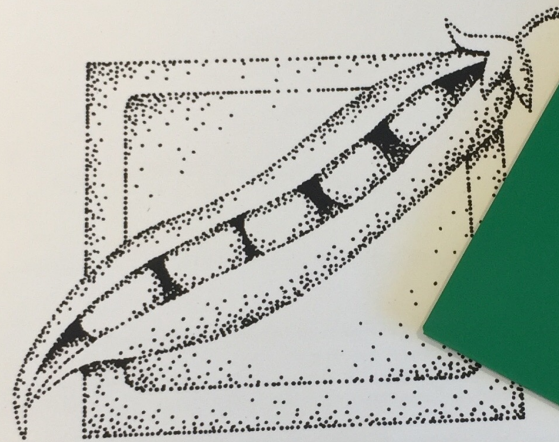
- Narrowed business plan down to Grocery Delivery via Computer and Modem
- Identified opportunity to sell advertising and promotions to Consumer Goods companies and create a media
- Raised \$50,000 from friends and family
- Launched Peapod Service with Jewel Food Stores, July 1990 in Evanston, IL

Technology in 1990

- Dial-up 1200 Baud Modems
- MS-DOS
- IBM XT or AT Computer
- No Commercial Internet

Install the Software

USER MANUAL



Peapod





PEAPOD
708-864-8900

PEAPOD
708-864-8900

Ⓞ **DELL** ■ ■
Ⓟ System 325 ■ ■



PEAPOD



Stack of three drive bays:

- Top bay: Floppy disk drive
- Middle bay: CD-ROM drive
- Bottom bay: Hard drive

Peapod's first software running on MS-DOS

PEAPOD DELIVERY SYSTEMS

TOP MENU

HOST VERSION: VER 2.01B MAY 4, 1990

1. GETTING AROUND PEAPOD (AN INTRODUCTION FOR NEW MEMBERS)
2. GROCERY SHOPPING AT JEWEL
3. A BRIEF HISTORY OF PEAPOD
4. AN OPPORTUNITY FOR INVESTORS
5. SEND A MESSAGE TO PEAPOD MANAGEMENT

MAIL

DIRECTORY

EXIT

[F1] HELP

The first E-Grocery Store



The Shelf Screen

WHOLE BEAN COFFEE					
QTY	PRODUCT NAME	SIZE	PRICE	UNIT	ON SALE
	8 O'CLOCK BEAN COFFEE	39 OZ BAG	6.49	0.17/02	
1	8 O'CLOCK BEAN COFFEE	13 OZ BAG	2.49	0.19/02	Y
	8 O'CLOCK 100% COLUMBIAN	13 OZ BAG	3.29	0.25/02	
	STEWART PRIVATE BLEND WHOLE BEAN	11 OZ JAR	3.44	0.31/02	
	8 O'CLOCK DECAF BEAN	13 OZ BAG	4.19	0.32/02	
	PAPANICHOLAS MOCHA JAVA COFFEE	16 OZ BAG	5.15	0.32/02	
	PAPANICHOLAS SPECIAL HOUSE BLEND	16 OZ BAG	5.15	0.32/02	
	PAPANICHOLAS FRENCH ROAST	12 OZ BAG	3.97	0.33/02	
F1help F2complete F3personal F4comment F8sort size ALT-Metail ALT-Total ESC					

SENDING YOUR ORDER

TODAY IS: Thu May 28

Select the day you want y

- Thursday**
- Friday**
- Saturday**
- Tuesday**
- Wednesda**
- Thursday**

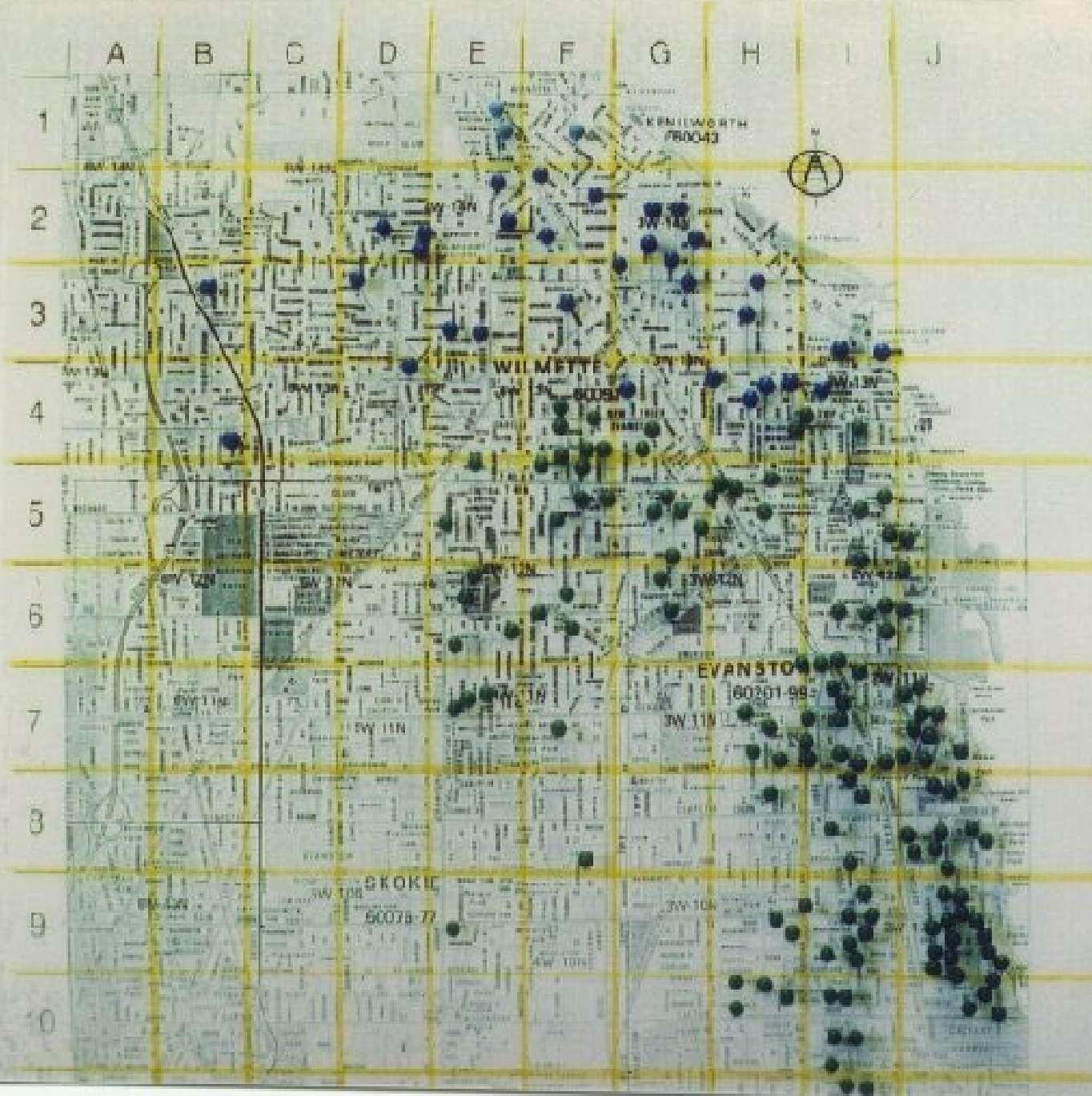
06/04/1992

AVAILABLE DELIVERY TIMES

PinPoint (\$\$)

- 9:30 AM - 11:00 AM**
- 11:00 AM - 12:30 PM**
- 12:30 PM - 2:00 PM**
- 4:30 PM - 6:00 PM**
- 6:00 PM - 7:30 PM**
- 7:30 PM - 9:00 PM**

SELECT A DELIVERY TIME



Budget Buy Month

Peapod







3000GLIND 150



Computer Grocery Shopping

Peapod

708-491-9913



Peapod





Peapod

Computer Grocery

Shopping

708-491-9916

Peapod

HONDA



Peapod™







But Success Creates Problems



1996

People

MIKE
BRENNAN

Smartist
MAN ALIVE!
(over 50)

50 years young!

Here's one COO
who's a brand
unto himself.

PLUS:

Mike's paleo diet
secrets and how he
feels 5X better!



The Levers of Grocery Delivery

Lever	Customer	Operations	Cost & Service Impact
Delivery Fees	Free	\$100.00	Customer Demand vs. Costs
Gross Product Margin	25%	50%	Price Perception vs. Margin
# of SKU's	Millions	1	Customer Demand vs. Warehouse Expense
Attended or Unattended Delivery	Both	Unattended Only	Customer Choice vs. Trans Efficiency
# Days a Week	7	5	Customer Needs vs. Trans Efficiency
Length of Delivery Windows	1/2 Hour	8 Hours	Shorter Windows drive up Trans costs
Order Lead Time	1 Hour	Next Day	Longer Lead Times creates Ops efficiency



Delivery Times



MAY 15 Wednesday
Unavailable

MAY 16 Thursday

MAY 17 Friday

MAY 18 Saturday
Up to \$5.00 Off



MAY 19 Sunday

MAY 20 Monday

MAY 21 Tuesday

MAY 22 Wednesday
Up to \$5.00 Off



MAY 23 Thursday
Up to \$5.00 Off



MAY 24 Friday

MAY 25 Saturday
Up to \$5.00 Off



Thursday, May 16

6:00am - 8:00am

Select

7:00am - 9:00am

Select

7:30am - 1:00pm

Save \$3.00

Select

8:00am - 10:00am

Select

9:00am - 11:00am

Select

10:00am - 12:00pm

Select

11:00am - 1:00pm

Select

3:00pm - 5:00pm

Save \$1.00

Select

4:00pm - 6:00pm

Select

4:30pm - 10:00pm

Save \$3.00

Select

Continue Shopping



Delivery Times



MAY 01 Today
Unavailable

MAY 02 Tomorrow

MAY 03 Friday

MAY 04 Saturday

MAY 05 Sunday

MAY 06 Monday

MAY 07 Tuesday

MAY 08 Wednesday

MAY 09 Thursday

MAY 10 Friday

MAY 11 Saturday

Will you be home for this delivery?

Yes

No

Why are we asking?

Need your groceries today? Order by 11 a.m. and we'll have your fresh groceries to you as early as 4 p.m. Same day fee applies.

Thursday, May 02

5:00am - 7:00am Unattended

Select

7:00am - 10:00am Unattended

Select

10:00am - 1:00pm Unattended

Select

4:00pm - 7:00pm Unattended

Select

7:00pm - 10:00pm Unattended

Select

Continue Shopping

The PodBag for Un-Attended



Peapod Facility in Jersey City





Peapod Facility in Jersey City



Peapod[®]

peapod.com

Online shopping and delivery

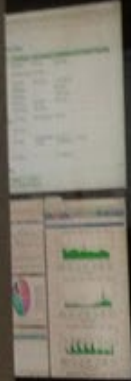


\$15 to FREE DELIVERIES
on your first order!
See the code "WELCOME" on website

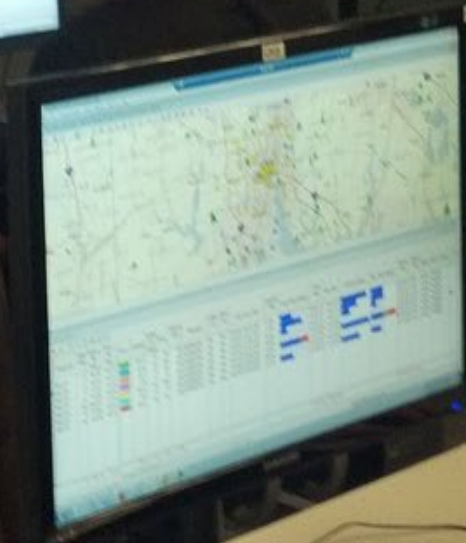
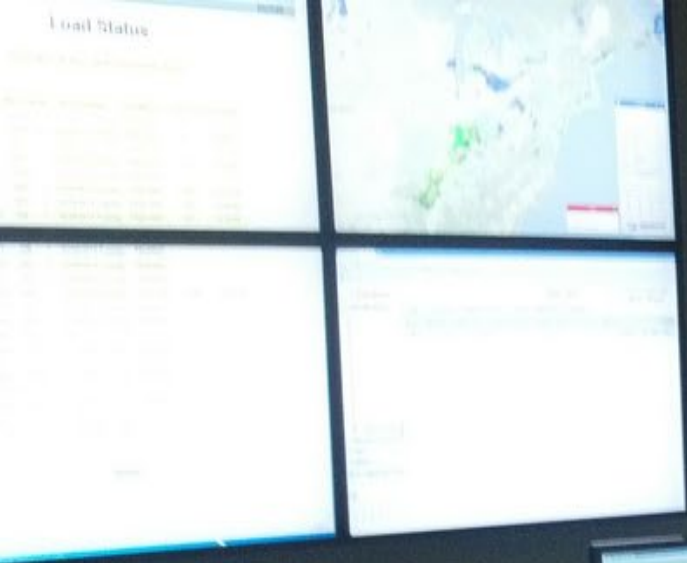
peapod.com

3172



A monitor displaying a data table with multiple columns and rows. The table appears to be a list of items with various attributes, possibly related to system status or performance metrics.A monitor displaying a 'Load Status' table with columns for 'Load Status' and 'Load Status'. The table contains several rows of data, with some cells highlighted in yellow. The title 'Load Status' is prominently displayed at the top of the table.A monitor displaying a data table with columns for 'Load Status' and 'Load Status'. The table contains several rows of data, with some cells highlighted in yellow. The layout is similar to the other 'Load Status' table.

Confidential

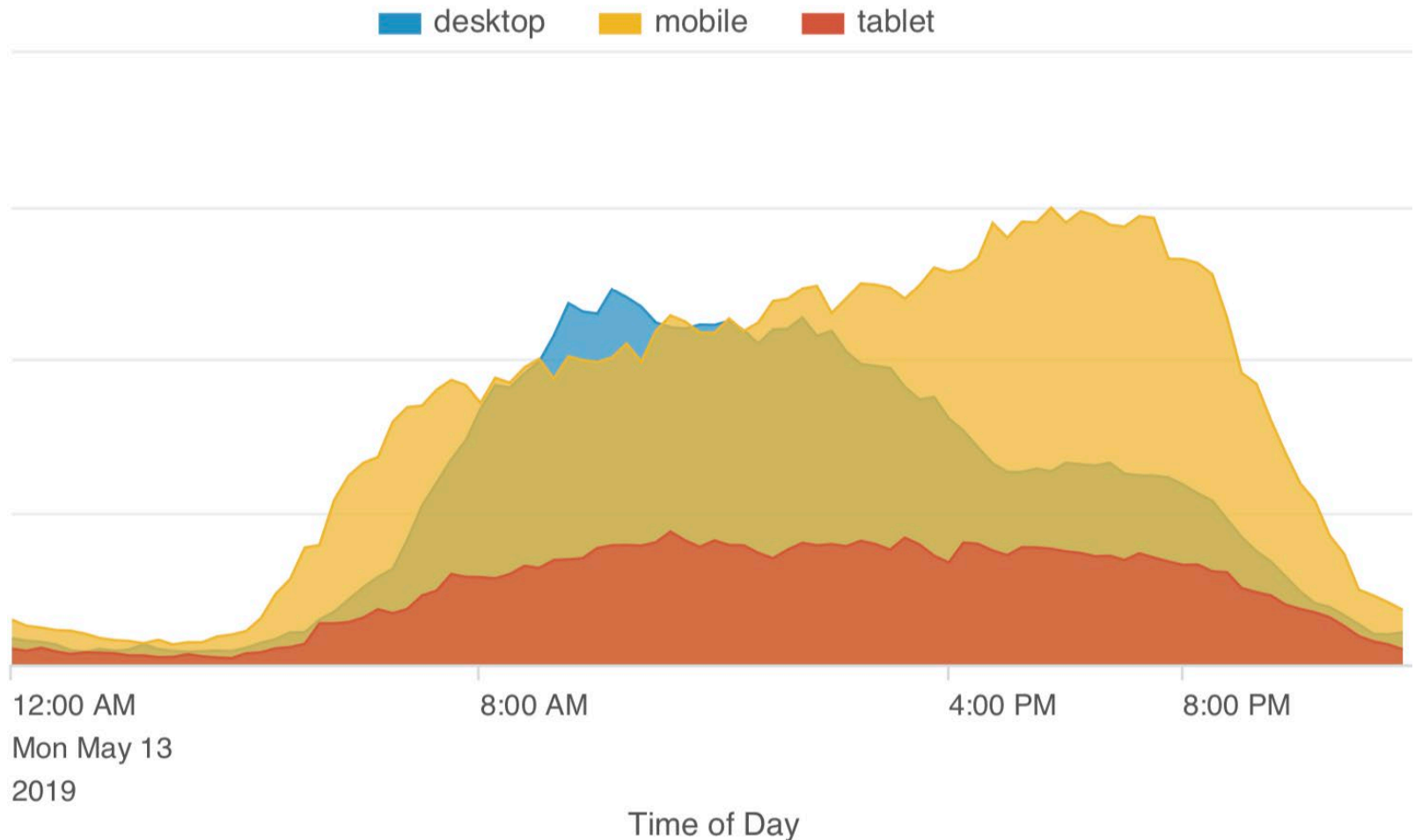


Confidential

Today

Mobile Usage Creates Demand for Immediate Delivery

Desktop vs. Mobile Usage



Back to the Future with GIG Pick in Stores. Deliver in Cars.



SHIPT









instacart

Same-day
Grocery
Delivery.

instacart
instacart.com



Peapod

Computer Grocery

Shopping

708-491-9916

Peapod

HONDA





How Peapod is Responding

Peapod working with Deliv as a same day delivery partner



The Pendulum Swings Back Again

May 14th

THE WALL STREET JOURNAL.

Walmart Launches Limited Next-Day Delivery Service

The *Journal* writes that Marc Lore, head of Walmart U.S. e-commerce business, says that “the next-day-shipping model will lower Walmart’s cost per delivery ... because shoppers will only be able to buy items available in warehouses near their homes and all items in an order will arrive together.

When costs don't matter.
Put on the Suit

