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# THINK STRATEGICALLY: Companies that ventured into the Reality Distortion Field

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## Carvana, Peloton, Zoom, Netflix, Snap, among others in the reality distortion field

The Reality distortion field concept was initially used by Guy "Bud" Tribble, the Vicepresident of Software at Apple, while a member of the Macintosh project in 1981, to describe Apple co-founder Steve Jobs's Charisma and its effects and impact on the developers working on the project. Tribble quoted an episode of the T.V. series *Star Trek* "The Menagerie", which describes how aliens would create a new world through mental force.

As the pandemic began on March 11, 2020, all consumers were forced to adopt new ways to eat, exercise, entertain themselves, study, work, communicate, and conduct life as best they could under such dire circumstances. While convenient for many, these forced changes in habits proposed complete modifications to most people's daily lives. For example, working remotely and using Teams, Meet, Webex, Zoom, and a host of other meeting platforms have taken a toll on most of us.

None of us could have imagined the tradeoff we would have to accept to continue our daily lives while creating new routines. It is a fact that it takes the human mind 166 days to convert a chore into a habit, and we have been living for the past 1,022 days now with some level of COVID-19; it is safe to say that many of the imposed changes could not become long-lasting habits.

Consumers have been in a state of variability well before the onset of the pandemic. The consumer's drive for empowerment has been quite apparent in seemingly random behaviors and demands as they sought Hyper-adoption and Hyper-Abandonment of emerging technologies as most adopt values-based consumption. Values-based consumers make decisions beyond brand, functionality, or price when deciding what to buy or use.

### Some of the trends that have become more prevalent include:

- The expanded use of food delivery has continued.
- Online-Grocery Shopping- has become and will continue to serve an audience as large as 50% of all consumers.
- Communications with facetime, zoom continue to be part of our lives.
- Work Travel continues to be a lesser part of working habits.

Having stated the facts, we now evaluate seven companies that did incredibly well during the pandemic and report their current results and status as an investment. We review the stocks from their highest price to their closing on December 28, 2022.

1. **Carvana (CVNA):** is an e-commerce platform for buying and selling used cars. When the pandemic hit, Carvana stock rose from \$49.53 on March 17, 2020, to \$370.10 on August 11, 2021. The stock closed on December 28, 2022, at \$3.83, a drop of 98.97%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$103.00.
2. **Peloton Interactive (PTON):** operates an interactive fitness platform. When the pandemic hit, Peloton's stock rose from \$19.72 on March 13, 2020, to \$167.42 on January 21, 2021. The stock closed at \$7.88, a drop of 95.29%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$471.00.
3. **Snap, Inc. (SNAP):** one of the most popular social networking apps with approximately 158 million daily active users. When the pandemic hit, Snap stock rose from \$8.91 on March 17, 2020, to \$83.11 on September 24, 2021. The stock closed on December 28, 2022, at \$8.55, a drop of 89.71%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$1,029.00.
4. **Robinhood Markets Inc (HOOD):** is creating a modern financial services platform and provides services through a single, app-based cloud platform supported by proprietary technology. When the pandemic hit, Robinhood was still a private company; however, it went public during the latter stages of the pandemic on July 29, 2021, becoming a central figure in the meme stock saga. The stock rose from \$35.15 to \$70.39 on August 4, 2021. The stock closed on December 28, 2022, at \$7.70, a drop of 89.06%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$1,094.00.
5. **Zoom Video Communications (ZM):** a communications platform that connects people through video, voice, and content sharing with a cloud-native platform that enables face-to-face video and connects users across various devices and locations in a single meeting. When the pandemic hit, Zoom became the principal communication tool for most businesses. The stock rose from \$111.10 on March 17, 2020, to \$568.34 on October 19, 2021. The stock closed on December 28, 2022, at \$65.35, a drop of 88.50%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$1,150.00.
6. **DoorDash Inc (DASH):** Consumers can use its app to order food on-demand for pickup or delivery from merchants, mainly in the U.S. DoorDash, a central figure during the pandemic, went public on December 9, 2020, closing at \$189.51; it rose to \$245.97 on November 12, 2021. The stock closed on December 28, 2022, at \$48.10, a drop of 80.95%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$1,905.00.
7. **Netflix Inc (NFLX):** is a streaming video-on-demand service now available in almost every country worldwide and using a subscription model. When the pandemic hit, Netflix stock rose from \$319.75 on March 17, 2020, to \$658.79 on November 24, 2021. The stock closed on December 28, 2022, at \$276.88, a drop of 59.97%. Had any investor purchased \$10,000 worth of its stock at the highest price, its value is now \$4,997.00.

Is evident that forcing new habits on humans can be a pretty complex endeavor, and these companies, for a time, were able to ride high in the markets.

As you can see, venturing into The Reality Distortion Field was both trick and complex. Once the pandemic restrictions subsided, more competition became available, and humans could recover their habits; these companies suffered, and other issues impacted others.

## Stocks Favored during Pandemic Impacted by new normal, Peloton, Snap, RobinHood, Zoom, Door Dash, Netflix & Carvana



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