NIQ

The Ultimate Guide to Omnichannel

Positioning your team to win

Table of Contents

1. Understanding the North America Omni Landscape

2. Top retailers and channels

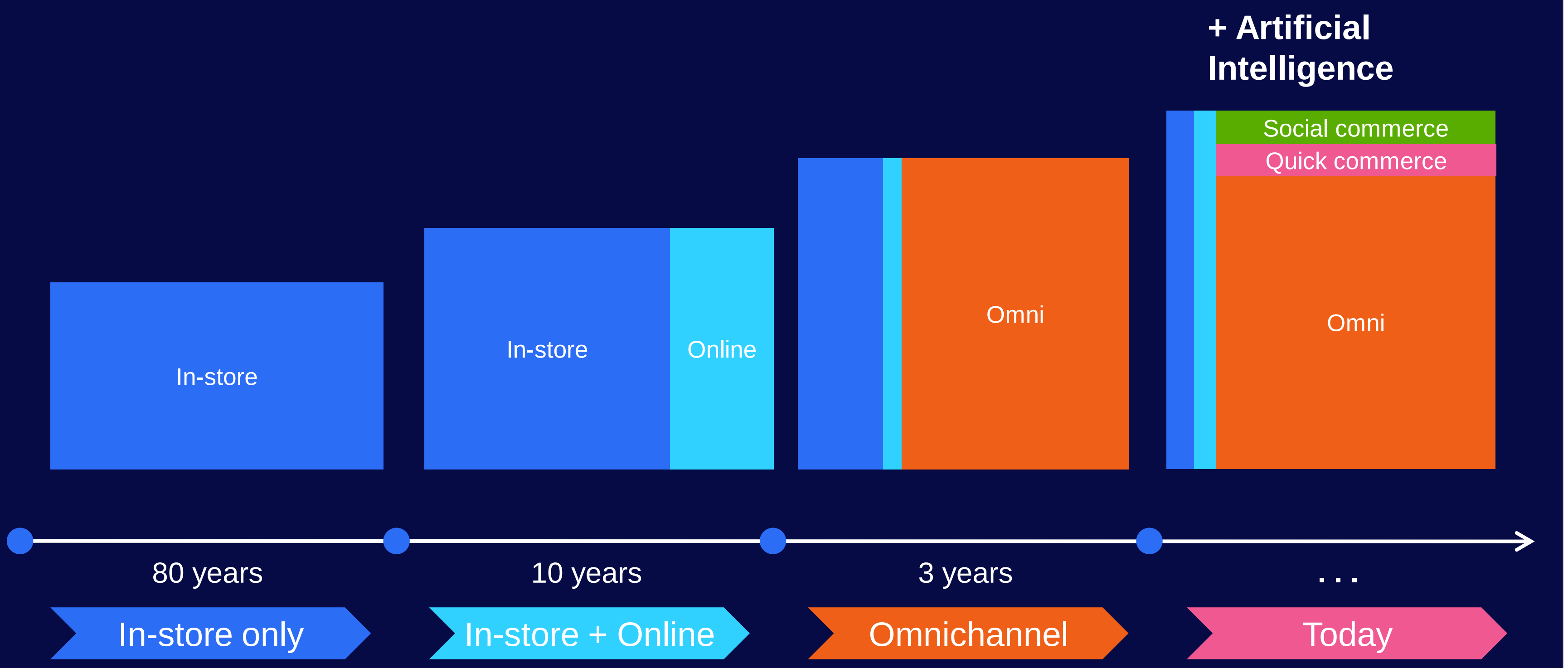
3. Emerging Business Models and Capabilities

4. What brands should focus on to win

1. Understanding the North America Omni Landscape

What does the omni landscape look like today?

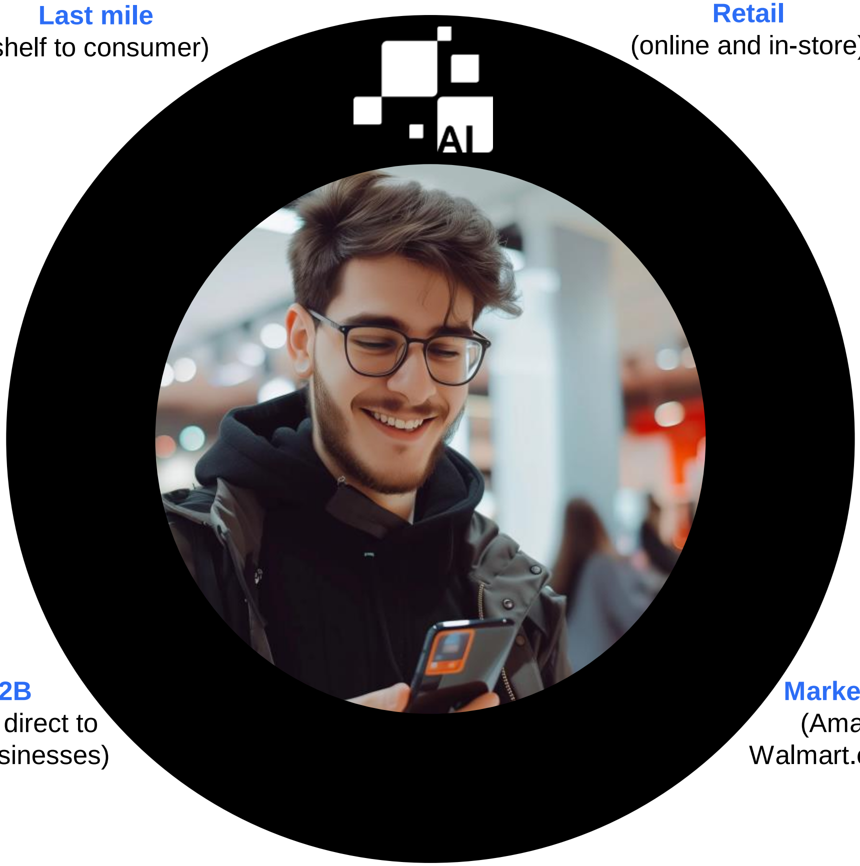
The pace of change is accelerating rapidly



Source: NIQ

Artificial Intelligence will impact all aspects of the omni ecosystem

There are seven omni touchpoints brands must keep top of mind:



Source: NIQ

Nearly every US shopper is an omnishopper

91%

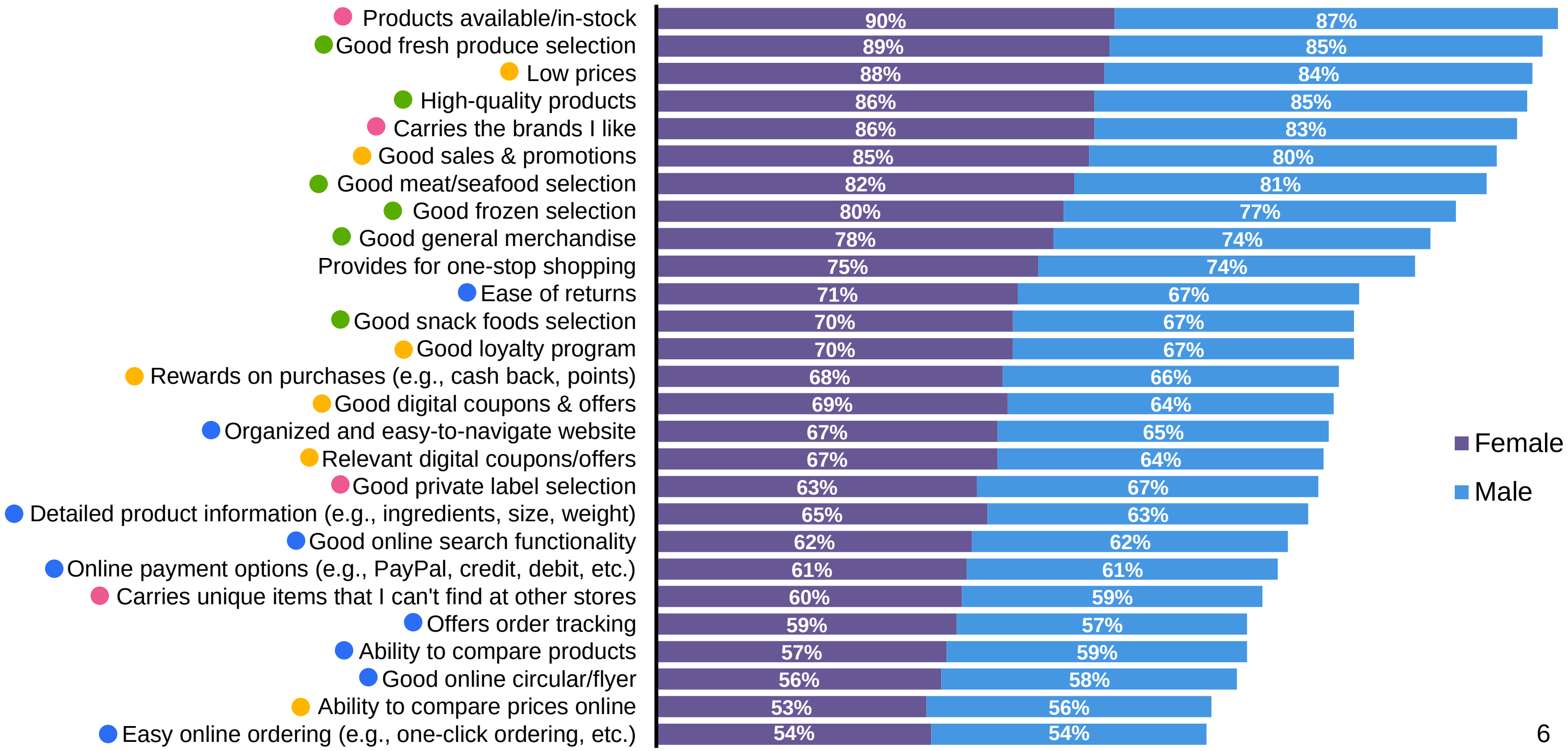
of buyers buy both in-store and online

Source: NIQ - OmniShopper

Consumers make purchase decisions based on **four main drivers**:

- **Availability**
- **Quality**
- **Price**
- **Convenience**

Top factors consumers consider before making online purchases in US



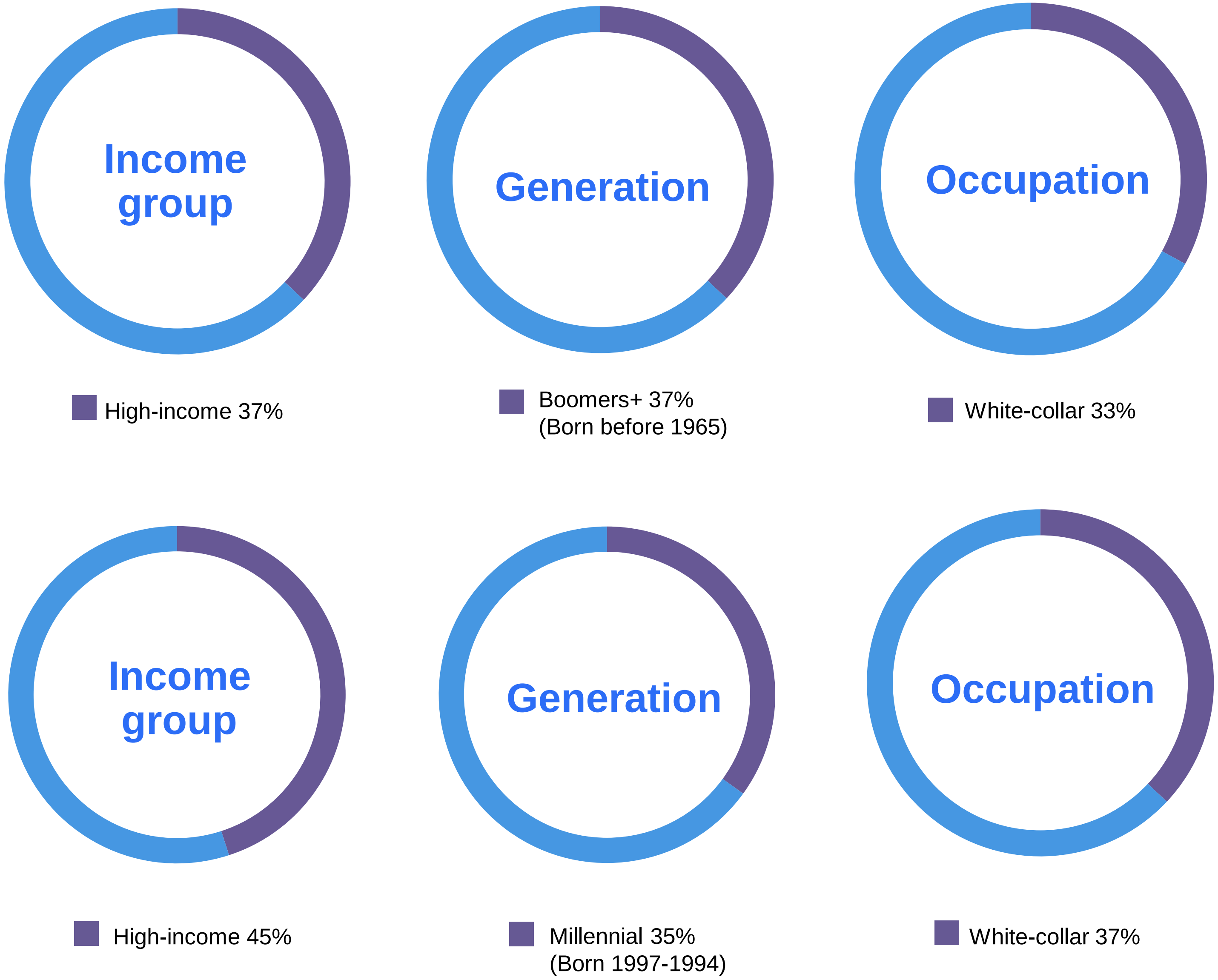
Source: NIQ BASES Retailer Diagnostic

Targeting a typical consumer in the US

Demographics of consumers purchasing general merchandise in the US

In-store

Online

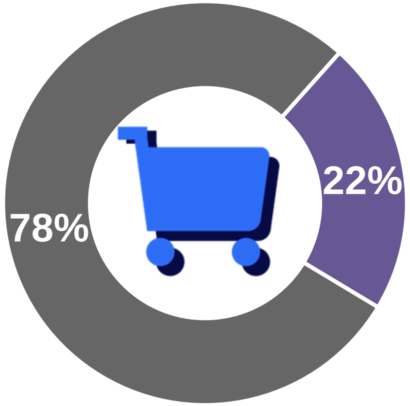


Source: : NIQ Omnisales and Omnishopper

While in-store sales are still the majority, there are major variances category to category

2024 Omni Share of CPG Total $ Sales

Total CPG Dollar Sales: +4.2% vs 2023



Online
(+2.6 pts)
+18%
sales vs year ago

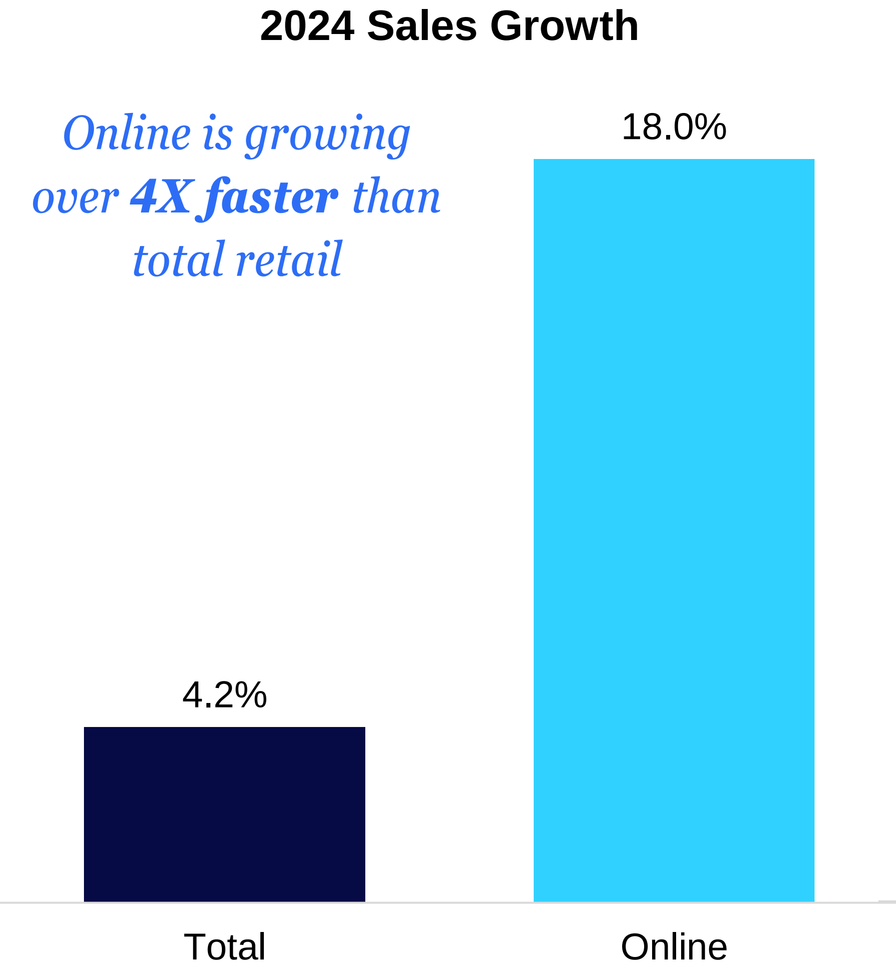
In-store
(-2.6 pts)
+1%
sales vs year ago

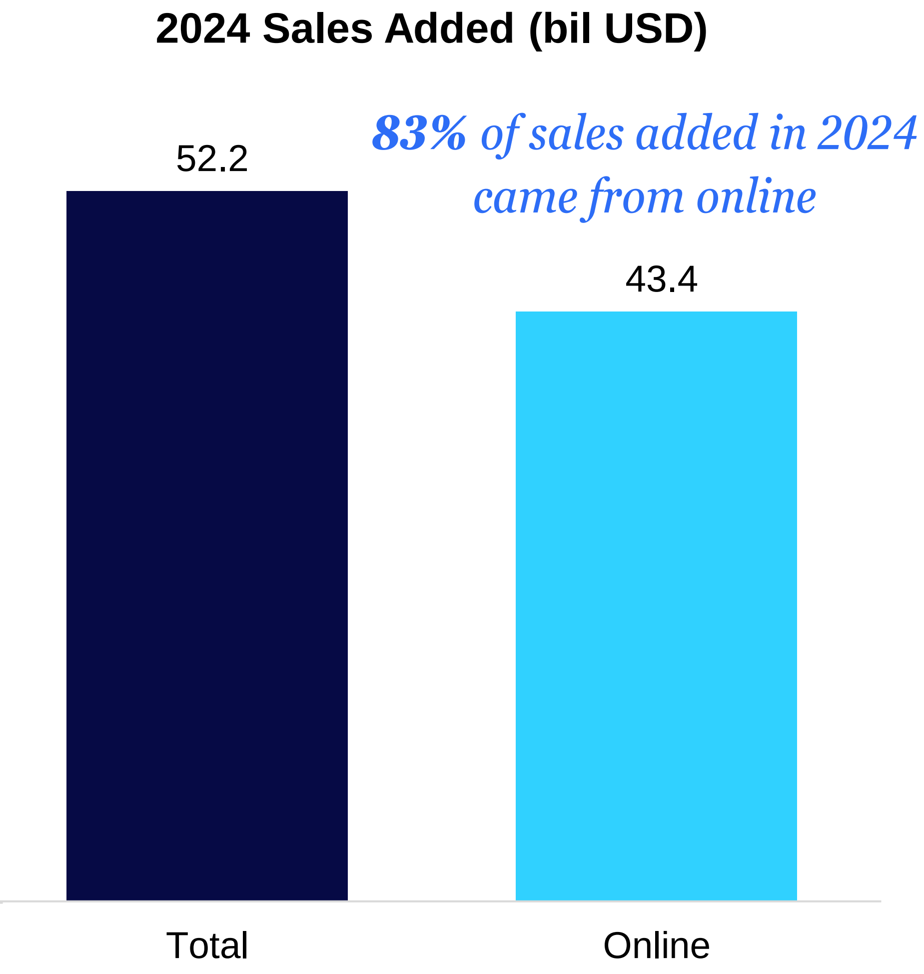
2024 Online $ Share and $ Growth

	Online Share	Online	In-store
Baby Care	49.1%	+18%	-1%
Health & Beauty	47.0%	+20%	+1%
Pet Care	41.8%	11%	-3%
Household	25.5%	+21%	+0%
Food	11.6%	+19%	+1%
Alcohol	4.2%	+5%	+0%

Source: NIQ Omnisales+, CPG only

Nearly all growth is coming from online





Source NIQ Omnisales+, CPG only

In Canada, online sales penetration lags the US

2024 Omni Share of CPG Total $ Sales

Total CPG Dollar Sales: +2.6% vs 2023

Online
(+0.4 pts)
+15%
sales vs year ago

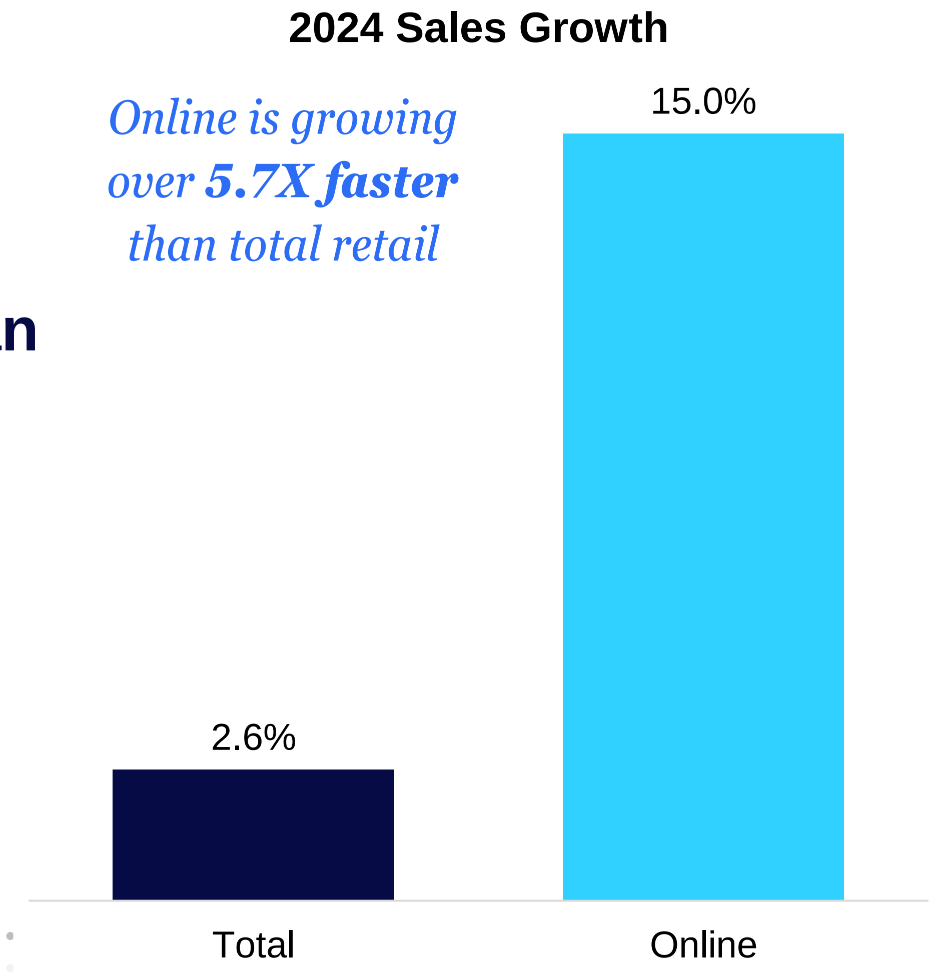
In-store
(-0.4 pts)
+2%
sales vs year ago

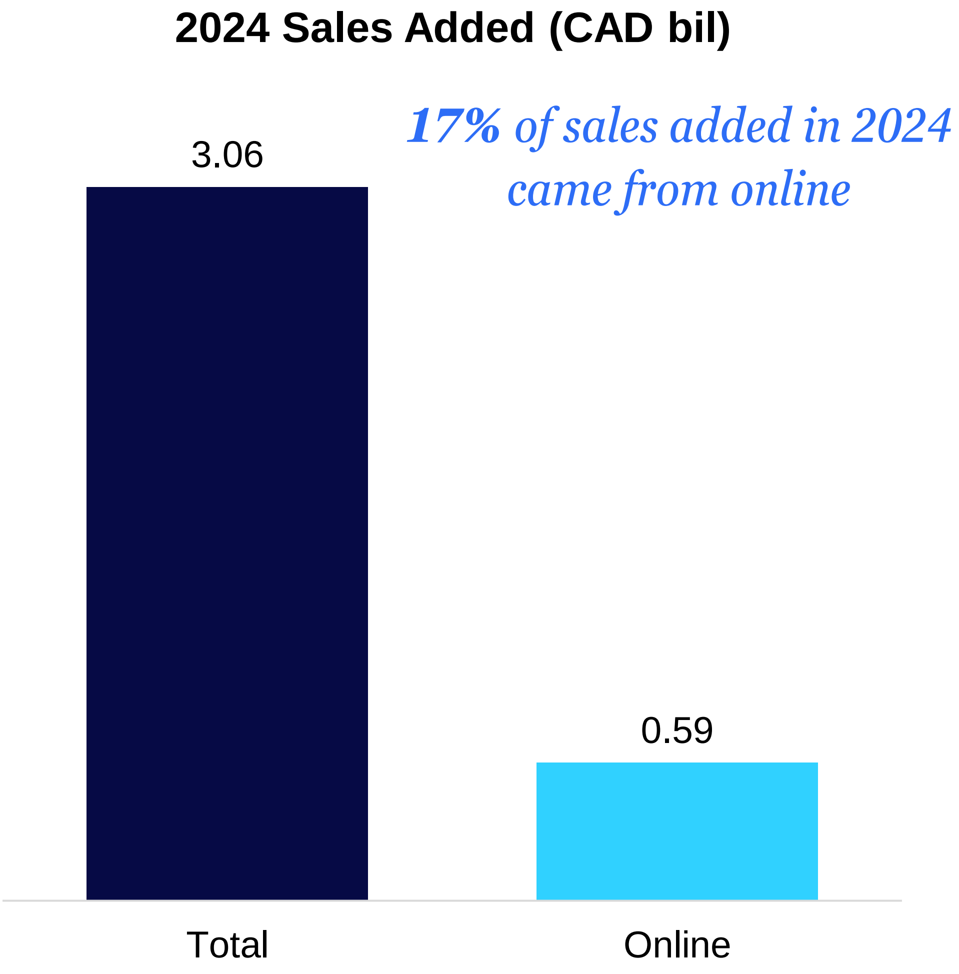
2024 Online $ Share and $ Growth

	Online Share	Online	In-store
NON GROCERY	4.4%	13%	-3%
GROCERY	4.2%	17%	3%
PRODUCE	3.8%	13%	5%
MEAT & SEAFOOD	3.2%	14%	3%
BAKERY	3.1%	14%	0%
HEALTH AND BEAUTY AIDS	2.6%	14%	2%
DELI	1.9%	10%	2%

Source: NielsenIQ Retail Measurement | CA - NDH MULTIPURPOSE - CROSS CATEGORY

But online sales growth differential to the total market is even greater than in the US

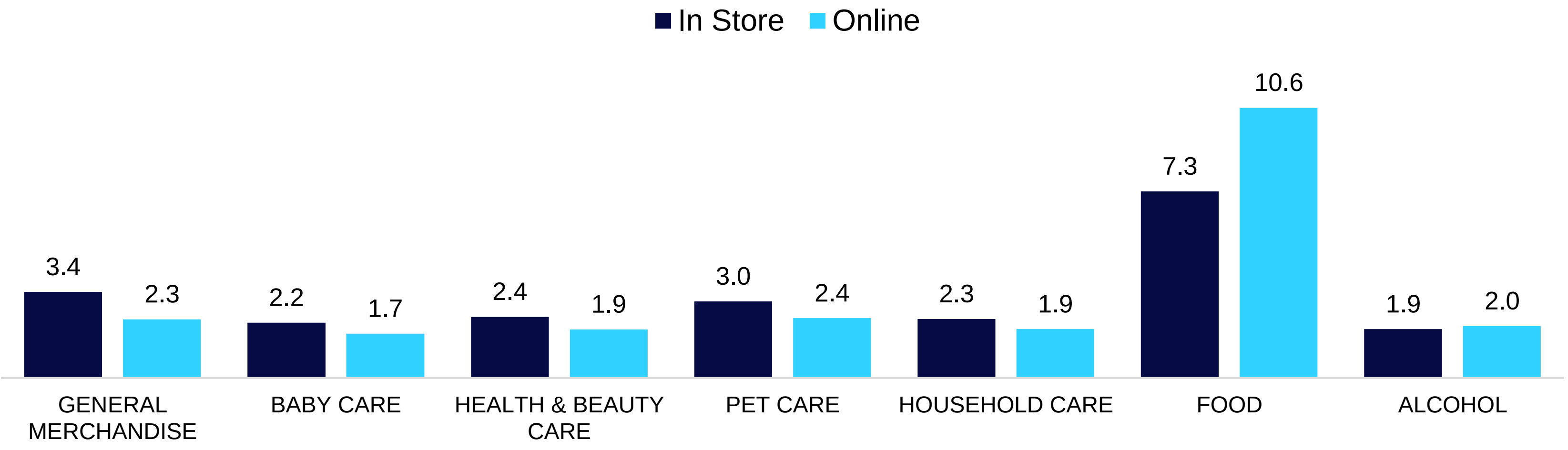




Source : NielsenIQ Retail Measurement | CA - NDH MULTIPURPOSE - CROSS CATEGORY

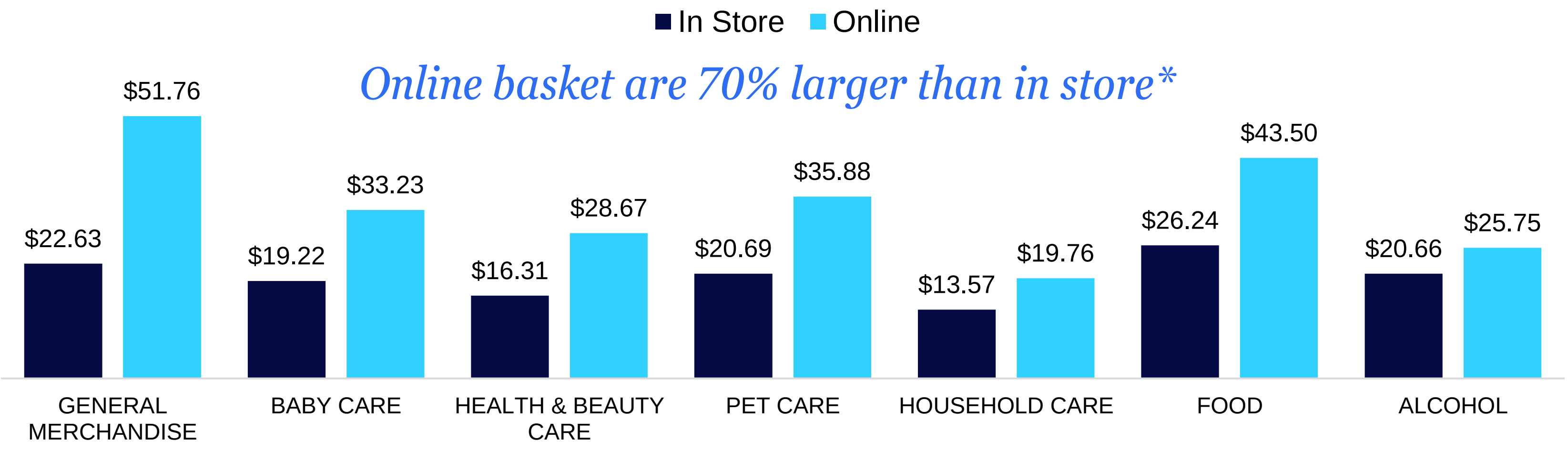
Online represents an opportunity to grow basket size

2024 Units Per Occasion By Department



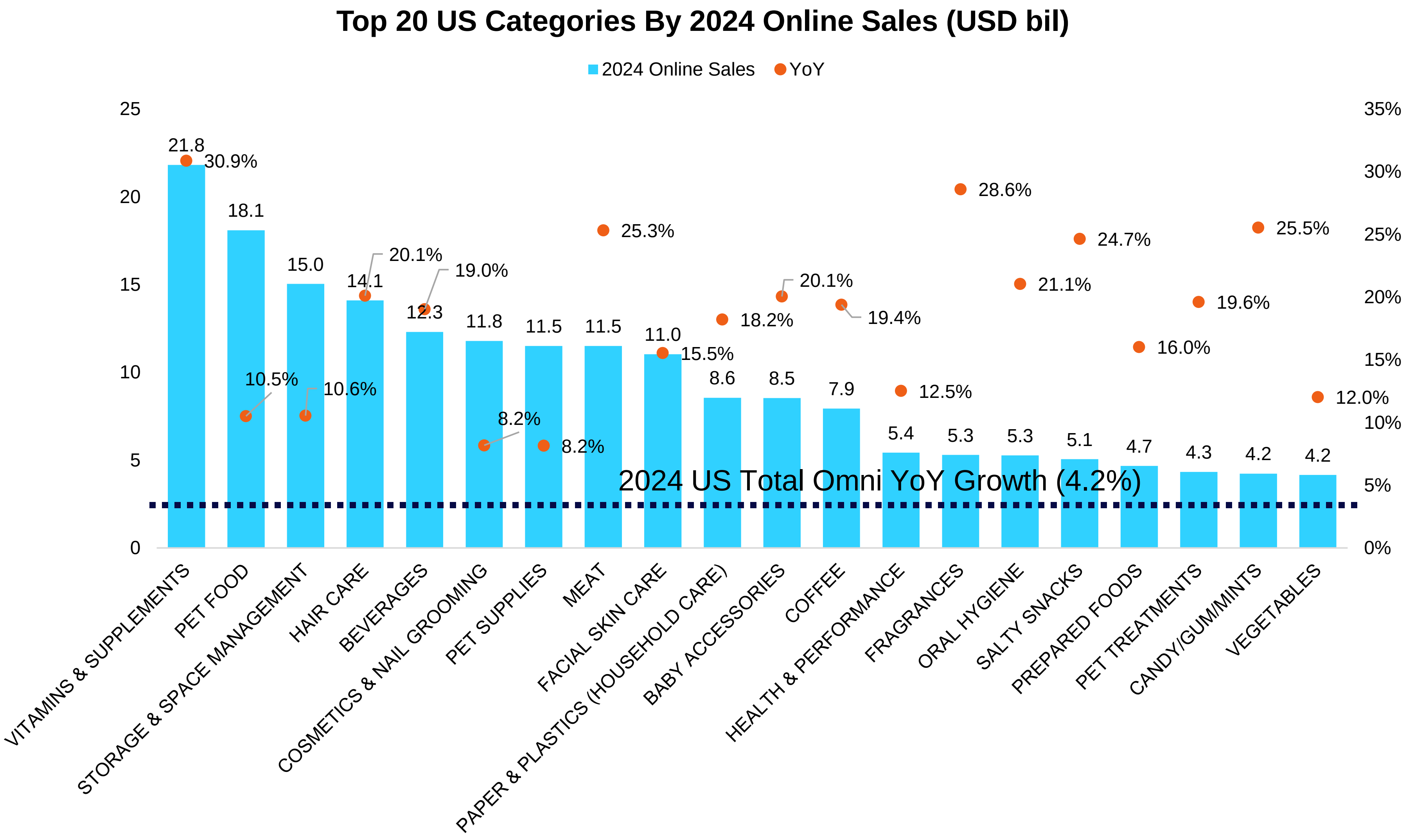
2024 Value Per Occasion By Department

*Online basket are 70% larger than in store**



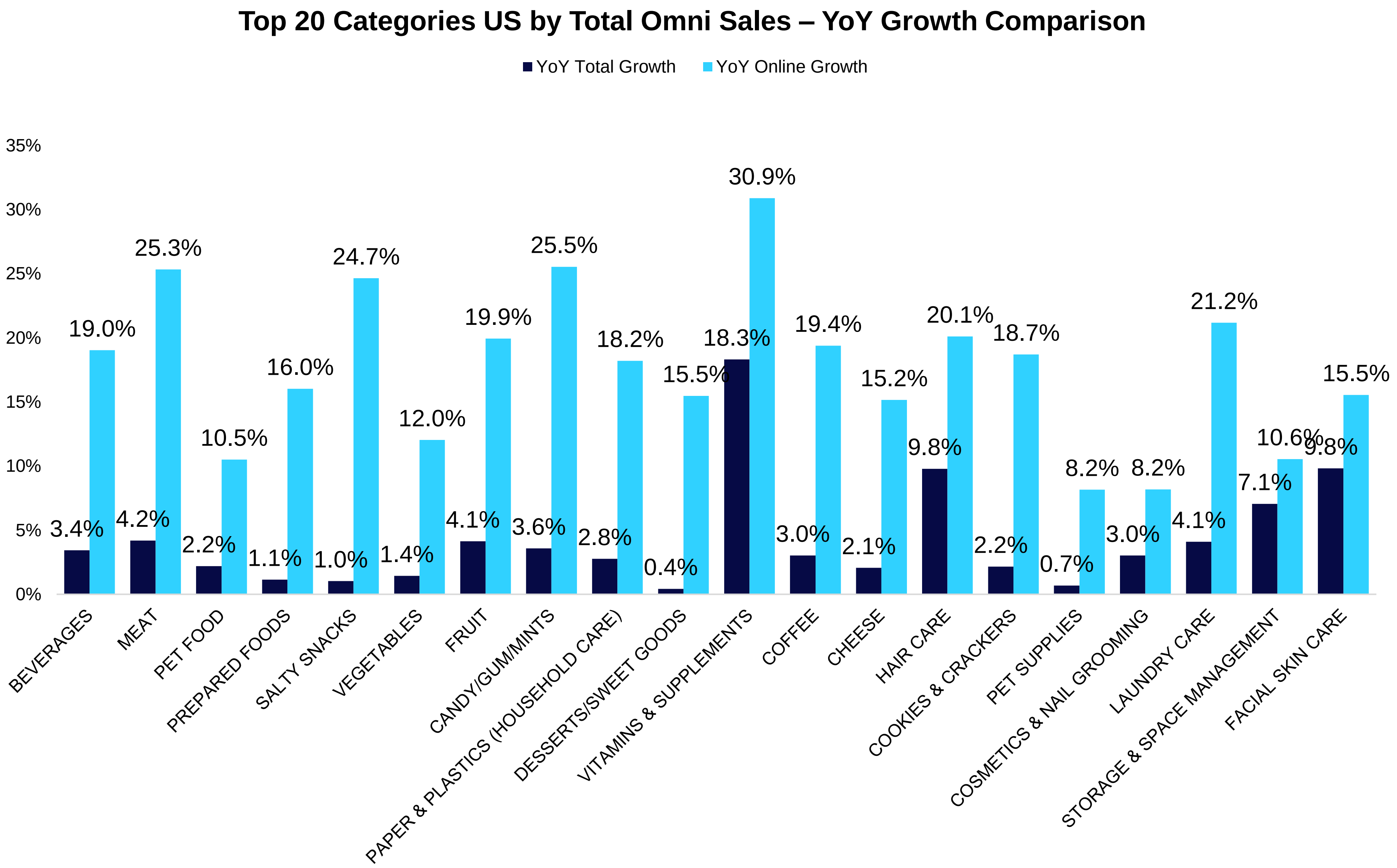
Source: NIQ Omnishopper, *Average of basket size difference across all departments, equally weighted

Top online categories today span departments and are growing well above total retail averages



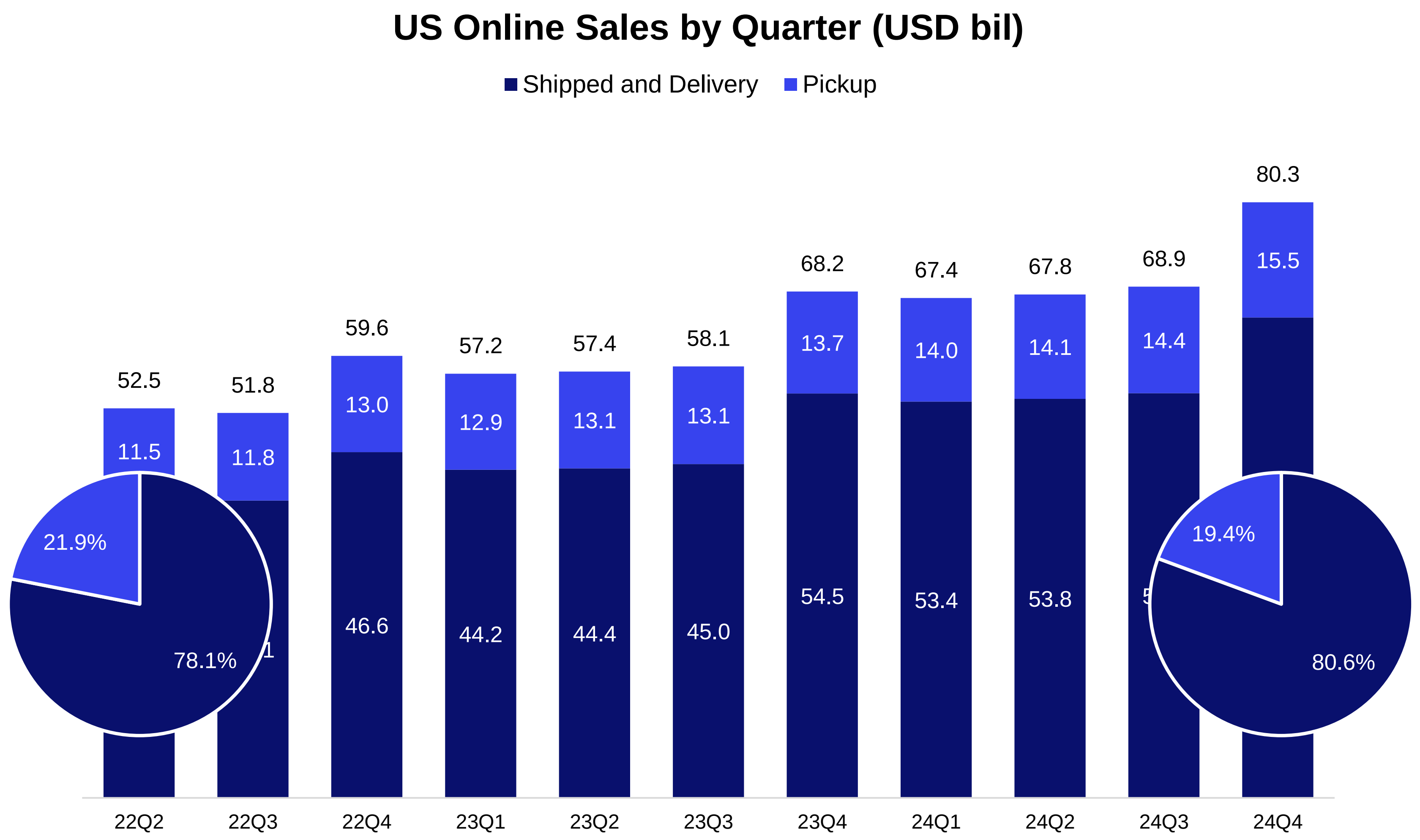
Source: NIQ Omnisales+, CPG only

The largest categories today are seeing much of their growth come from online sales as well



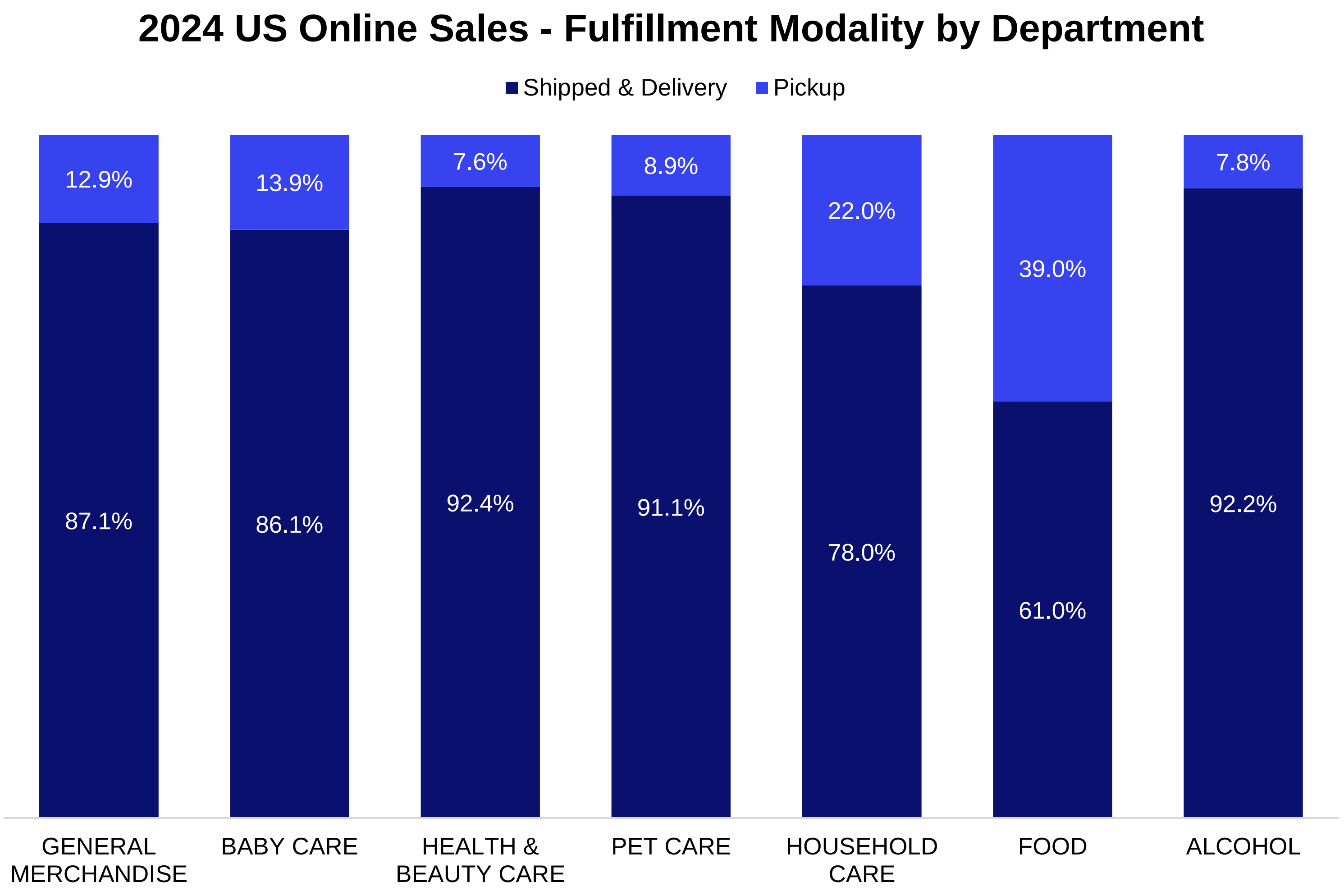
Source: NIQ Omnisales+, CPG only

Shipped and delivery the primary fulfillment modality, gaining slight share on pickup



Source: NIQ Omnisales+

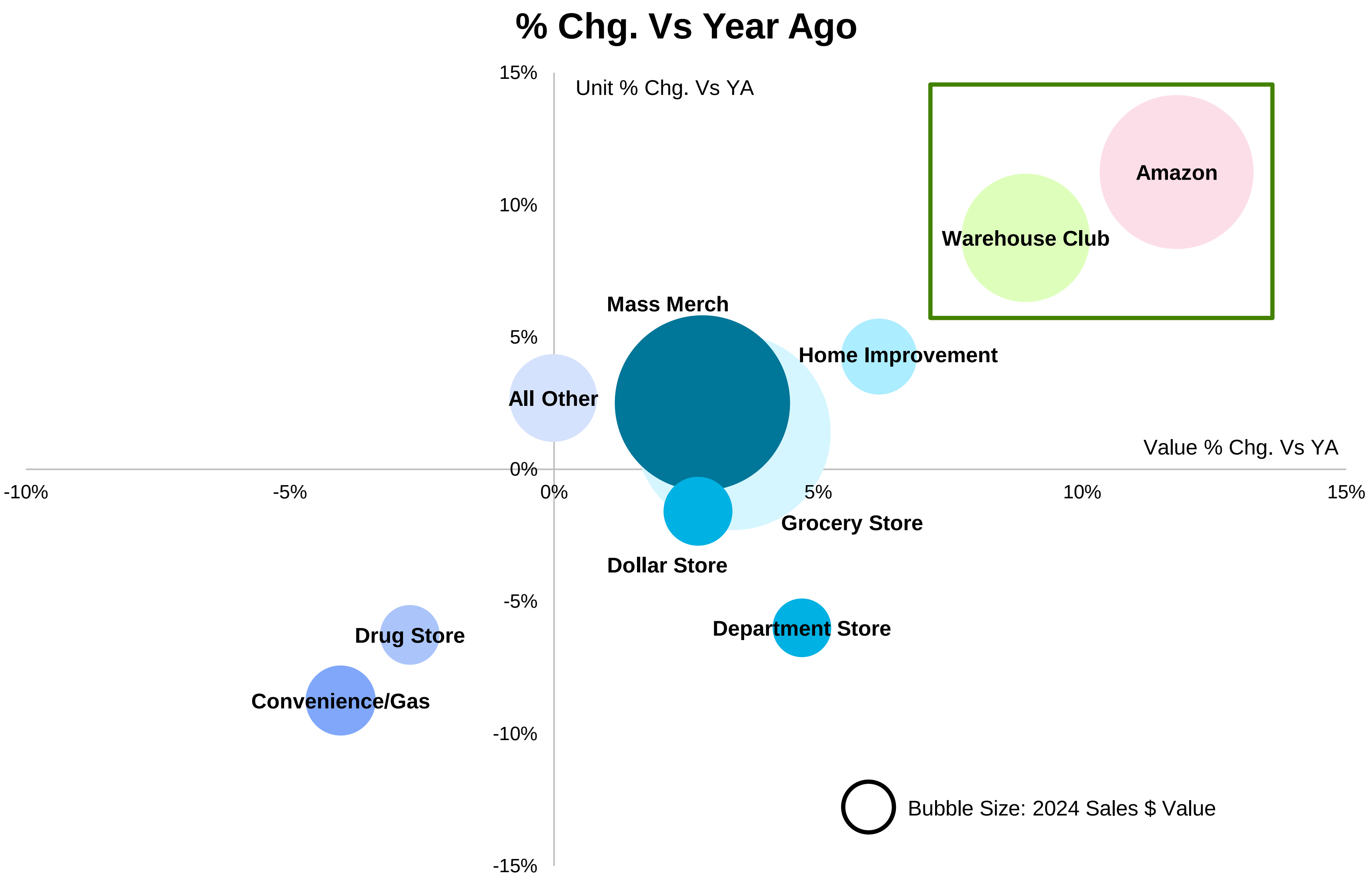
Certain categories see higher pickup utilization by shoppers



Source: NIQ Omnisales+

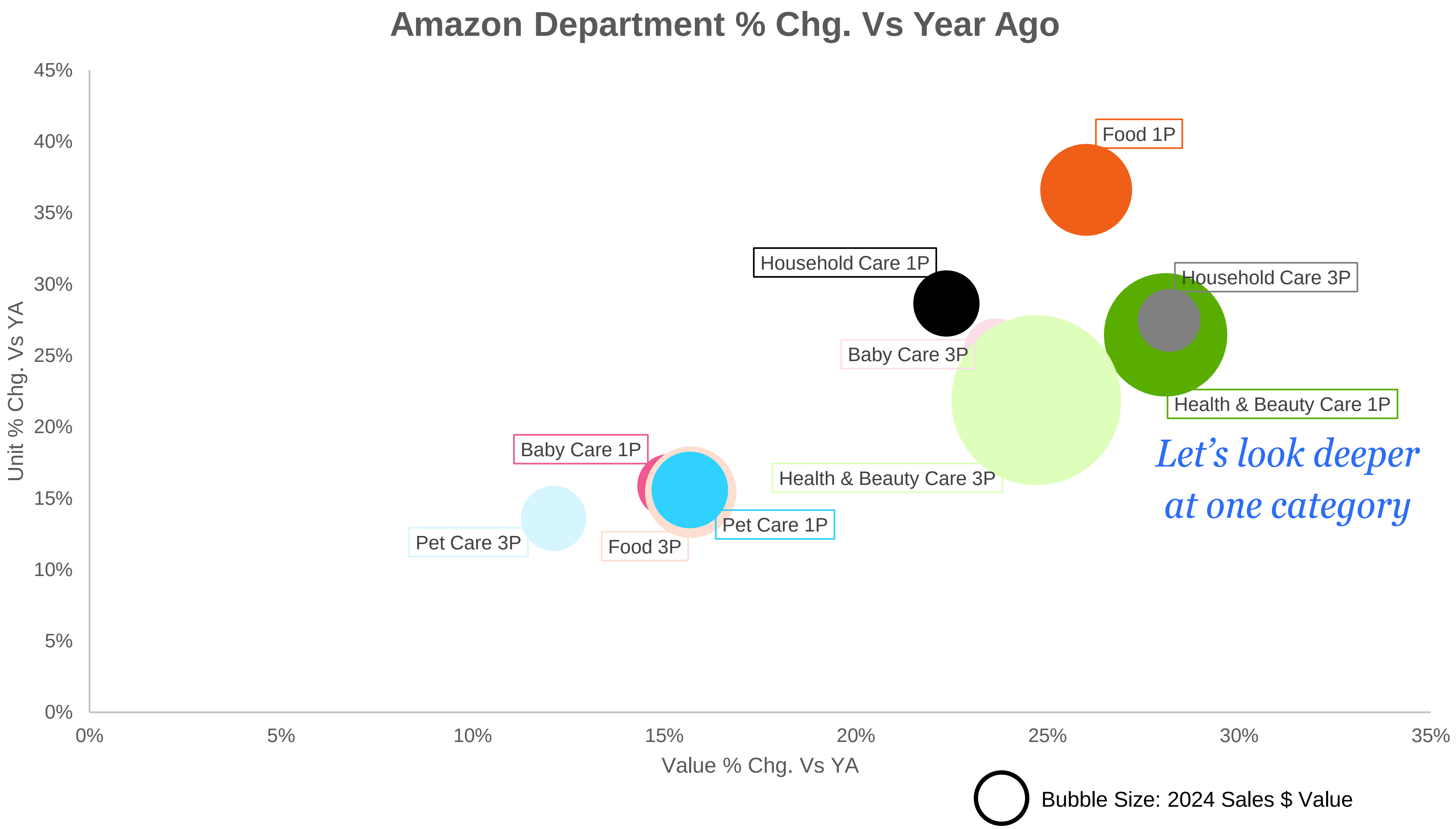
2. Top retailers and channels

There are leading retail formats in today’s landscape



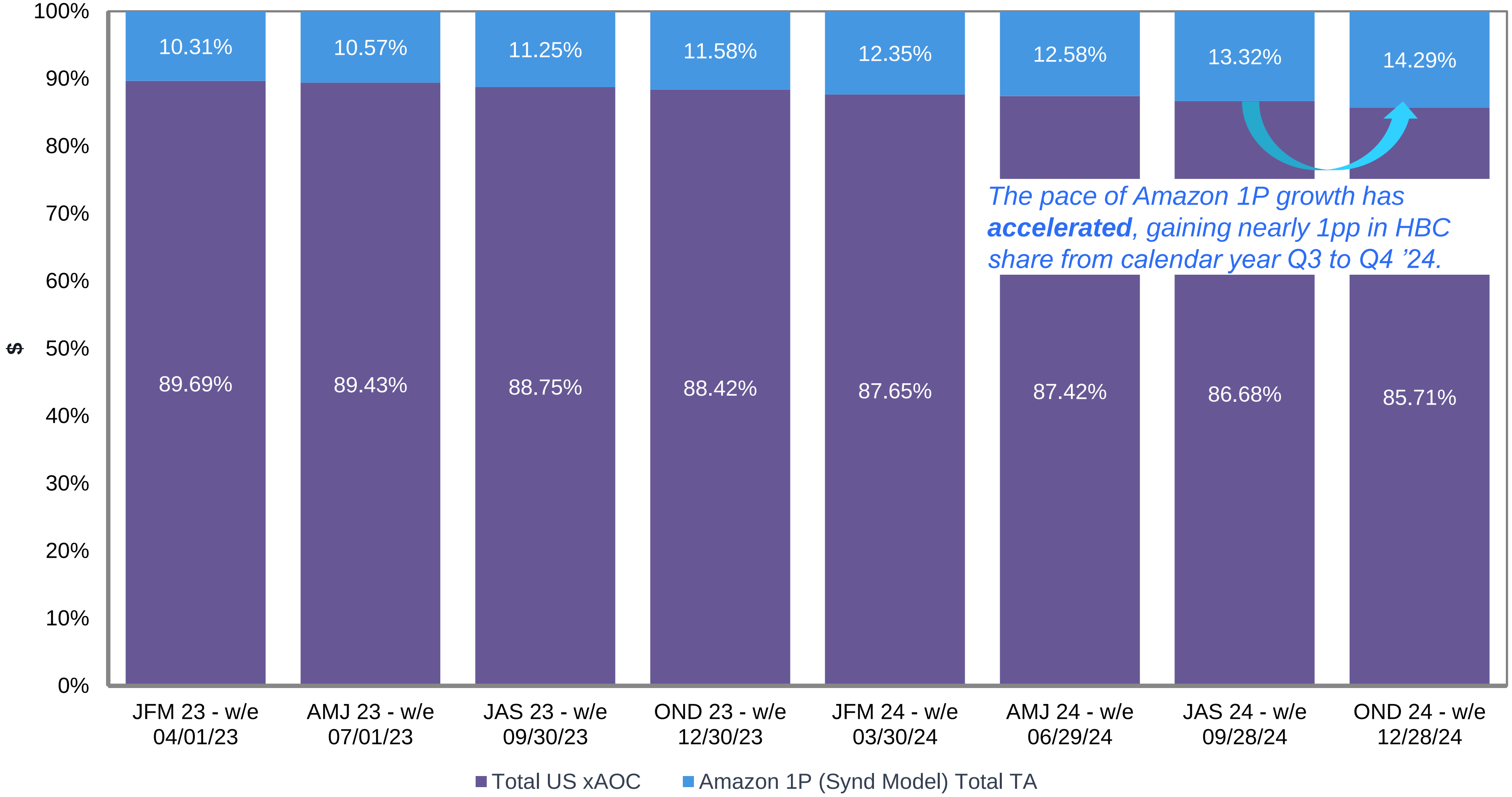
Source: NIQ Omnishopper

For Amazon, it is critical to understand first-party versus third-party dynamics for each category



Source: NIQ Full View Measurement - Amazon

Amazon 1P has gained 4 points of share from B&M HBC in the last 2 years



Source: NielsenIQ Retail Measurement Services (RMS), Total U.S. xAOC (Expanded All Outlets Combined, inclusive of store-fulfilled sales among retailers in the Food, Drug, Mass, Club, Dollar, and Military channels) and Amazon 1P Total TA, Syndicated NielsenIQ Health & Beauty Care department, calendar year quarters from Q1 '23 through Q4 '24

When ASINs are mapped to UPCs, it's evident that Amazon is carrying substantial exclusive assortment

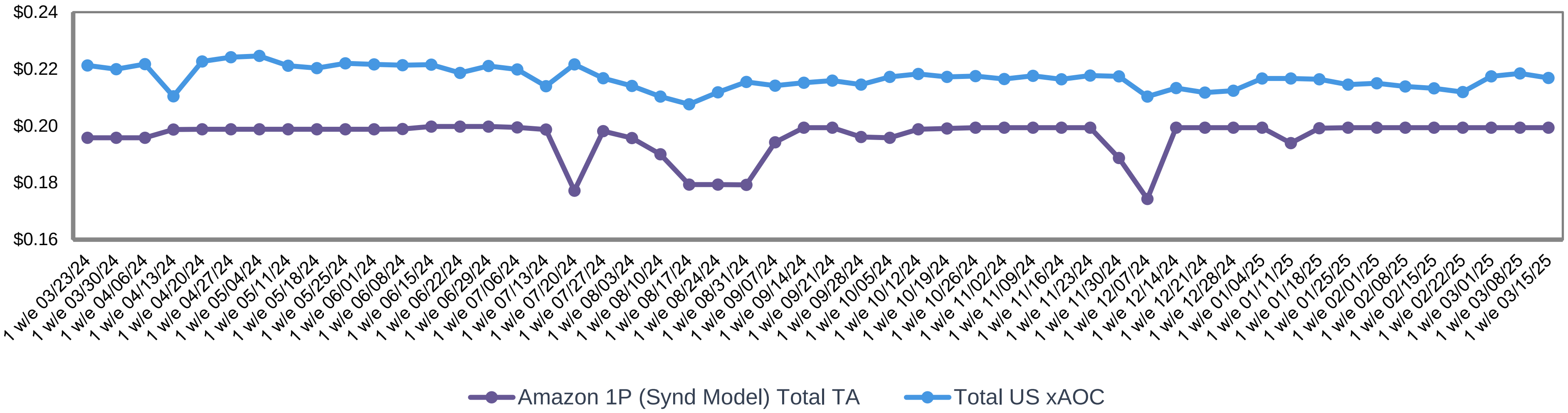
200+ HBC Brand Variants with over $1M of sales on Amazon are not carried in B&M

Brand Low (Brand Variant)	Total US xAOC $	Amazon 1P (Synd Model) Total TA $
LUBRICANTS BRAND	N/A	$40,764,316
MEDICAL PRODUCT BRAND		$26,029,646
HAIRCARE BRAND		$19,525,369
DENTAL BRAND		$19,262,296
SHAMPOO BRAND		$18,201,964
SKIN CLEANSER BRAND		$17,605,494
SKIN MOISTURIZER BRAND		$15,720,852
ELECTIC RAZOR BRAND		$15,690,005
SUNSCREEN BRAND		$15,470,469
SKINCARE BRAND		$13,894,798
NAIL POLISH BRAND		$13,369,248
MEDICAL PRODUCT BRAND		$13,086,176
HAIRCARE BRAND		$11,506,583
SKINCARE BRAND		$10,402,655
EYELASH SERUM BRAND		$10,363,482
SKINCARE BRAND		$10,174,744

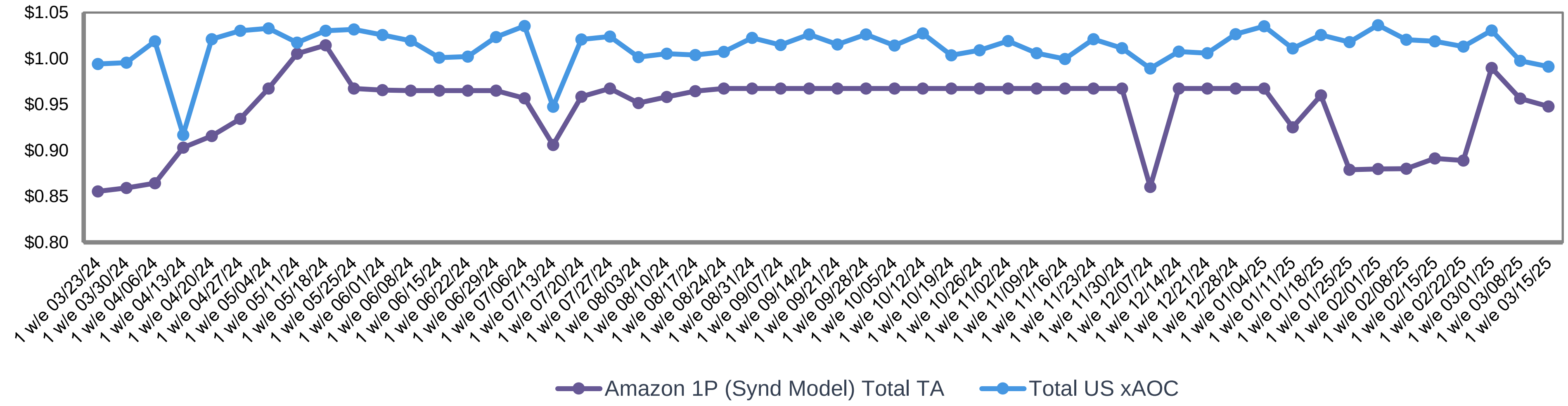
Source: NielsenIQ Retail Measurement Services (RMS), Total U.S. xAOC (Expanded All Outlets Combined, inclusive of store-fulfilled sales among retailers in the Food, Drug, Mass, Club, Dollar, and Military channels) and Amazon 1P Total TA, Syndicated NielsenIQ Health & Beauty Care department, latest 52-week period ending 3/15/25

Amazon consistently undercuts B&M on price on top items

Top Brand Towelette 25ct 2 pack, Average EQ Price



Top Brand Facial Cleanser 16oz, Average EQ Price

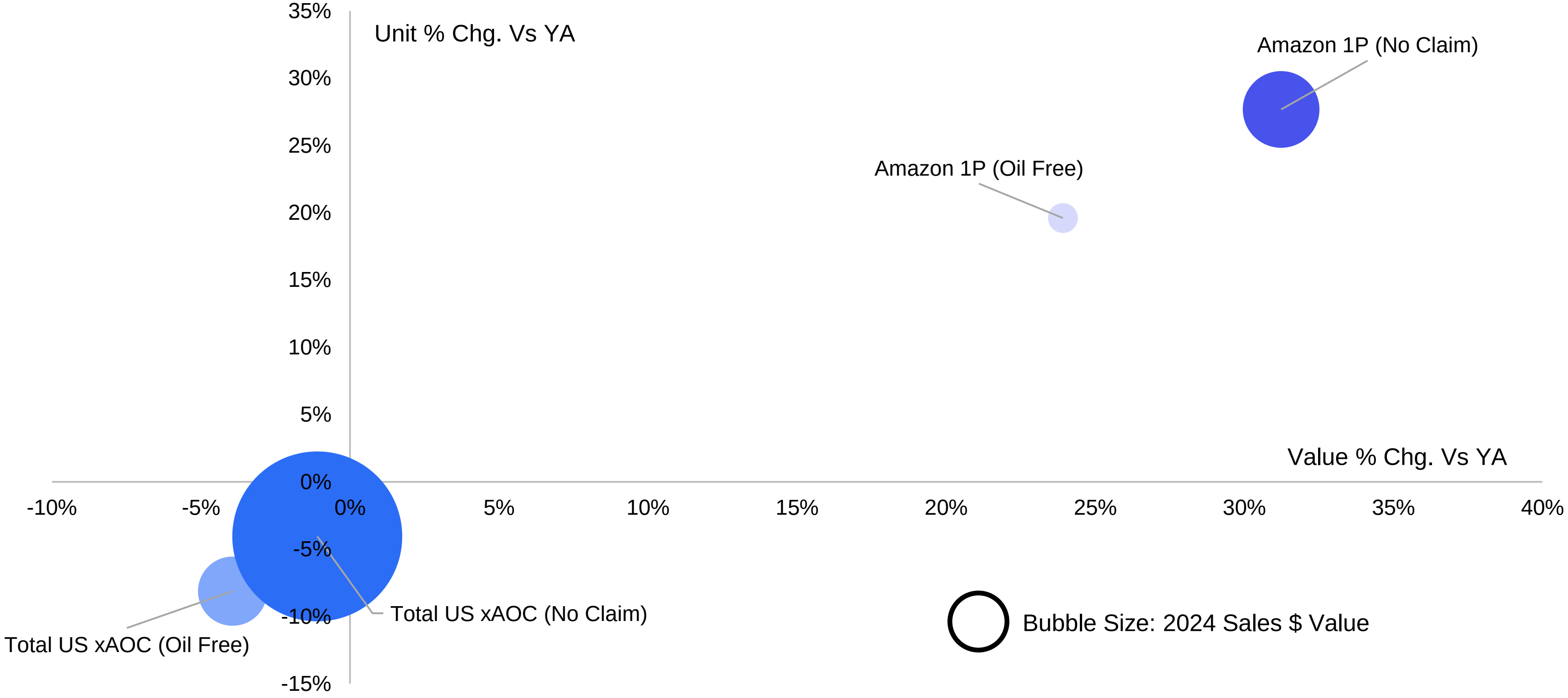


Source: NielsenIQ Retail Measurement Services (RMS), Total U.S. xAOC (Expanded All Outlets Combined, inclusive of store-fulfilled sales among retailers in the Food, Drug, Mass, Club, Dollar, and Military channels) and Amazon 1P Total TA, 1-week periods ending 3/23/24 through 3/15/25

Analyzing product attributes can drive additional insights

Facial Cleanser Category, "Oil Free" versus No "Oil Free" claim

Total US vs Amazon - 2024 % Chg. Vs Year Ago



Source: NielsenIQ Retail Measurement | US Socialization TSR (Synd)

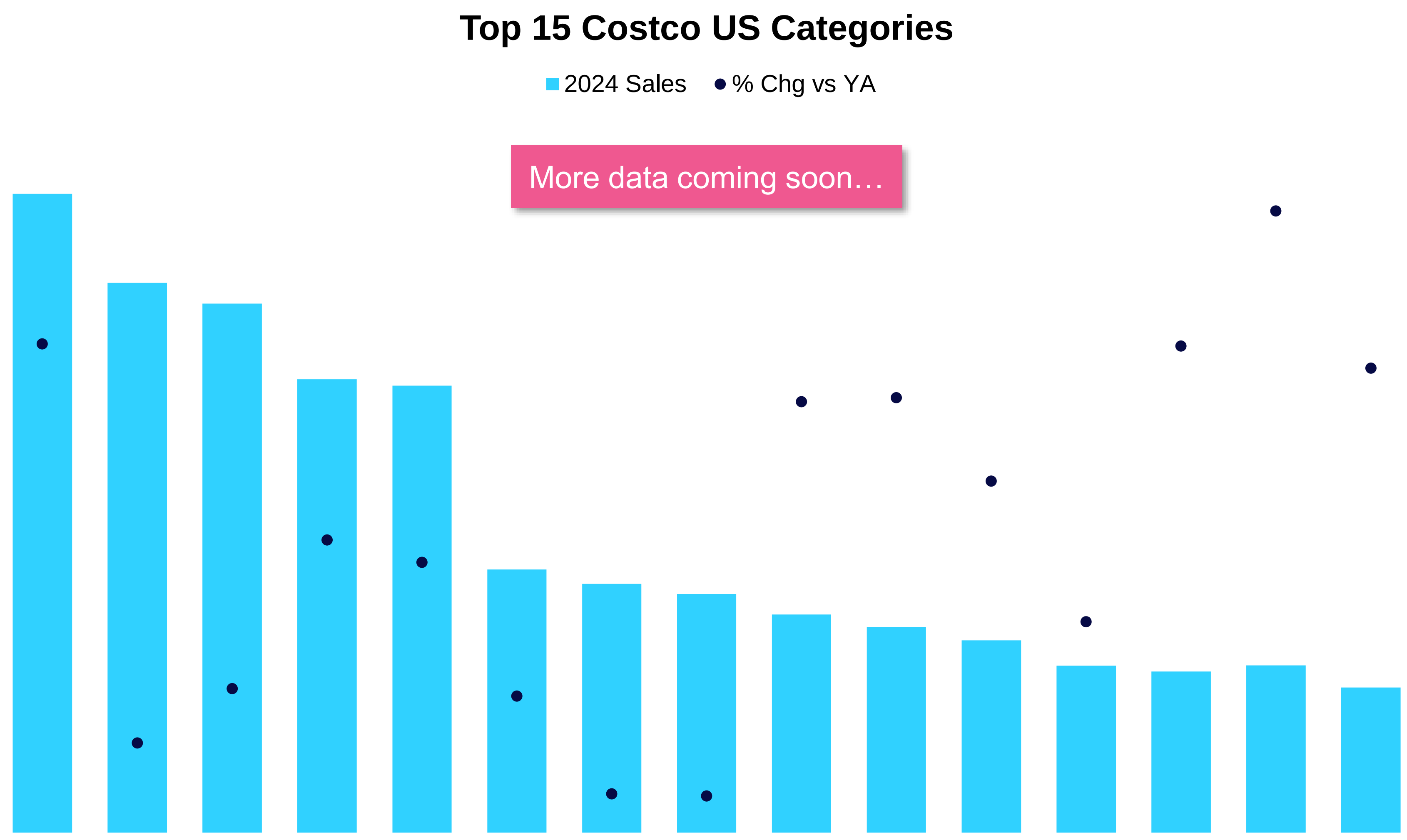
Full View™ – Measurement:
Club Channel Intelligence down to the pallet.

→ Join the club.

Private label sales a key input to understanding overall Costco dynamics

Source: NIQ Full View Measurement – Costco

Brands need category level data to benchmark growth at this important retailer



Source: NIQ Full View Measurement – Costco

3. Emerging Business Models and Capabilities

Key emerging areas for omni retail in 2025

Retail Media	Social Commerce
Artificial Intelligence	Fulfillment Capability

Source: NIQ

Retail Media | Social Commerce | Artificial Intelligence | Fulfillment Capability

Retail Media investment to accelerate through 2026

CPG Retail Media Spend Projections

$27 billion

By 2026

17.9% 2-Yr Forecasted CAGR

Driven by

Evolution of Consumer Expectations

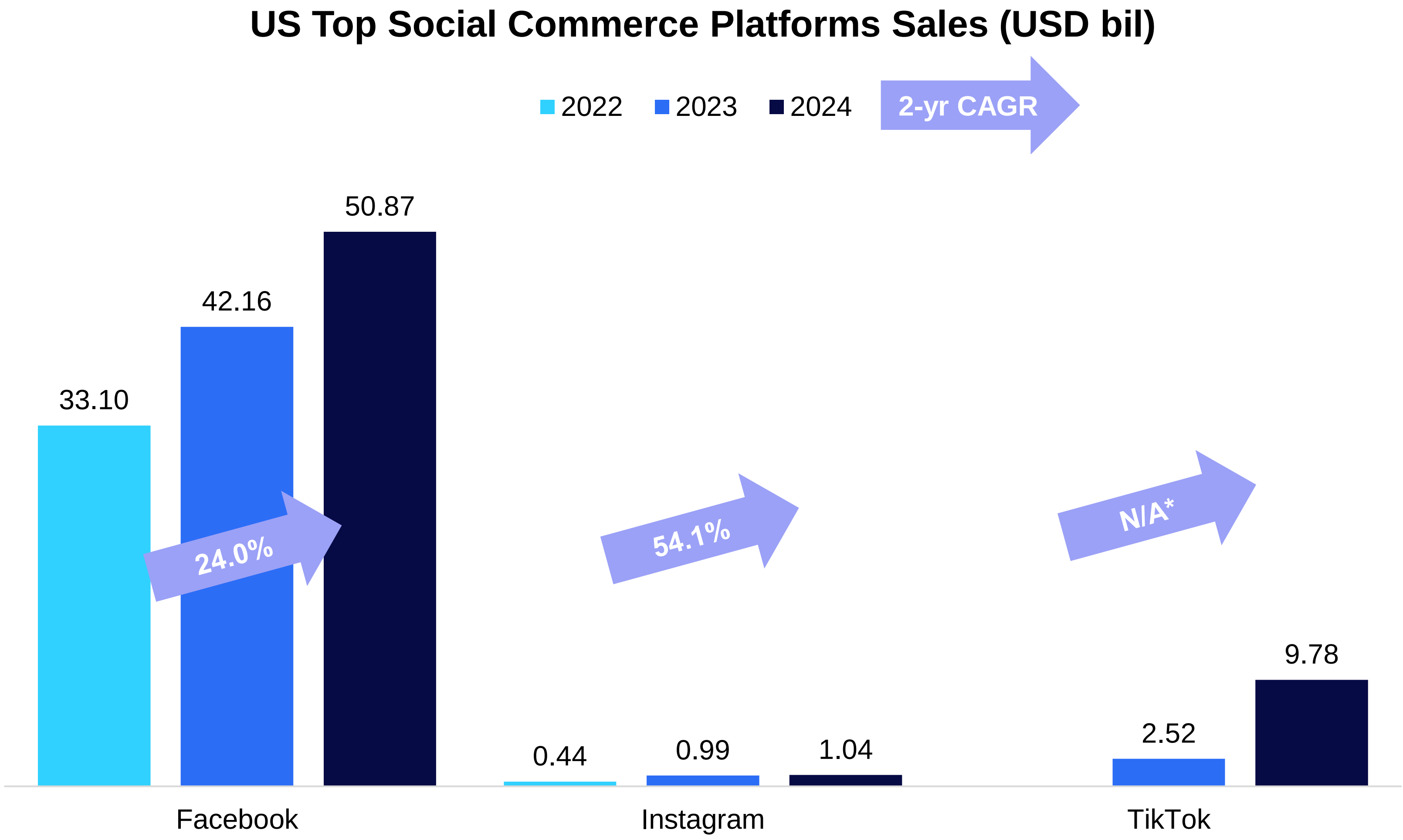
Retailer Profitability Needs

Technological Development

Source: The Evolution of Retail Media: Decoding What Works – And What Doesn't | FMI | NielsenIQ | Think Blue

Retail Media
Social Commerce
Artificial Intelligence
Fulfillment Capability

Social Commerce platforms experiencing explosive growth



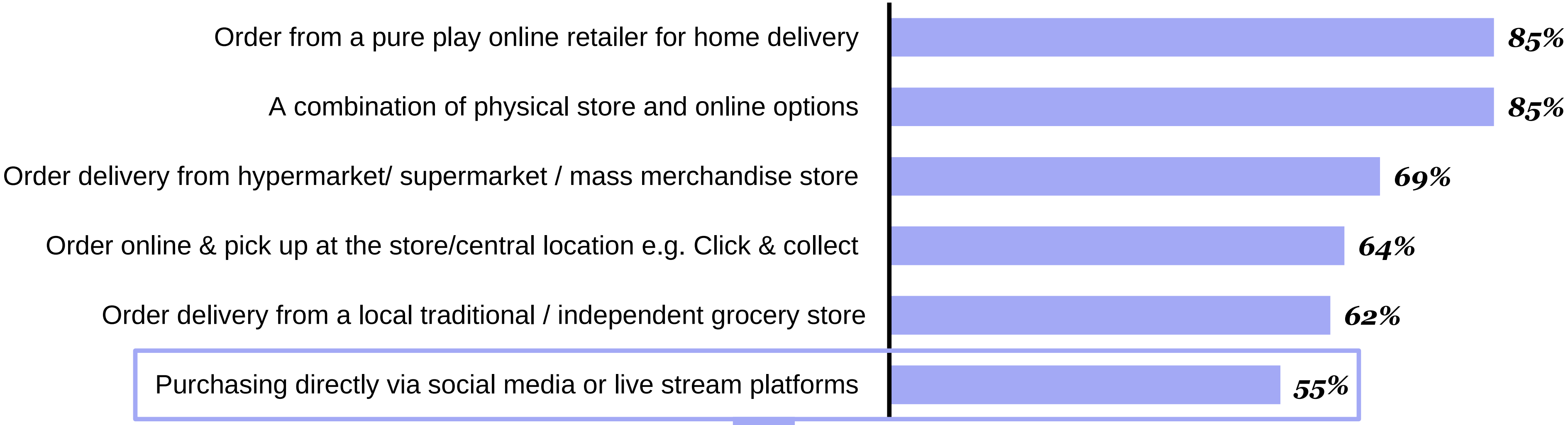
*TikTok Shop officially launched in Sept. 2023

Source: NIQ eCommerce Digital Purchases, All Categories

Retail Media | **Social Commerce** | Artificial Intelligence | Fulfillment Capability

TikTok Shop is rivaling established eCommerce platforms across multiple categories

Where do you normally shop for grocery & household items?
% respondents who shop at this channel – U.S.



79% *of TikTok dollar sales are from health and beauty*

#8 *TikTok Shop is already the Health and Beauty ecommerce retailer since its launch in September 2023*

#23 *Food retailer in the online space*

Source: NIQ 2024 Consumer Outlook, U.S., NIQ eCommerce Digital Purchases

For manufacturers, there is a disconnect between funds allocation and preparedness for social

MANUFACTURERS

"To what extent is your company **allocating funds** to capitalize on social trends?"

We have been doing this for a while	**54%**
We are just starting to earmark funds for this	**26%**
This is not in our consideration set today	**15%**
Don't know	**6%**

"To what extent is your company **able to quickly respond** to emerging social trends

Well prepared	**37%**
A little prepared	**52%**
Not prepared	**9%**
Don't know	**2%**

Source: Advantage Solutions, Sales Manufacturer Outlook Study, October 2024 (Base = 54)

Retail Media | Social Commerce | Artificial Intelligence | Fulfillment Capability

Consumers are mostly open to Artificial Intelligence, but generational variances are clear

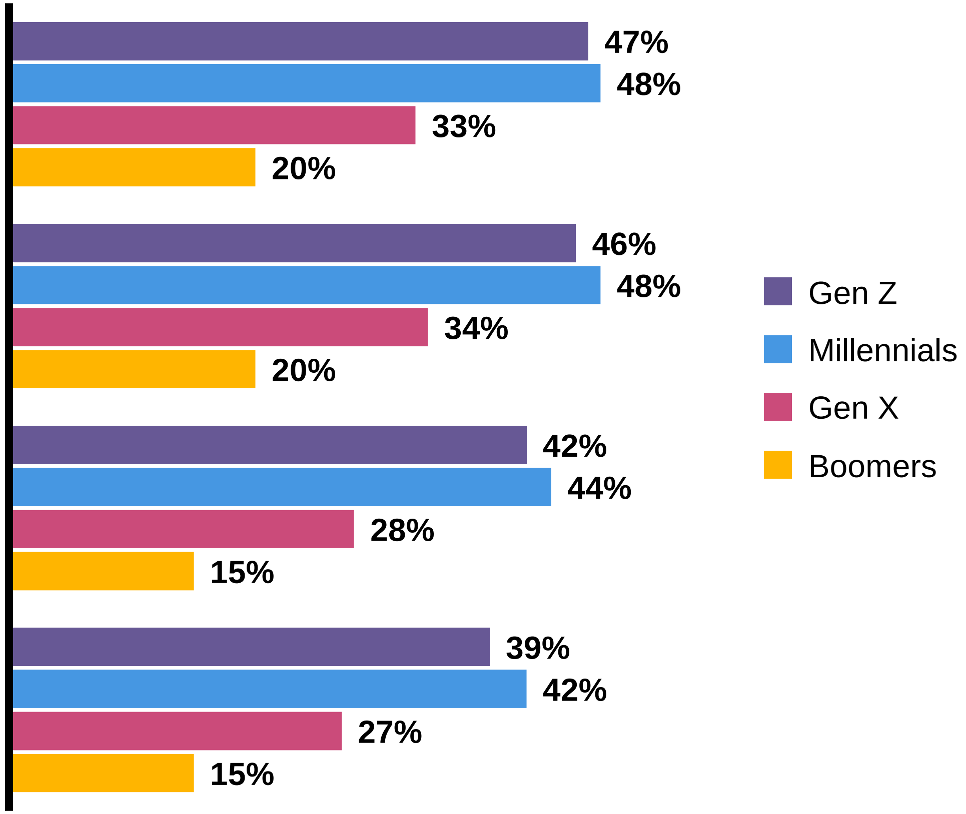
% of shoppers who would

40% accept a product recommendation from their AI assistant (e.g., Siri on iPhone, Amazon Alexa, etc..)

40% leverage AI to automate and speed up their everyday shopping decisions

35% allow 'smart' devices (e.g., fridge sensor) to automatically order new products when required

34% purchase a product or service they have only examined or experienced through augmented reality or virtual reality



Source: NIQ Mid Year Consumer Outlook: Guide to 2025

Retail Media | Social Commerce
Artificial Intelligence | Fulfillment Capability

AI has the potential to transform shelf strategy

Source: NIQ Digital Shelf

Retail Media | Social Commerce | Artificial Intelligence | Fulfillment Capability

AI embedding across the entire retail value chain

Source: NIQ

Retail Media

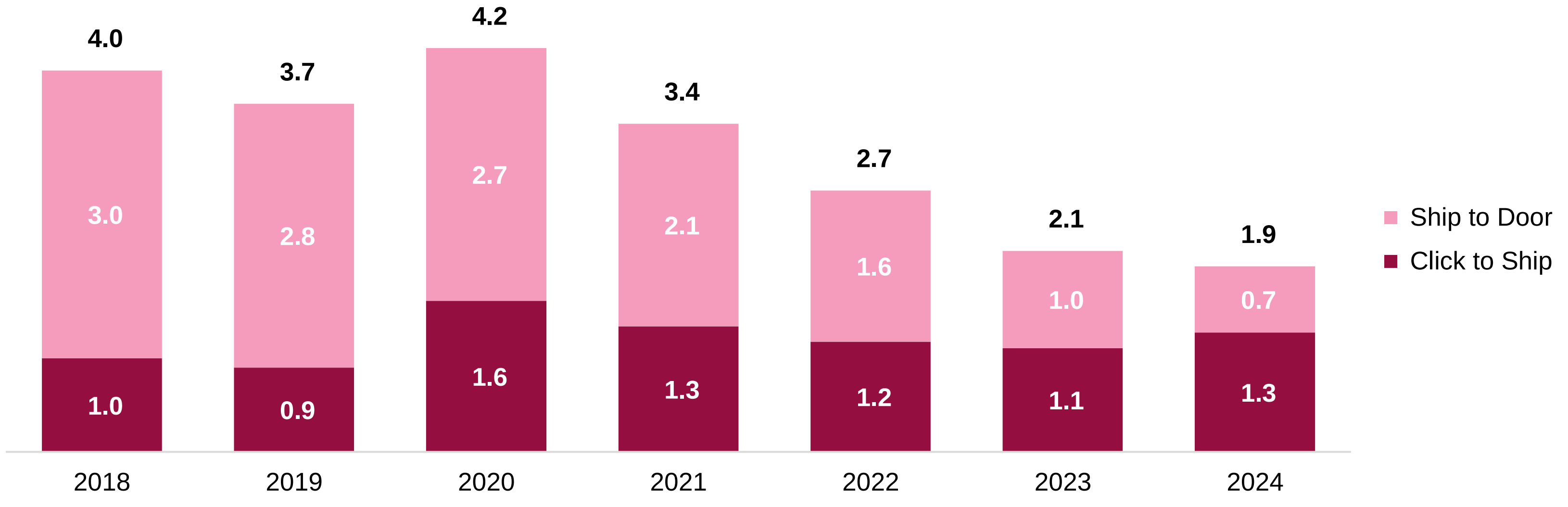
Social Commerce

Artificial Intelligence

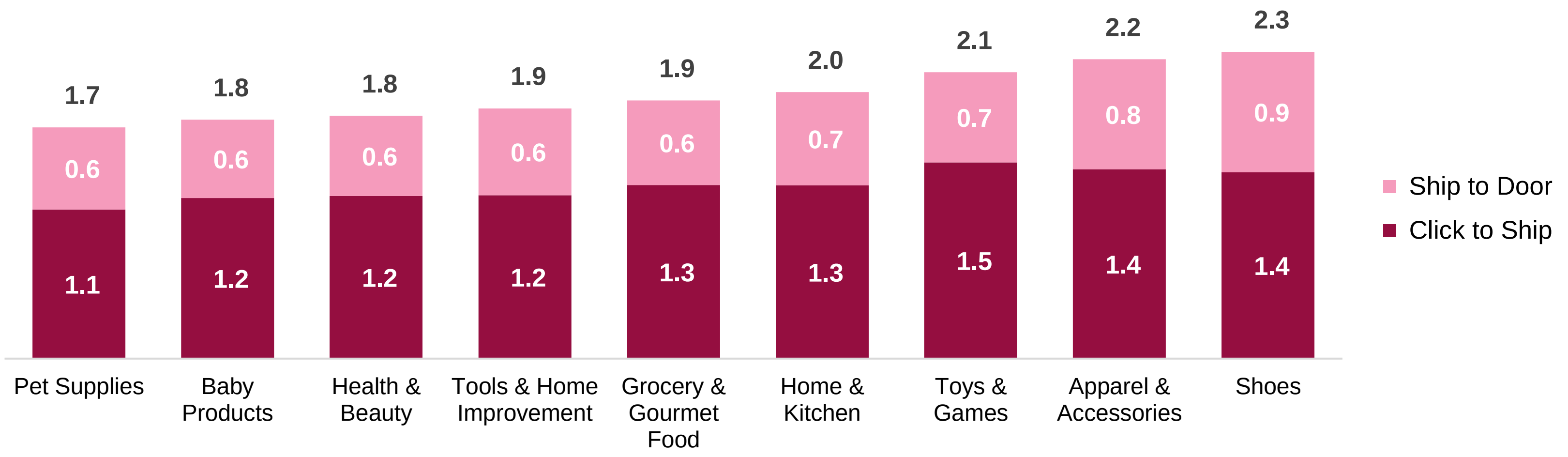
Fulfillment Capability

There is a fulfillment speed arms race underway in eCommerce

Total US eCommerce Avg. # of Days from Order to Delivery



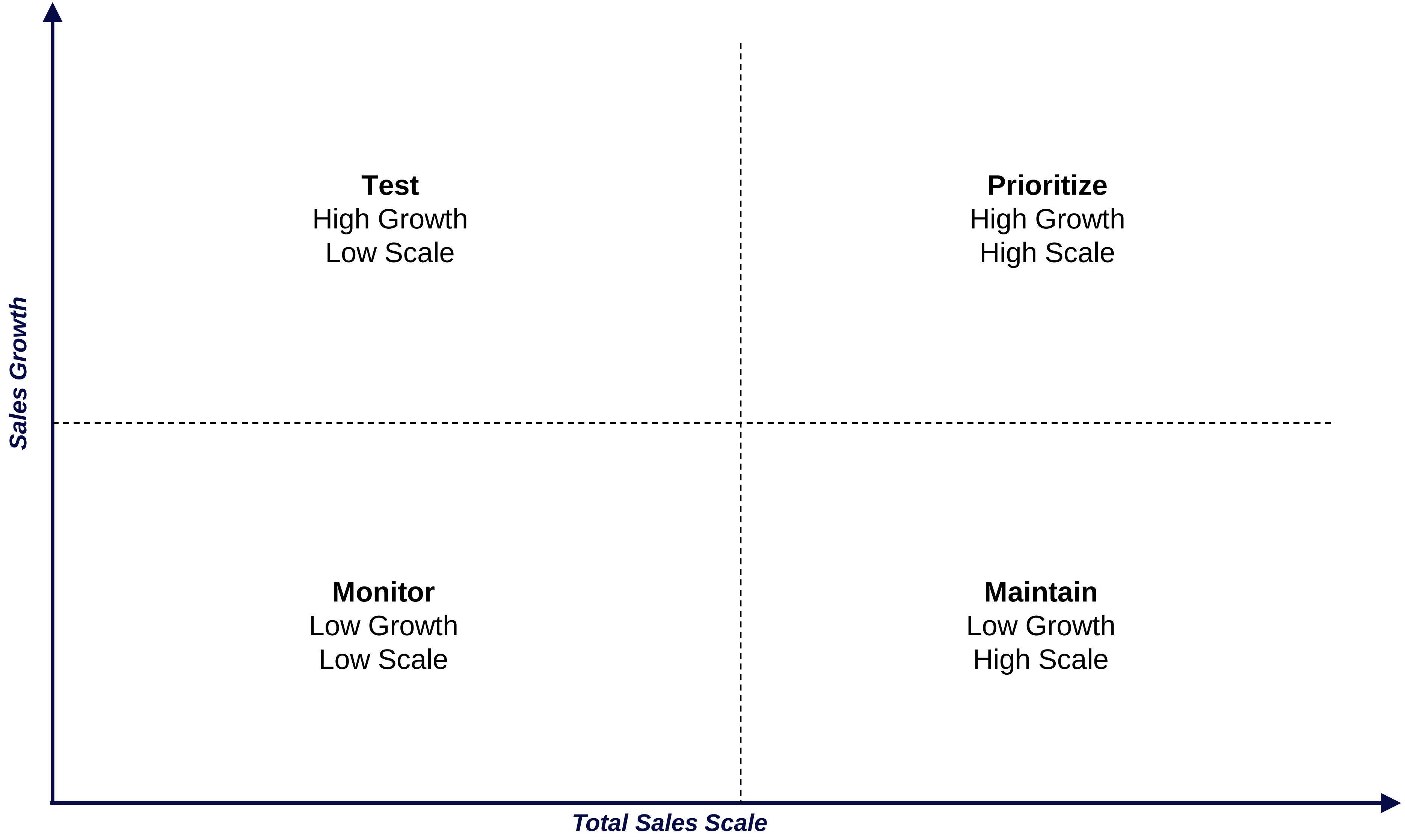
Total US eCommerce Avg. # of Days from Order to Delivery by Department



Source: NIQ eCommerce Digital Purchases

4. What brands should focus on to win

Strategic prioritization of numerous business models, channels, retailers, and capabilities requires accurate opportunity measurement



Source: NIQ

Distribution must be considered in coordination with price and pack size in an omni environment

	Retailer Exclusive	*Tailored Distribution*	*Exclusive → National*	*National*
Description	Products that launched primarily with an exclusive retailer partnership	Products that launched in a specific channel or subset of channels, often category specialty stores/sites	Products that launch in 1 retailer/channel before expanding rapidly	Products that launched with wide availability in multiple channels
Omni Benefits	• Eliminates EQ price matching • Focused investment • Retailer-tailored economic profile (dim/weight/pack/price) • Sometimes more favorable terms negotiations	• Minimizes EQ price matching • Broader awareness & sales potential • Channel-tailored economic profile (dim/weight/pack/price)	• Establishes price norms • Builds awareness & interest before expansion • Controlled volume growth, minimizing OOS • Scales with organization	• Significant marketing support and distribution drives rapid awareness • More favorable terms negotiations • Scales most rapidly
What to focus on	• Digital shelf excellence • Packaging most compatible with partnered retailer • Tailored best-in-class content • Supply chain / demand planning for OOS minimization • Retailer program participation	• Digital shelf excellence • Channel-ready packaging • Internal team capability / coordination • Prioritization playbook for channels / retailers	• Digital shelf excellence • Multi-channel compatible packaging • Internal team capability / coordination • Supply chain / demand planning for scaling	• Digital shelf excellence • Multi-channel compatible packaging • Internal team capability / coordination • Supply chain / demand planning for scaling

Source: NIQ

Retail Media needs to be integrated into Joint Business Planning

Collaboration & Partnership

Execution Accountability	*Knowledge Sharing*
1. OOS & Distribution 2. Campaign compliance	1. Keywords volume 2. Key Audiences 3. Case Studies
Optimizing True ROAS	***Protection & Exclusivity***
1. All KPIs in calculation 2. Strategic media allocation	1. Branded keywords exclusivity 2. Limit competitiveness of campaigns

Source: NIQ Digital Shelf

90% of CPG searches on Amazon are unbranded

Reach shoppers through attributes, ingredients, and benefits

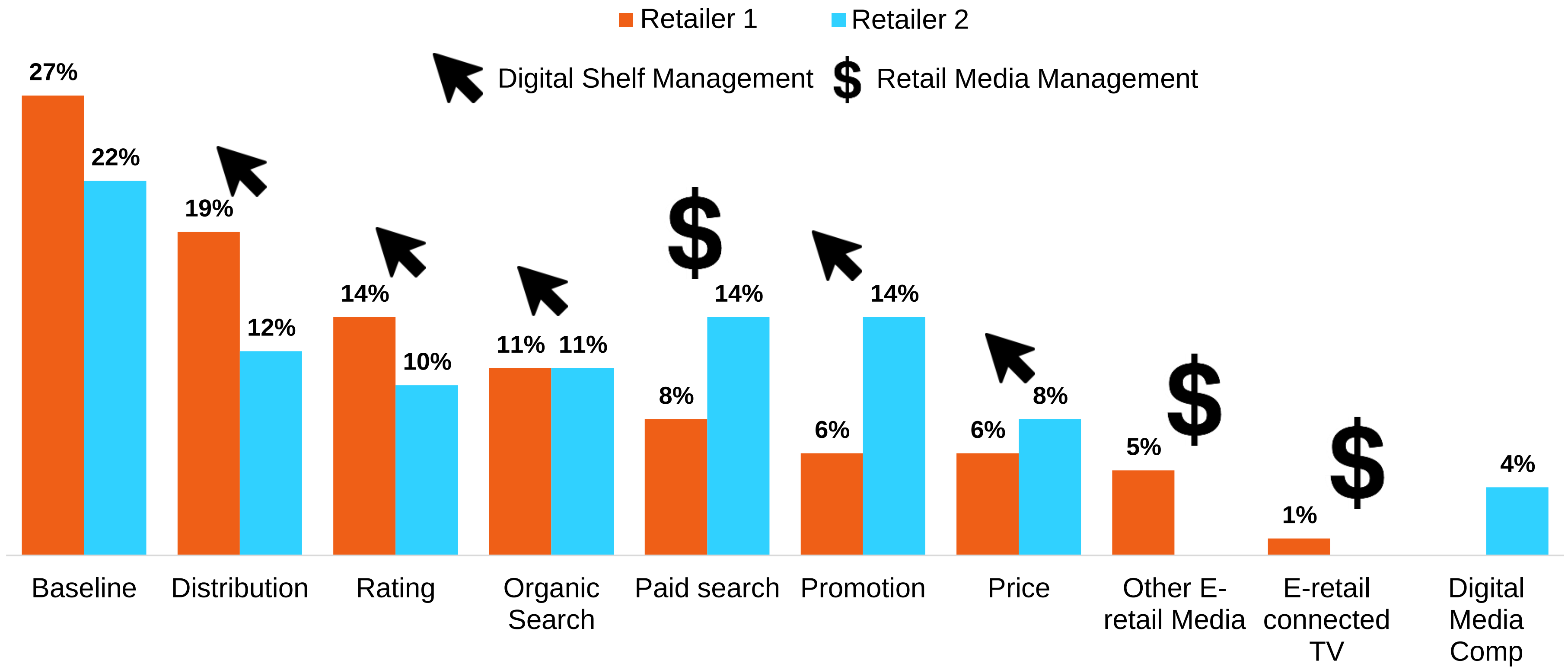
Better For™ is a bellwether of wellness trends and consumer priorities

$ % Chg. YA | **Food & Beverage**

Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage vs Better For segment; $ % Change vs year ago; 4-week trended through week ending February 22, 2025

Retail media alone does not guarantee success, multiple other drivers contribute to eCommerce performance

Anonymized Case Study - Business Drivers Level of Importance (%) on Sales



Source: NIQ Digital Shelf – Anonymized Case Study

Don't neglect digital shelf fundamentals

Availability — Inventory
× **Visibility** — Traffic
× **Attractiveness** — Conversion
= **Performance**

OOS

Assortment
Distribution
Hero SKUs

Search
Organic
Paid

Media

Content

Ratings & Reviews

Price & Promotion

Market Share

Share of Wallet

Online/Offline Index

80% of in-basket products
appear in the top 10 results generated by a keyword search

Source: NIQ Digital Shelf

Your next steps

Here are the **top six actions CPG leaders** can take today to shore up their omni strategy:

1
Champion Omnichannel internally as the future growth engine of your business

2
Accurately measure retailers, channels, and emerging business models with category granularity to set your omnichannel strategy

3
Internally continue building omni capabilities across functions, break down siloes within the organization

4
Drive digital shelf excellence to capture fair share of omnichannel growth, invest in the data and tools to measure this

5
Integrate sustainability and health and wellness attributes into your product development plans, content, and retailer catalog setups

6
Begin optimizing for an AI powered search environment and integrate AI into your operations for efficiency gains

Source: NIQ

NIQ

Thank you!

Want to learn more? Receive a free data sample? Scan the QR code!