

Beverage category winners: what's driving Omni growth?

In a competitive and shrinking beverage space, growing categories realize their consumers are Omni shoppers, and have developed In-Store and Online strategies for capturing consumers.

Beverage units are down

-1.3%

in L52W in Total Omni Channel.

The number of Beverage UPCs selling in brick & mortar stores fell

-3.7%

in L52W.

In-Store occasions still outnumber online

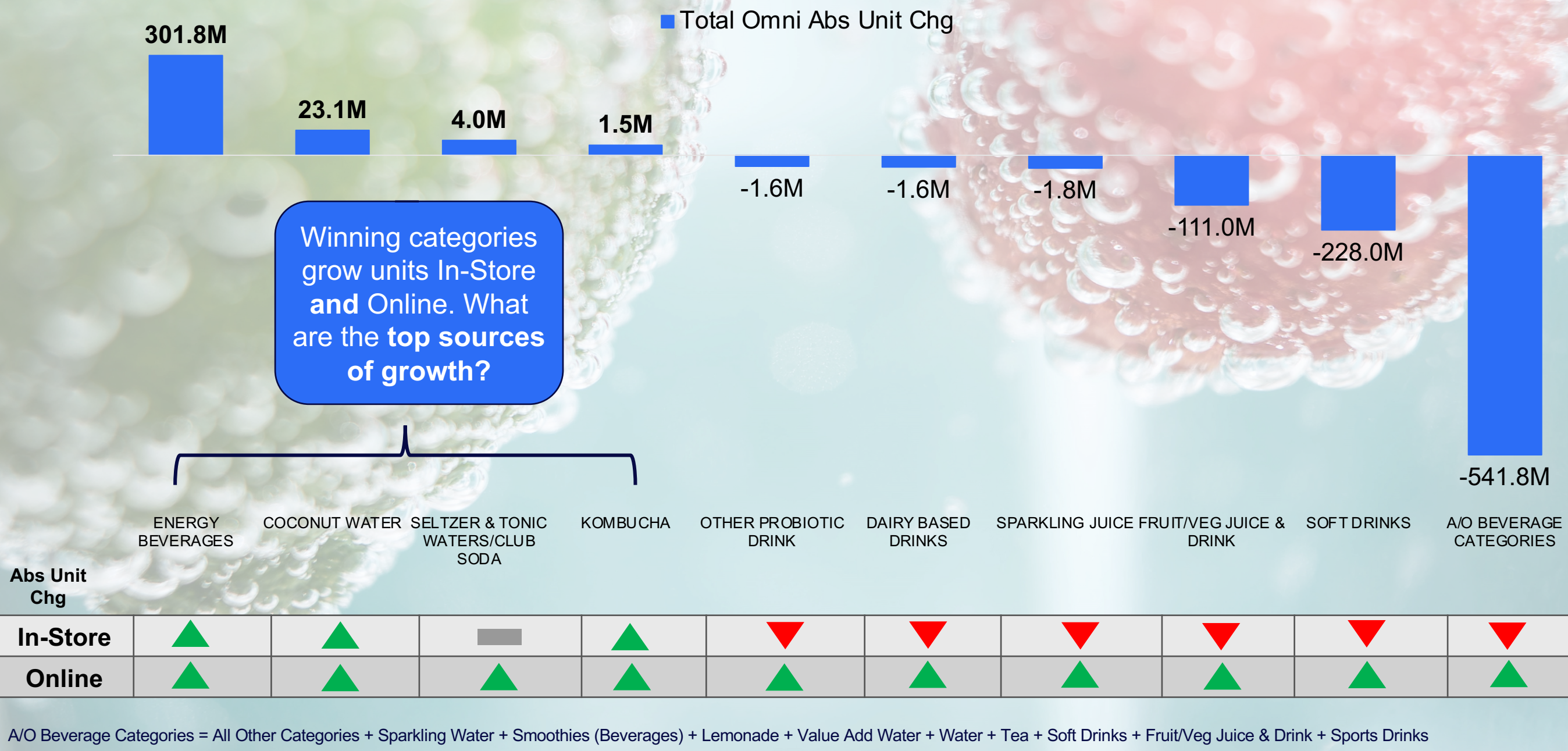
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But online occasions are increasing

+19%

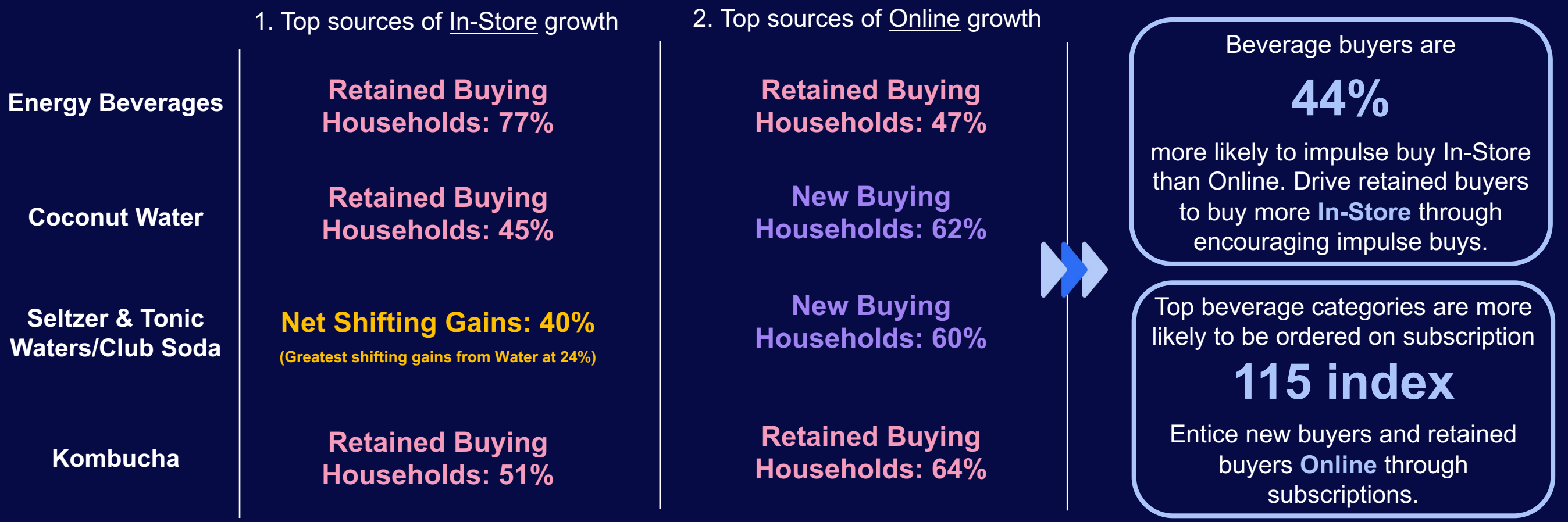
An Omni approach to growth wins: develop a strategy Online and In-Store

Energy Beverages, Coconut Water, Seltzer, & Kombucha realize Omni growth by growing units in both channels



Winning categories get retained buyers to buy more In-Store; new buying households and retained buyers are greatest sources of Online growth

Entice retained buyers to buy more In-Store through impulse buys; subscriptions can increase online purchases



*Auto-Ship categories: Energy Beverages = Energy Drinks + Shots; Coconut Water = Kombucha + Coconut Water; Seltzer & Tonic Waters/Club Soda = Sparkling Water; Kombucha = Kombucha + Coconut Water

Key Takeaways

1. Beverage units are declining in Total Omni and UPCs selling are down in Brick & Mortar stores. Competition is high, and the growing categories prove that an Omni approach to growth wins. Developing a strategy for growth both Online and In-Store is crucial to succeeding in the beverage category.
2. Sources of growth In-Store vs. Online differ for the winning categories. In-Store growth is driven mainly by retained households buying more, while Online growth is driven by both retained households and attracting new buying households. While it's important to keep an eye on shifting dynamics between categories and risk from category interaction, the winners grow via incremental volume to the category.
3. In order to align with the In-Store and Online growth of the winning categories, beverage manufacturers should consider strategies for enticing consumers to purchase in both channels. One way to get retained buyers buying more In-Store is through encouraging impulse purchases. Retained and new buyers alike can be enticed to purchase online through offerings like subscriptions.

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