



What's your brand's winning move this year? Optimizing your omnichannel strategy

How brands can create a complete view of the omnichannel marketplace and consumer behavior



No matter how large their market cap or global reach, all CPG manufacturers need a viable omnichannel strategy today. And that starts with having clear and current visibility of the total marketplace through reliable omnichannel data. For manufacturers with a substantial brand and product portfolio, optimizing your approach to omnichannel measurement is more critical than ever. Mis-assessing a few basis points of share or discovering shifts in omnichannel shopper behavior a few weeks or even days too late can lead to significant lost revenue and margin erosion. No brand or shareholders want that.



The problem with seeing only one half of the picture

Even with advanced in-house analytics teams and wide-reaching internal data sets, it can be challenging for CPG manufacturers to have a complete view of the omnichannel marketplace and their true position. That's partly due to rapidly changing channel dynamics and the unpredictability of recent years.

Surges in online sales, proliferating ecommerce outlets, the rise of third-party delivery and click-and-collect fulfillment are all relatively new phenomena. While the retail industry has quickly built the capacity to meet demand in those channels, it's yet to establish a consistent standard for measuring them accurately. The result for CPG manufacturers? A fragmented view of the marketplace that often leads to costly blind spots and missed revenue opportunities.

Do you have data blind spots?

If you're only using one data source that doesn't distinguish between purchasing channels, you aren't getting the full picture. Learn how to fix your blind spots and find new opportunities to grow in our use case.

Get the how and why of your omnichannel sales data



The OTHER problem facing consumer brands today

Compounding the difficulty manufacturers have in accurately tracking cross-channel performance and assessing their position in the omnichannel space is the challenge of understanding consumer shopping behavior in different channels. Knowing where and how consumers make their purchases and how their shopping patterns differ from channel to channel is such a crucial aspect of a CPG manufacturer's sales operations. It's also a key competitive advantage. And yet, while brands have spent years and significant financial resources in tracking and analyzing shopper behavior in traditional brick and mortar retail settings, their investment in omnichannel consumer data has lagged.

At the heart of this challenge is the all-important 360-degree view of consumer activity. Understanding shopper motivations and preferences across channels is nearly impossible to achieve using internal data alone. If a brand relies solely on its own sales data and homegrown consumer monitoring capabilities – regardless of how comprehensive and advanced they may be – they're not getting the whole picture. And without that holistic view and actionable insights, emerging trends go overlooked, consumer needs go unmet, sales underperform expectations, and quarterly earnings reports underwhelm investors.



See the whole market with omnichannel sales and share data

To better understand your performance and position relative to competitors, even in the murkier areas like click-and-collect, brands need a source of omnichannel sales data that delivers the most precise measurement of category and brand sales across channels and markets. That means avoiding duplicate reporting of click-and-collect/pickup sales, which is expected given the dual nature of this channel, for example, ecommerce transactions and brick-and-mortar fulfillment. It also means gauging omnichannel share for other brands and manufacturers using like-for-like performance metrics and sales figures.

When manufacturers have an accurate understanding of the total market, dependable cross-channel insights, and well-calibrated sales and share data, they can develop the most effective growth strategies and target new market opportunities more efficiently. Isn't that what every CPG brand needs to exceed stakeholder expectations and attain (or maintain) market dominance?



The goal of optimizing your omnichannel strategy is to solve the above challenges. And that starts with reliable, accurate data



Investing in your brand's future performance with accuracy

Just as accurate omnichannel sales data allows CPG manufacturers to better understand what's happening across channels and markets, omnichannel shopper insights help a brand understand why. Tracking consumer behavior across channels can help accurately identify how consumers shift between channels, retailers and product lines depending on how they're shopping. It also reveals how performance drivers vary by channel; this combined data can help inform better activation and engagement strategies.

When generating consumer insights, reliability and consistency are key. Assessing shopper motivations and gaining a view into their behavior requires broad-based sampling and a managed panel to ensure the same shoppers' behaviors are being tracked over time, which makes for a more stable and reliable data pool. But consumer sampling alone doesn't give the most complete view of the omnichannel marketplace; for that, you also need verification via retail data truth set. Combined with a robust, managed consumer panel, POS sales data creates a surpassingly accurate portrait of the omnichannel landscape and shoppers' activities within it. When you can access that quality of omnishopper data, you're able to focus on emerging trends earlier than competitors and adjust your processes (and promotions) to better meet consumers' omnichannel demand.

Go from guesswork to great decisions.

Assess your omnishopper measurement capabilities with our quiz.

**Take the 8-question
NielsenIQ
Omnishopper quiz**

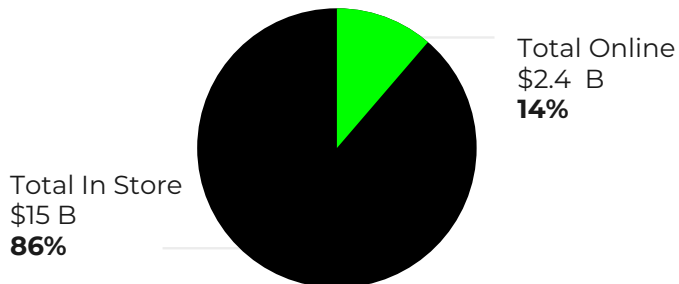


Putting data into action: how a BevAl brand spotted pickup spikes

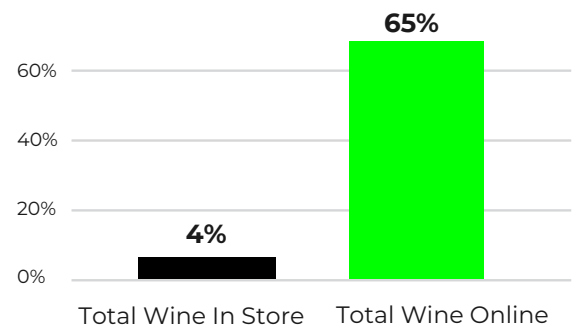
How do manufacturers utilize data to optimize their omnichannel strategies? It starts with asking the right questions. Consider this example of an alcoholic beverage manufacturer looking to contextualize its omnichannel performance relative to the category.

Only those looking at both online and offline sales and share—together—will be equipped to win

Total Omni Dollar Share: Total Wine

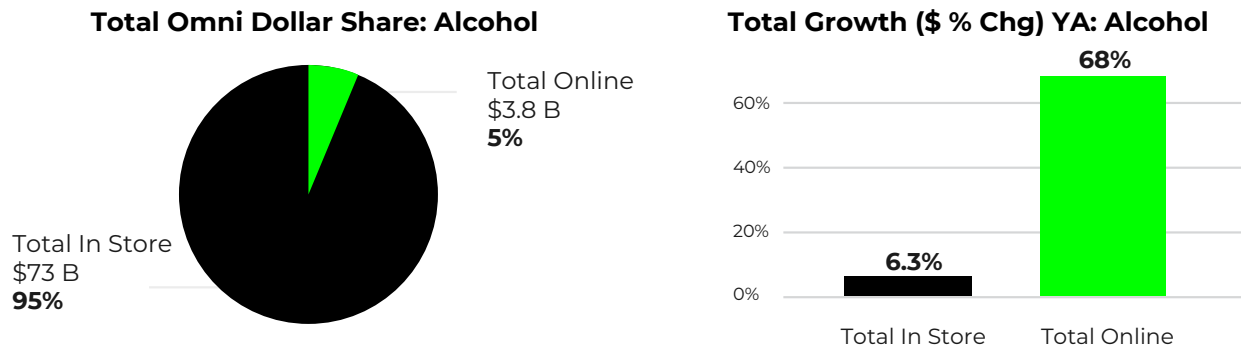


Total Growth (\$ % Chg) YA: Total Wine



Using sales figures reported by its ecommerce division, the brand can recognize a spike in online product sales within its portfolio over the last year. But when it drills down into category or subcategory sales, the brand can only analyze each channel in isolation – and fails to identify the relationship between subcategory online growth and total omnichannel category growth.

Here's what happened when the BevAl brand was able to access omnisaales data:



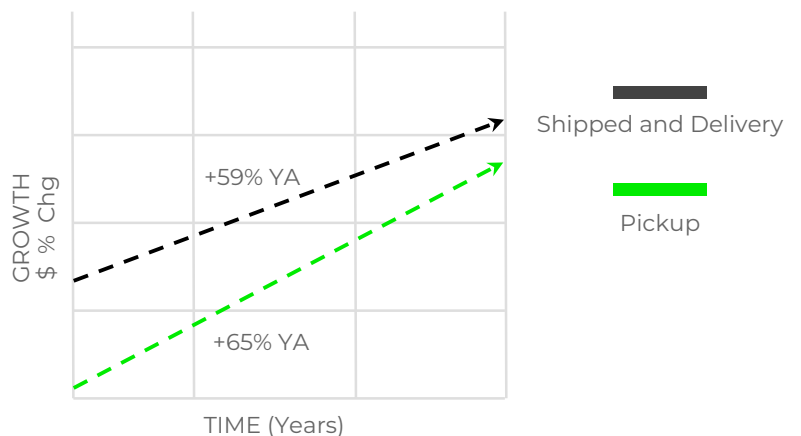
By understanding that the substantial, double-digit growth in online sales of all products in the alcohol category across the total US market represented a relatively small percentage of overall category sales, the BevAl manufacturer can put its own online sales growth into perspective and sharp focus.

The relationship between online growth and omnichannel sales share becomes evident when drilling into subcategory performance. That's vital insight for a manufacturer deciding where to allocate their marketing resources, which markets to target for increased distribution, or how to approach their promotional strategies for different product lines.

Omnichannel sales data also helps the beverage manufacturer accurately identify the growth rate of its click-and-collect/pickup sales relative to shipped and delivery:

As Pickup continues to grow, duplicated data will continue to make up even more of the total reported data

And Pickup is growing quickly -- 65% growth over the last year, outpacing Shipped and Delivery growth



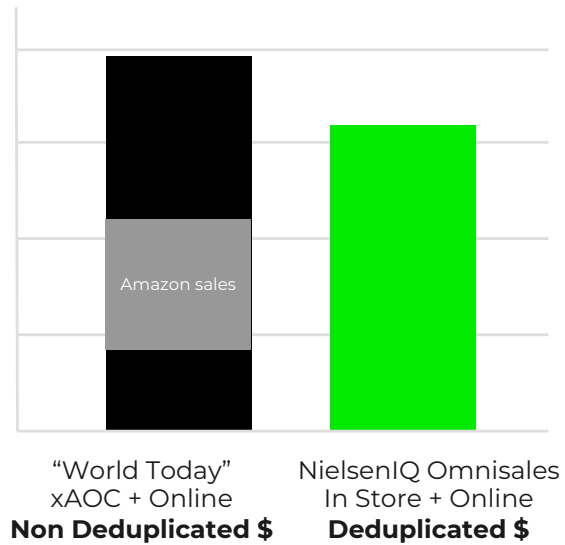
Data from NielsenIQ Omnisaales, 52 weeks ending 06/26/21



Non-NielsenIQ solutions double count Pickup transactions in both online and xAOC data

Why it matters

When comparing to competition, our deduplication methodology ensures you're not misunderstanding \$59M of Lemonade sales



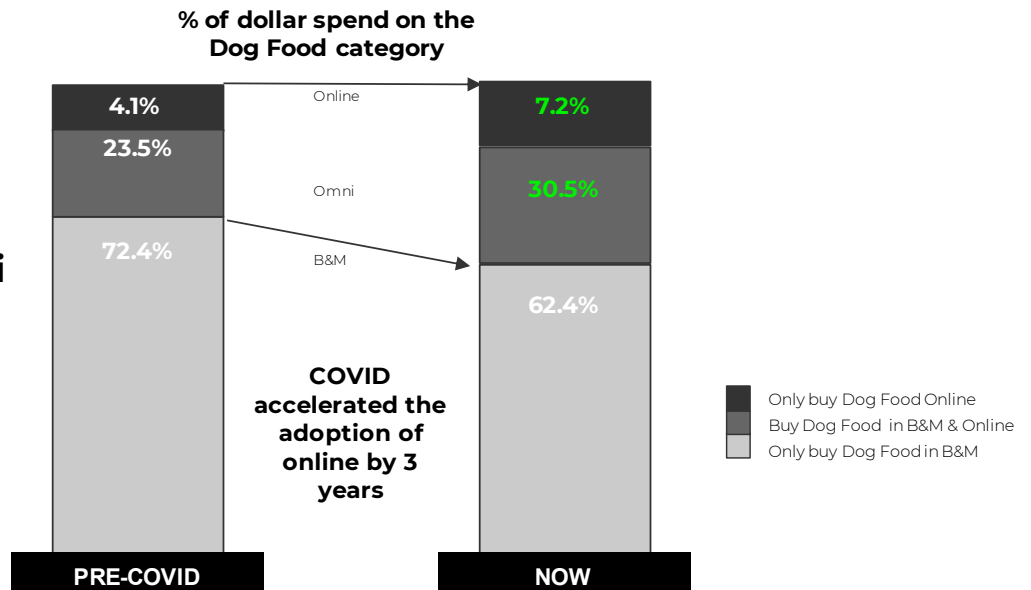
As most other data sets will misrepresent the volume and growth generated by this newly vital sales channel, having that intelligence is crucial. Accurate data allows the manufacturer to understand the market and channel dynamics and make better, more informed decisions.



Putting data into action: How a pet care brand tracks consumer purchasing patterns across channels

Accuracy is also critical when tracking shopper behavior across channels. An example is a pet brand that wanted to know how the percentage of shoppers who bought its dog food exclusively online, exclusively in the store and through both channels changed before and after the pandemic.

28% of Dog Food sales come from consumers who shop omni



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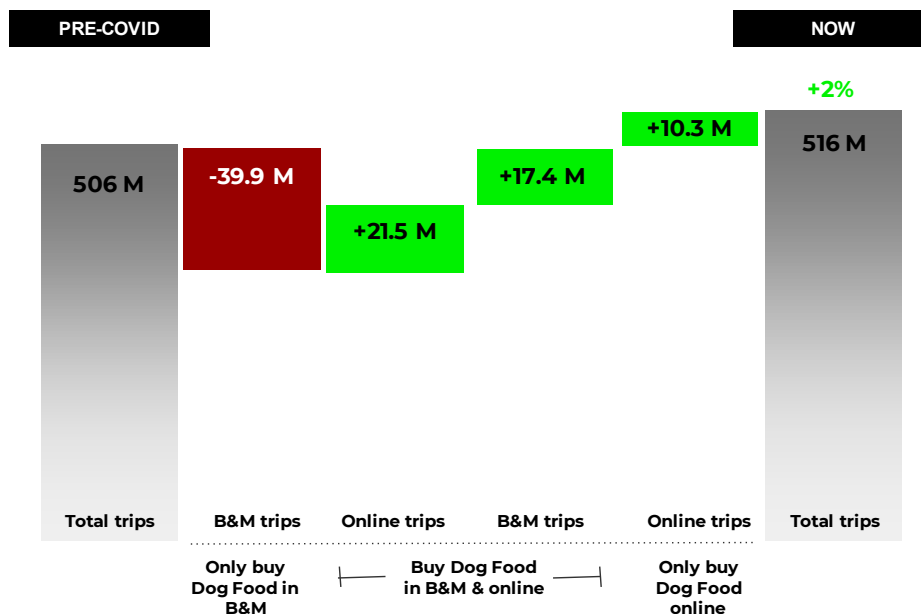
Review of Dog Food category now vs. pre-covid

| | Dollars | # of buyers | # of trips |
|------------------------------|---------|-------------|------------|
| Only buy Online | +100% | +62% | +94% |
| Omnishopper buy B&M & Online | +50% | +31% | +43% |
| Only buy B&M | -0.5% | -6% | -10% |

Source: NielsenIQ Omnishopper
Pre-covid: 10/13/19 - 2/29/20
Now: 12/6/20 - 4/24/21

Understanding how much COVID accelerated the adoption of its shoppers' online and omnichannel purchasing behaviors in the category allowed the manufacturer to capitalize on that growth by adjusting its ecommerce strategy. A deeper examination of by-channel consumer behavior in the category revealed that new household trips to brick-and-mortar outlets also contributed to omnichannel sales growth.

Consumer buying in B&M & Online driving growth in Dog Food



Equipped with those insights, the pet care manufacturer can act on shopper shifts more precisely instead of reacting in isolation to a perceived jump in ecommerce sales. The pet brand can analyze online shoppers' basket compositions to identify which other brands and products are bought alongside their own. It can also drill down into which ecommerce outlet shoppers are spending the most at, and how that spending differs when they visit brick and mortar specialty pet stores. This intelligence can help brands seize growth opportunities and inform effective marketing and promotions strategies.



Investing in your brand's future performance with accuracy

If there's a recurring theme to what makes an omnichannel approach work for CPG manufacturers, it's that accurate, reliable data is paramount. There can be no foundation for an optimized omnichannel strategy without precision sales, and consumer data backed up by a retail data truth set. Can a large manufacturer attempt to create a complete view of the omnichannel marketplace and omnishopper behavior with disparate data sets and an army of analysts? It's possible, but there will always be a degree of uncertainty, and the resources required would be significant.

Instead, omnichannel data generated by a trusted third-party data partner like NielsenIQ can offer CPG manufacturers the visibility and competitive edge to make sense of an omnichannel retail landscape. NielsenIQ has developed a unique set of omnichannel measurement solutions built on the most robust, reliable and accurate retail and consumer data in the world. Our Omni Solutions are the latest expression of our reputation for data integrity forged over the last century of excellence – and they're built for your brand.

To learn more about NielsenIQ's Omnisolutions and how they can help manufacturers of all sizes, contact an Omni expert or check out these additional resources:

**How to understand the
measure the great
shopper shift**

**Better together: creating an
ecosystem for omnichannel
measurement**