

NIQ

The Ultimate Guide to **Omnichannel**

Positioning your team for global wins



A welcome *from Andrew Criezis*



Competition for consumer attention has never been higher. To capture their attention—and win their business—manufacturers and retailers must provide a simple, frictionless experience wherever customers shop, be it online or in-store.

To succeed in this dynamic environment, you need a comprehensive understanding of consumer behavior, effective activation strategies, and cutting-edge measurement tools across all channels. A successful omnichannel strategy begins with high-quality data across all omni touchpoints, specific to the region and even the country in which you and your customers are engaging.

This is [NIQ's wheelhouse](#), and it's why we're so excited to share this guide with you. In these pages, you'll discover the insights and strategies you need to succeed in today's global omnichannel environment—and to prepare for what's coming next.

More specifically, we offer:

- an overview of the current omni landscape—including an exploration of regional nuances within the United States, Western Europe, and Asia Pacific;
- a look at emerging channels like social commerce and the metaverse;
- a breakdown of the measurement, activation, and consumer levers of growth brands can focus on to win;
- a summary of proven pricing and promotion, merchandising and assortment, and automation and orchestration tactics; and
- a roadmap of next steps you can pursue today to strengthen tomorrow's omnichannel growth.

By leveraging our extensive network and partnerships, you'll gain access to deep-dive analyses into market trends (regional and global), consumer behaviors, and competitive landscapes. Our expertise in data analytics, consumer research, and digital technology will help provide the actionable insights required to grow your organization's revenue and build lasting brand loyalty.

Andrew Criezis
President, Omni Commerce

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Introduction

Manufacturers are facing an expanding omnichannel environment.

Here's how the right data and strategies can help you stay ahead of trends.

In today's retail environment, competition for consumer attention is fiercer than ever. **Shoppers demand a frictionless journey across all touchpoints** (be it in-store or online)—and **every interaction with a brand or retailer impacts the customer experience.**

Manufacturers and retailers alike are setting out to deliver an exceptional customer experience to **every consumer, at every engagement, across all channels.** To accomplish that goal, they must craft an omnichannel strategy rooted in best-in-class data.

That data—when properly leveraged—can form the backbone of a sweeping plan that's well positioned to deliver value across the retail landscape.



Here's what the right omnichannel data can do

- ✓ A shopper's purchase history, preferences, and behaviors can **inform highly personalized marketing campaigns with tailored messages, product recommendations, and promotions** that resonate with individual customers.
- ✓ Omnichannel data can be used to **improve customer service, refine products, and create tailored offerings** by helping brands integrate customer feedback, identify gaps, and adapt to evolving preferences.
- ✓ Accurate data across channels can **predict future trends and customer behavior** to prepare companies for shifts in consumer preferences and market dynamics.
- ✓ Omnichannel data can **foster seamless cross-channel experiences through customer feedback loops**, allowing users to demonstrate commitment to customer satisfaction and the ability to adapt to market needs.
- ✓ The ability to analyze all channel data in one place can **help companies identify current dollar and unit sales trends across the entire omnichannel landscape**.
- ✓ Omnichannel data can **empower brands to monitor their market share and identify new and emerging players** that they either need to defend against or learn from.
- ✓ The right data can **provide insights into specific product attributes that are key to driving sales** across the omnichannel landscape.
- ✓ More mature CPG companies can leverage omnichannel data to **identify the ideal time to acquire direct-to-consumer (DTC) brands**.

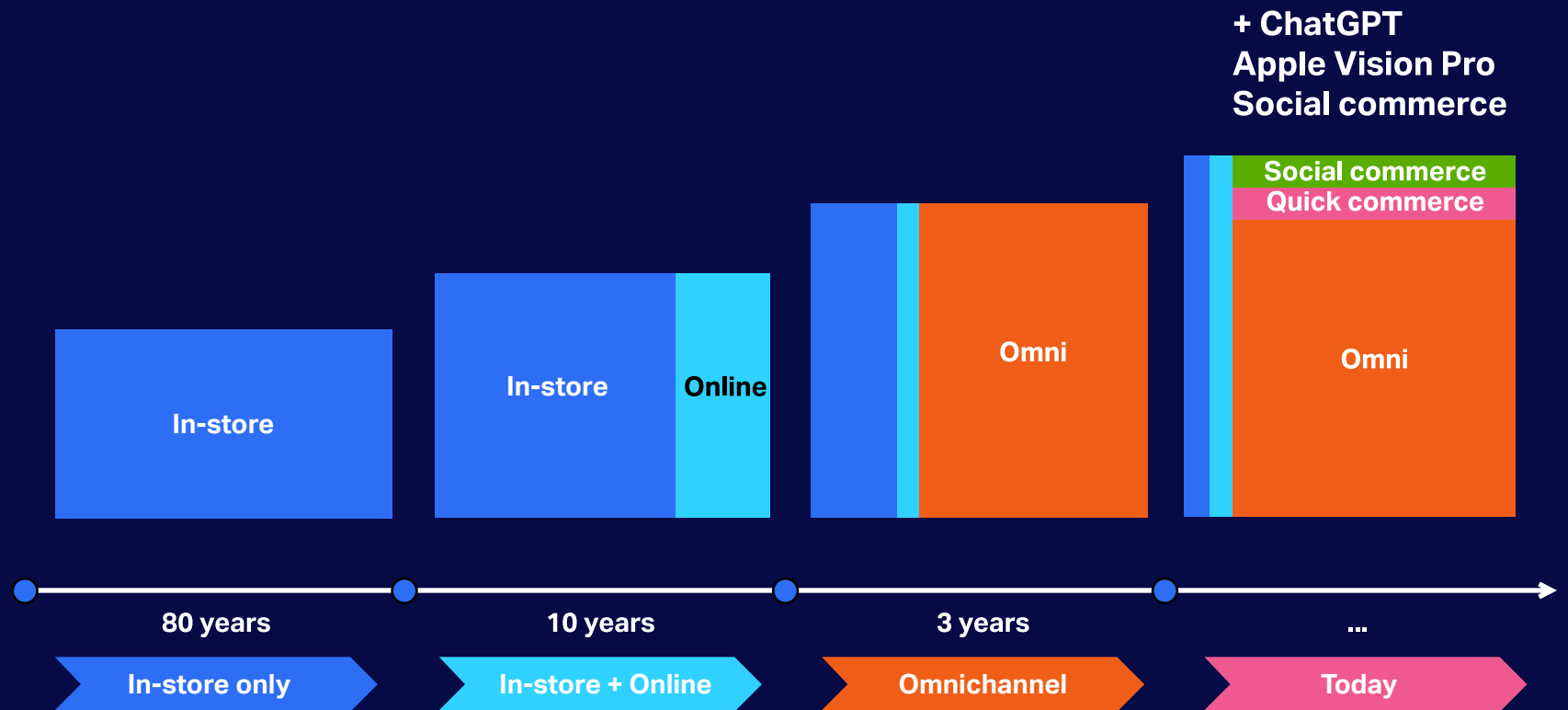
This guide aims to equip you with the insights and strategies needed to succeed in today's omnichannel environment and help prepare you for the emerging trends of tomorrow.

We'll start by providing an overview of the omni landscape and then examine the **three core "pillars" required to accelerate your omnichannel efforts: measurement, activation, and consumer.**

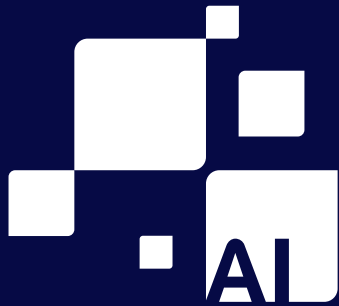
Read on to learn more about how [NIQ's depth and breadth of omnichannel data](#), coupled with human-powered insights and expertise, empower our clients to craft the omni strategies that drive growth today, build lasting brand loyalty, and capitalize on the emerging retail trends of tomorrow.

What does the omni landscape look like today?

The pace of change is accelerating rapidly—to put it mildly

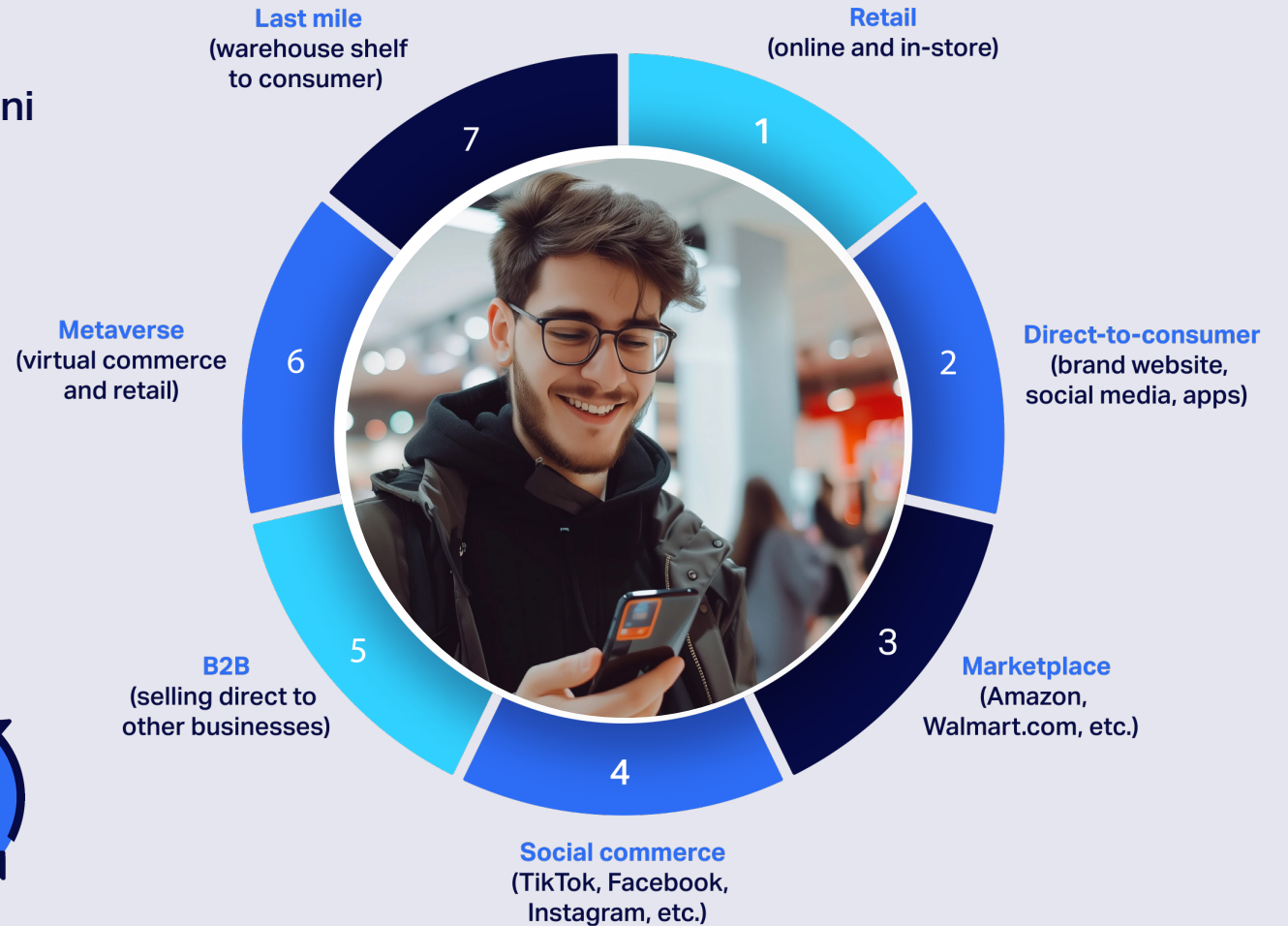


Source: NIQ



With technological advancements such as Artificial Intelligence (AI), the evolution of omni will undoubtedly accelerate at an increasingly fast rate.

Today, there are **seven omni touchpoints** brands must keep top of mind:



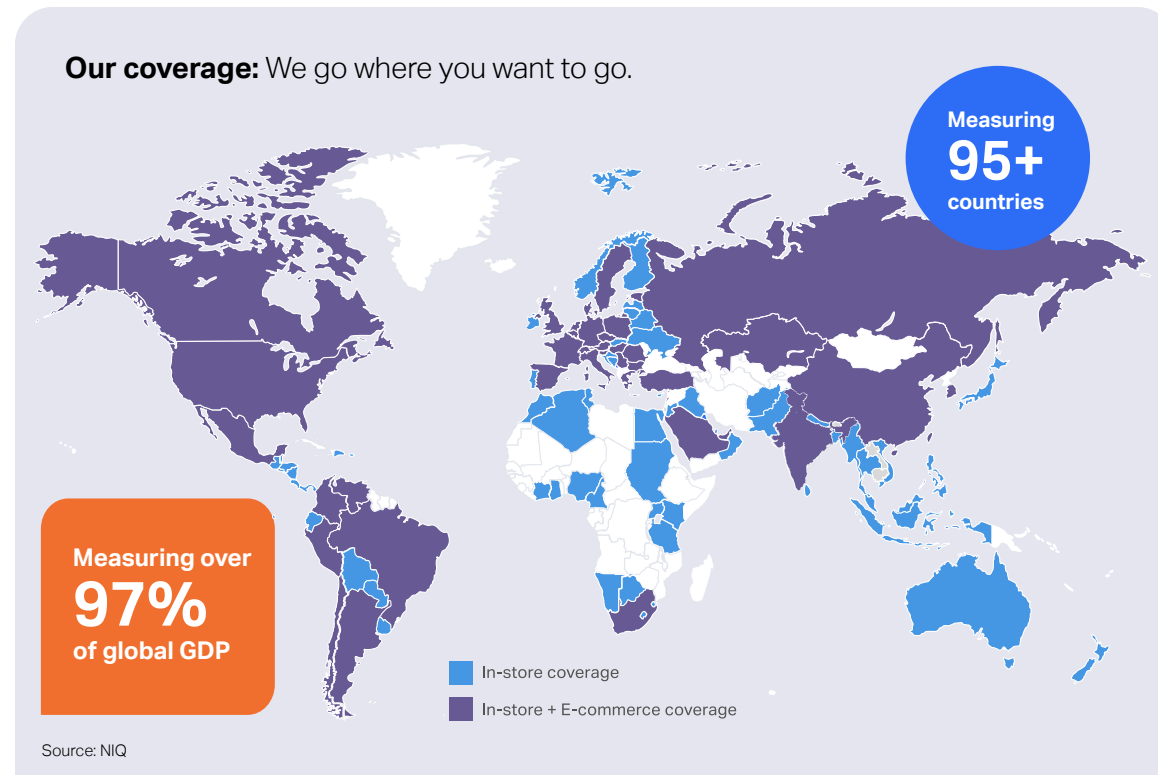
Source: NIQ

It's all in the data

It's critical for brands to understand that consumer behavior across omni touchpoints varies by region and country.

Factors influencing this include digital maturity and infrastructure availability.¹ Granular regional and country-level data enables better decision-making and surfaces new, accurate growth opportunities.

NIQ has been investing in alternative data sets for years, so we can follow the consumer however they shop. Currently, NIQ measures over 97% of global GDP across more than 95 countries with our Omni suite of solutions. When you partner with us, you get access to real-time data and consumer panels tailored to your category.



The NIQ difference

From online and offline sales to consumer-sourced measurement, our Omni suite of solutions gives you the most exhaustive brand and merchant sales data available. This includes a complete, multichannel view of purchasing dynamics for better decision-making.

¹ GfK Retail (R)evolution 2023 study

Regional market dynamics

To get a complete picture of the omnichannel landscape, it's vital that we examine nuances between **three key regional markets**: the **United States (US)**, **Western Europe**, and **Asia Pacific (APAC)**. We'll start by providing a high-level overview of each region, highlighting the trends we're seeing today, and revealing the areas that are best positioned for future growth.



The US omni landscape

The omni opportunity in the US exceeds **1.5 trillion USD²**, and omnichannel buyers account for **91%** of total buyers.³

In-store vs. online:

Shoppers in the US average an **80:20 spend ratio** for in-store versus online, and their online purchases favor mass merchandise channels.⁴ Looking at the demographics of typical US consumers, we can see that the maturing Boomer generation makes up the largest cohort of in-store shoppers, whereas Millennials favor online shopping (when compared with older cohorts).⁵

² NIQ OmniSales Measurement, Total US, 52 weeks ending 1/28/23

³ US NIQ Omnishopper, 2023

⁴ US NIQ Omnisales and Omnishopper, 2023

⁵ US NIQ Omnisales and Omnishopper, 2023



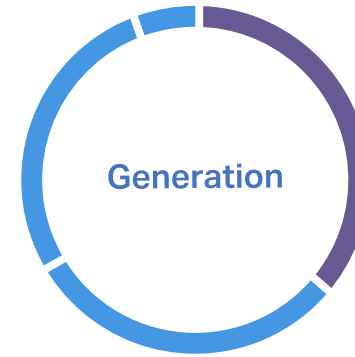
Targeting a typical consumer in the US

Demographics of consumers purchasing general merchandise in the US

In-store



■ High-income 37%

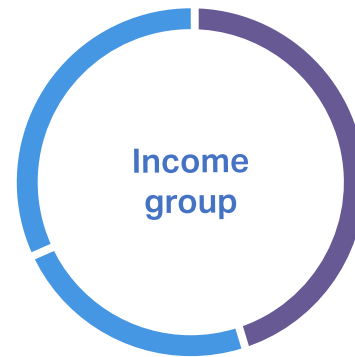


■ Boomers+ 37%
(Born before 1965)

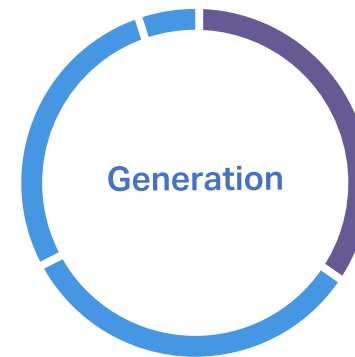


■ White-collar 33%

Online



■ High-income 45%



■ Millennial 35%
(Born 1977-1994)



■ White-collar 37%

US trends brands and retailers should be aware of



1 Retail media networks are huge, and they're growing.

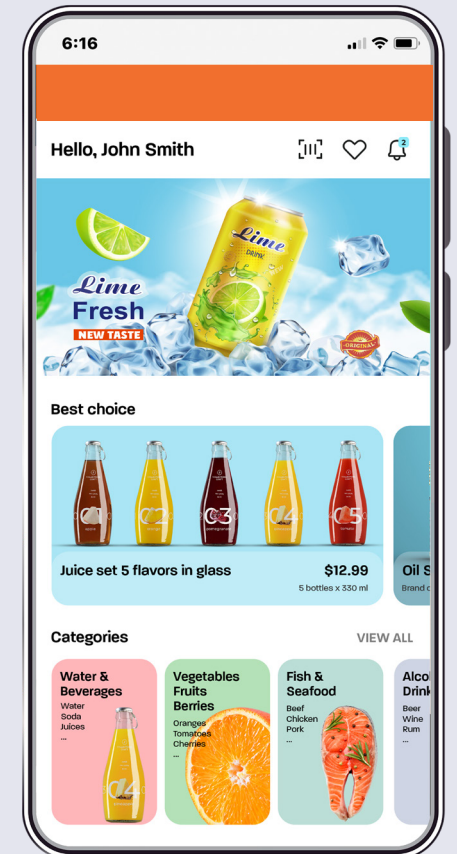
Retail media networks (RMNs) are a way for retailers to sell product placement ads (i.e., display) and monetize e-commerce search results. Conversely, brands that are looking to reach new audiences (and increase national or global distribution) are seeking to both organically rank and buy coveted ad space across RMNs.

The largest players in this space include Amazon Advertising, Target Roundel, Walmart Connect, Albertsons, Instacart, and CVS.

RMNs have transformed the traditional B2C positioning of retailers and squarely positioned them as B2B advertising machines.

Indeed, McKinsey estimates that by 2026, retail media will add \$1.3 trillion to enterprise values in the US alone, with profit margins between 50% and 70%.

A key question for manufacturers looking to maximize their investment across RMNs is **which ones will deliver the largest return on investment (ROI)**—in terms of both return on ad spend (ROAS) and organic visibility. Via NIQ's Omni suite of solutions, we're helping manufacturers optimize performance across RMNs. [Learn more.](#)





75%
of TikTok dollar
sales have come
from health and
beauty in 2024⁸

2 Categories are far from a monolith.

For the purposes of illustration, let's focus on Health & Beauty—an increasingly popular category with younger generations (who demand an omnichannel experience) that is notable for its innovation in meeting said consumer demands.

When we look at the demographics buying beauty products today—and how they're shopping—Millennials are buying online more than any other generation. What's more, Gen Z spend in this category (both online and in-store) is rapidly increasing year over year.⁶

Top beauty brands in the US have responded by leveraging multiple omnichannel tactics to reach customers and build lasting loyalty—including branded platforms (i.e., loyalty apps), YouTube,

DTC, smart vending machines, and RMNs.⁷ Another phenomenon that cannot be overlooked is social selling and social commerce. In 2024, **75%** of TikTok dollar sales have come from health and beauty.⁸



⁶ NIQ US Discover

⁷ Foxintelligence

⁸ NielsenIQ e-commerce ePanel, TikTok Shop Sales, 52 weeks ending 7/31/24

The key takeaway:

The success of both social commerce and social selling in the US in Beauty should not be overlooked by strategists looking for omnichannel growth for their own categories. This beauty trend, coupled with the proliferation of social commerce in APAC (explored later in the guide), serves to reinforce the position that executives should expect a wave of global social commerce growth in the coming years. Indeed, the global social-commerce market is expected to grow to more than \$2 trillion by 2025.



3 Amazon will remain the commanding presence in both omnichannel sales and share.

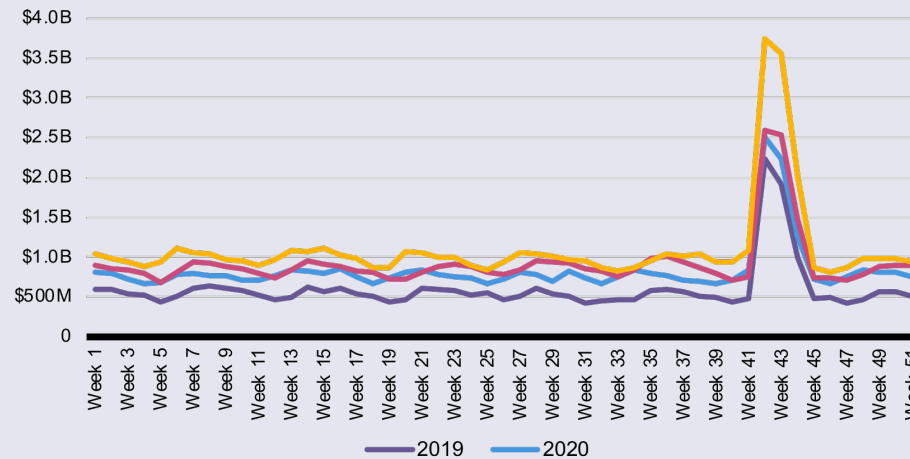
The marketplace's US sales are growing year over year—and continuing to steal share from competitors. Amazon's North American fast-moving consumer goods (FMCG) sales year to date (as of August

2024) came in at **\$69.27 billion**.⁹ When it comes to ad revenue, Amazon earned a staggering **\$46.9 billion** in 2023, comprised primarily of sponsored ads on its site. This figure exceeds the annual global revenue

of manufacturing giant Coca-Cola and makes Amazon the third-largest advertising platform in the US, behind only Google and Facebook.

Amazon daily sales trend

Daily sales-YOY comparison



Source: NIQ Ecommerce Insights, 2023

The key takeaway:

Brands can't have an Amazon data "blind spot" and have a well-informed US omni strategy. NIQ's [omnichannel data](#) removes Amazon performance gaps and gives you a complete picture of your market. To learn more about how to close your organization's Amazon reporting gaps, [check out our playbook](#).

⁹ NielsenIQ Omnisales+, CYTD ending 8/26/24



US consumers make purchase decisions based on **three main drivers**:¹⁰

1. Availability

(in-stock and preferred brand)

2. Quality

(fresh or high quality)

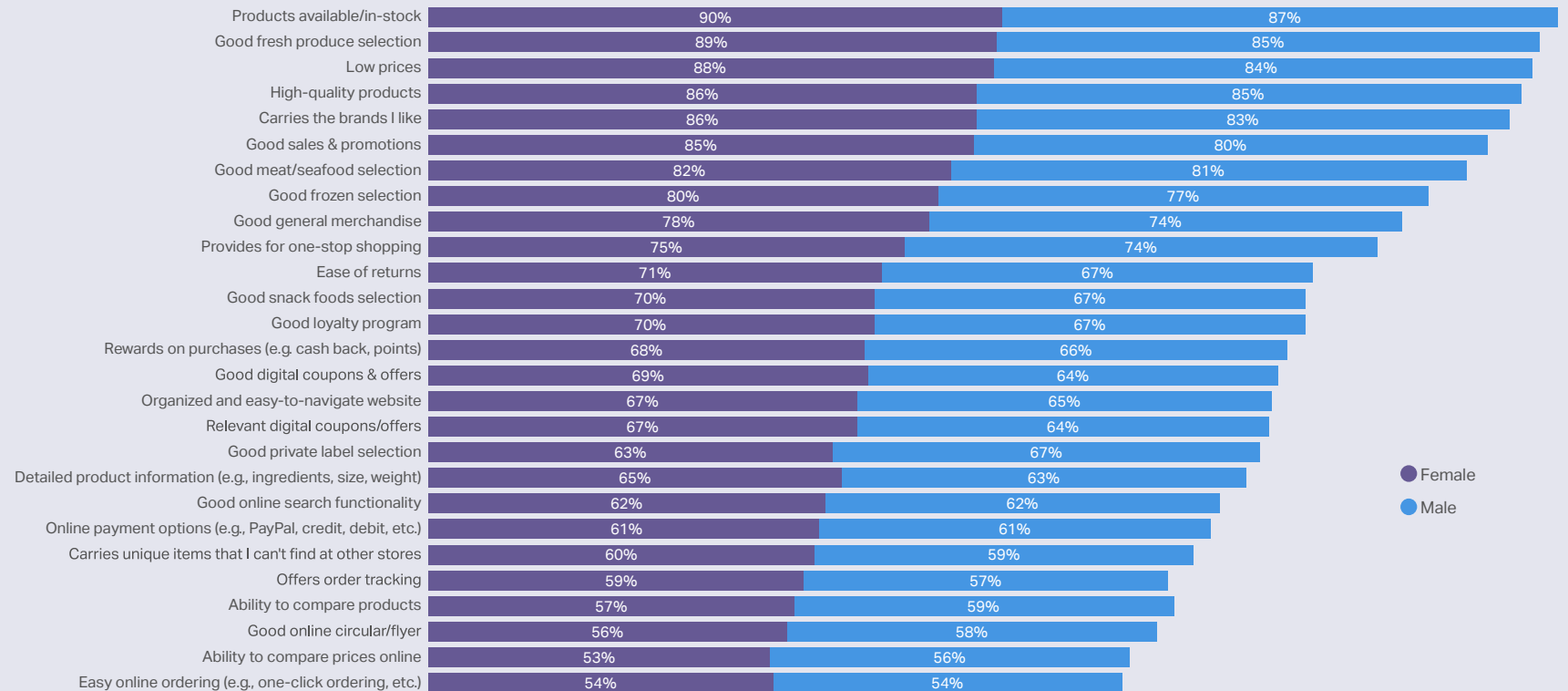
3. Price

(low prices or sales/promotions)

¹⁰ NIQ BASES Retailer Diagnostic, 2023

4 Availability is the top US purchase driver online.

Top factors consumers consider before making online purchases in US
Availability, quality, and pricing are top factors for both men and women.



Source: NIQ BASES Retailer Diagnostic, 2023



5 US online shoppers favor small trips.

Consumers still overwhelmingly use online trips for spearfishing (1-3 items per trip).

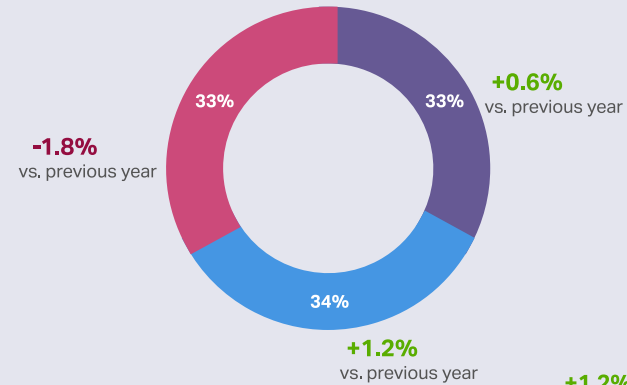
However, fill-in (4-11 items per trip) and stock-up (12+ items) trips have grown by 2% versus last year.¹¹

Omni trip type evolution:
Small trips drive online today, but growth has favored larger trips

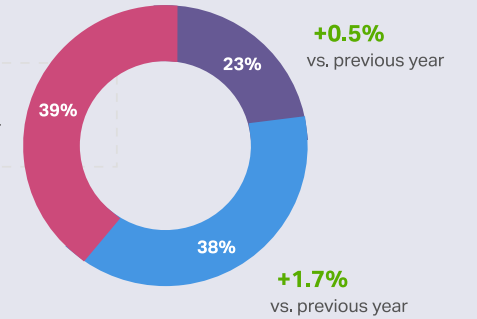
Spearfishing still commands 57% share of online trips in US, but this has declined by nearly 2%, while online fill-in and stock-up trips have grown.

Share of spending by trip type

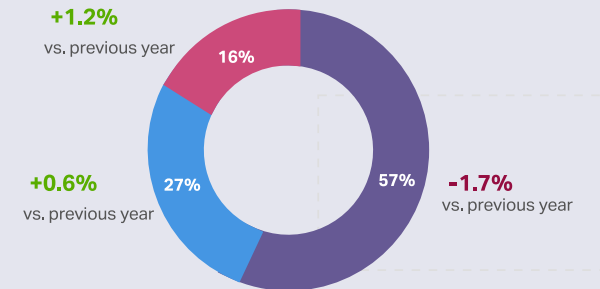
Total omni: US market



In-store: US market



Online: US market



- Spearfishing (1-3 Items / Trip)
- Fill-in (4-11 Items / Trip)
- Stock-up (12+ Items / Trip)

¹¹ NIQ Omnipanel. Total US measures of different trip types, Total CPG (excluding Fuel purchases), Latest 52 weeks ended 6/15/24 vs. previous year

The omni landscape across Western Europe

Online channels in Western Europe are still recruiting shoppers. The first half of 2024 saw **1%** growth in new online shoppers and **4%** growth in purchase frequency for online shoppers.¹² “Buy now, pay later” options have contributed to this growth.

In the UK, roughly **20%** of Total FMCG sales in 2023 came from e-commerce.¹³ Of these online sales, just over **22%** came from third-party (3P) selling, where brands sold to consumers through retail sites like Amazon. The remaining **77%** came from first-party (1P) selling, where brands act as a wholesale supplier to retailers. While its share of sales may seem low, **the marketplace 3P model is growing. More than one in three euros** is spent on marketplace 3P products.¹⁴

¹² Foxintelligence by NIQ e-commerce consumer panel. West Europe = UK, DE, FR, IT, ES, Data ending 6/23/24

¹³ NIQ EU Discover, 2023

¹⁴ NIQ EU Discover, 2023

Western European FMCG trends to watch

1 The Health & Beauty category is growing.

Like in the US, this category is seeing year-over-year growth across Western Europe. In the UK, for example, the Beauty category saw a **21%** increase in value for female online shoppers for 2023.¹⁵ Brands like Charlotte Tilbury, Maybelline, and E.L.F. lead the way in market share.¹⁶

Where are brands seeing success?

- E-commerce and social commerce platforms hold roughly **30%** of the market share for Beauty.¹⁷

- TikTok Shop, which to date has only launched in the UK, already has **13.7%** share of value for Beauty.¹⁸
- The most affluent women in the UK spend less on Beauty, but when they do spend, they tend to leverage deals.¹⁹
- Beauty brands like Typology have expanded from online-only to targeted physical stores. These can be pop-ups, permanent locations, or retail partnerships.

¹⁵ NIQ Foxintelligence, 2023

¹⁶ NIQ Foxintelligence, 2023

¹⁷ NIQ EU Discover, Foxintelligence

¹⁸ NIQ Foxintelligence, 2023

¹⁹ EU NIQ POD Homescan, 2023

2 Quick commerce is in decline.

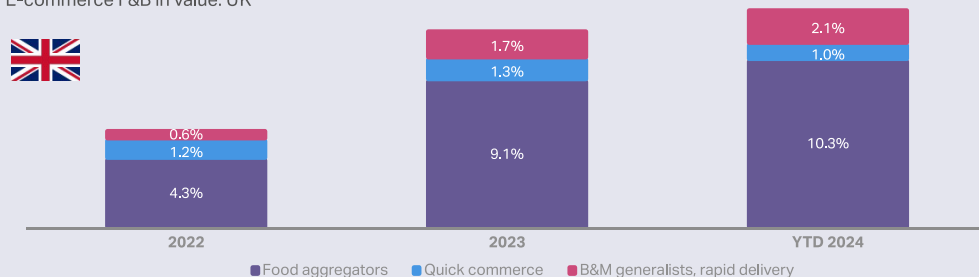
Quick commerce is decelerating, but food aggregators and rapid delivery are seeing big gains. In this new landscape, food aggregators account for most of the rapid delivery business. They currently hold **10.3%** value market share in the UK, which is driven by high penetration and high frequency

(almost one order per month).²⁰

Spain and the UK are showing the highest share and share of gains for rapid delivery of food and beverage items. For large cities in the UK, **one out of every five pounds** spent on food and beverage online is now rapid delivery.²¹

Quick commerce is fading away, while food aggregators doubled their share in two years

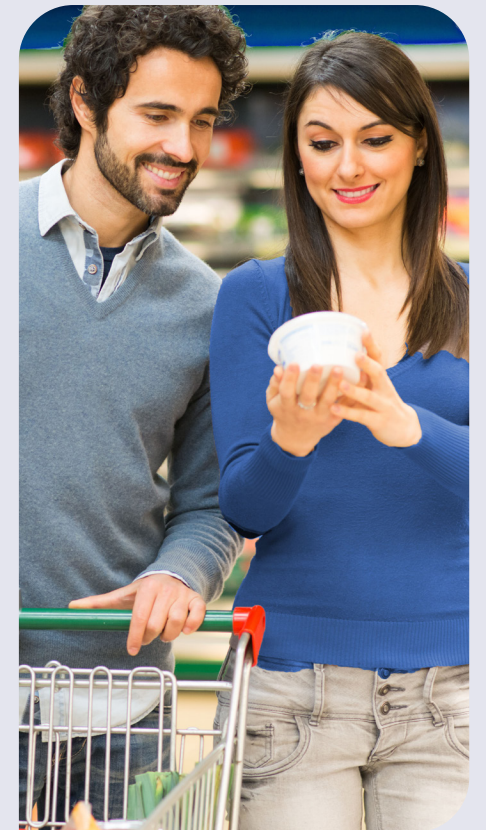
Value market share: Rapid delivery channels
E-commerce F&B in value: UK



Source: Foxintelligence by NIQ Food Delivery Consumer Panel, Data ending 8/18/24

3 In-store shoppers prefer hypermarkets and supermarkets.

When shopping in-store, consumers in Western Europe prefer supermarkets and hypermarkets—large retail stores with a broad range of product categories—over discount stores and pharmacies.²² The only exception is Germany, where Aldi is the major “discount player.”



²⁰ Foxintelligence by NIQ e-commerce consumer panel, Data ending 7/31/23

²¹ Foxintelligence by NIQ e-commerce consumer panel, Data ending 7/31/23

²² EU NIQ Omnisaies, 2023

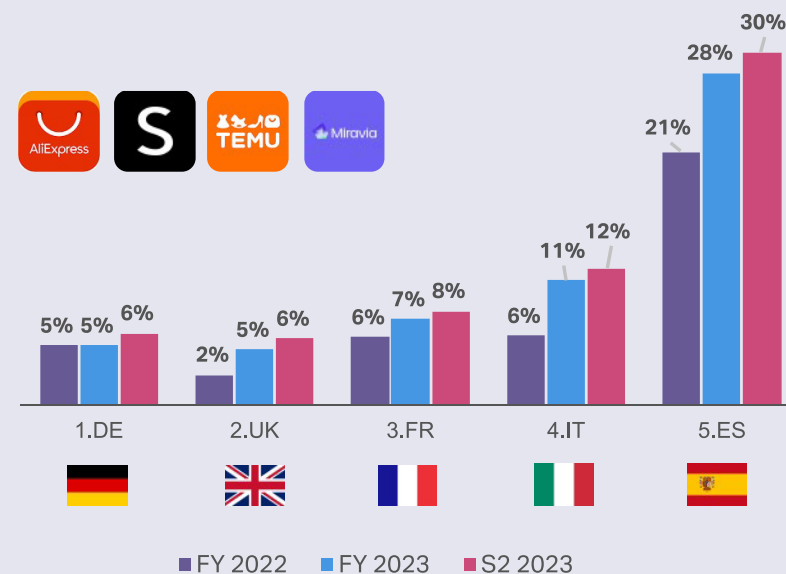
4 Chinese platforms are delivering value in Western Europe.

Although Amazon still dominates in most countries, Temu, Shein, and AliExpress continue to gain market share. For the first half of 2024, **one in three** purchases in Spain was made on one of these Chinese platforms.²³

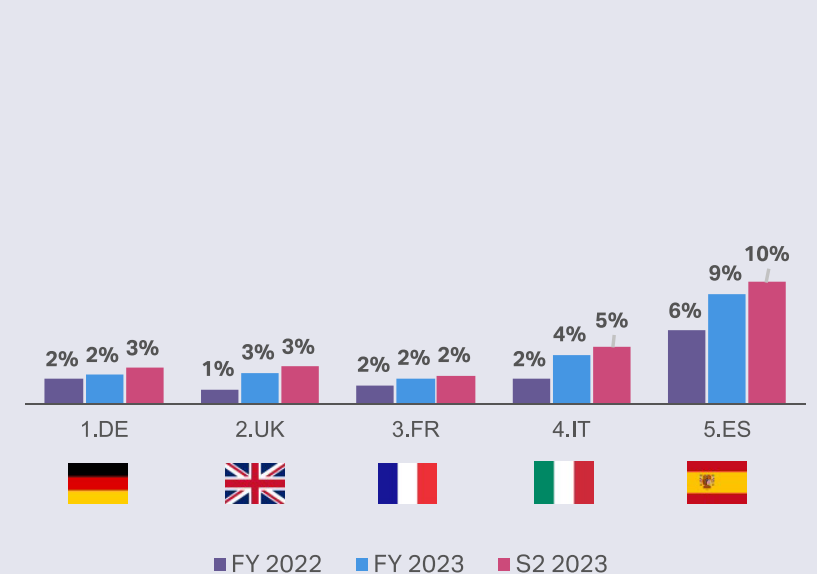
Shein is increasingly strong among Gen Z buyers, while Temu has a more balanced buyer base that spans generations. Here's a quick look at how Beauty compares with other categories on Temu.

Chinese platforms are taking Europe by storm

AliExpress, Miravia, Temu, Shein market share in volume of orders
Total e-commerce of goods



AliExpress, Miravia, Temu, Shein market share in value
Total e-commerce of goods



²³ Foxintelligence by NIQ e-commerce consumer panel. West Europe = UK, DE, FR, IT, ES, Data ending 6/2/24

Source: Consumer Panel Foxintelligence by NielsenIQ

Temu is already on the podium across departments in number of orders

Temu ranking by department in volume

Total e-commerce of goods, in number of orders: H1 2024

TEMU	Home & Kitchen	Beauty	Computers & Electronics	Personal Care & Health
	#2	#3	#2	#2
	#2	#4	#3	#3
	#2	#2	#2	#2
	#2	#3	#2	#2
	#2	#3	#3	#3

Source: Foxintelligence by NIQ e-commerce consumer panel. West Europe = UK, DE, FR, IT, ES, Data ending 6/2/24

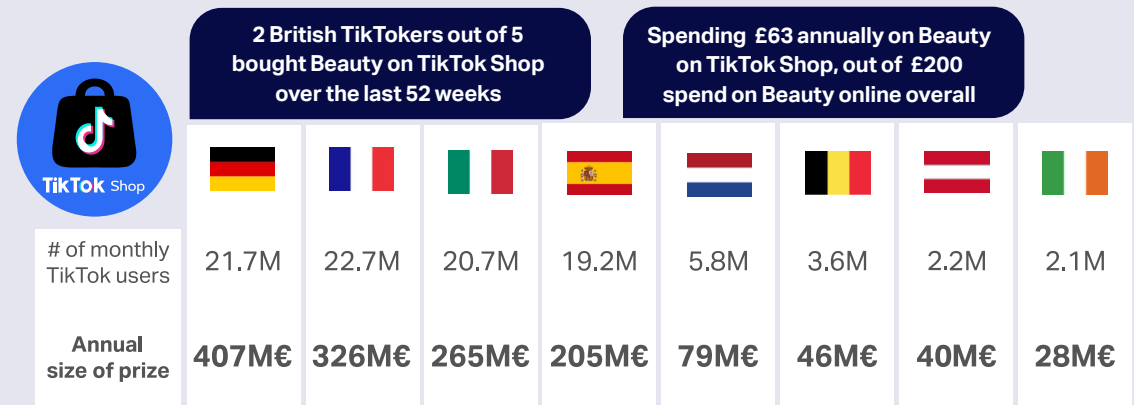
When it comes to social commerce, TikTok Shop has only just launched in the UK, but its impact is already being felt. It's broken into the top 10 online merchant list and is the third fastest-growing merchant behind Temu and Amazon.²⁴ **One out of every three shoppers in the UK** has purchased

from TikTok, compared with **one out of every six in the US**²⁵ For brands across Europe, the launch of TikTok Shop represents a massive opportunity—one that you can prepare for today.

Here's a quick picture of the opportunity available in the Beauty category.

TikTok Shop represents a €1.4B opportunity on Beauty in WEU

Size of TikTok audience and projected size of prize by country
E-commerce Beauty: Last 52 weeks



Source: Digital Services Act Transparency Reporting - <https://www.tiktok.com/transparency/en/dsa-transparency/>

Source: Foxintelligence by NIQ e-commerce consumer panel, Data ending 10/6/24

²⁴ Foxintelligence by NIQ e-commerce consumer panel, Data ending 6/2/24

²⁵ Foxintelligence by NIQ e-commerce consumer panel, Data ending 6/2/24

5 Convenience is a top purchase driver online.

In Western Europe, purchase drivers differ slightly from those in the US. A representative sample from the UK tells us these are the **top three purchase drivers**:²⁶

1. Convenience

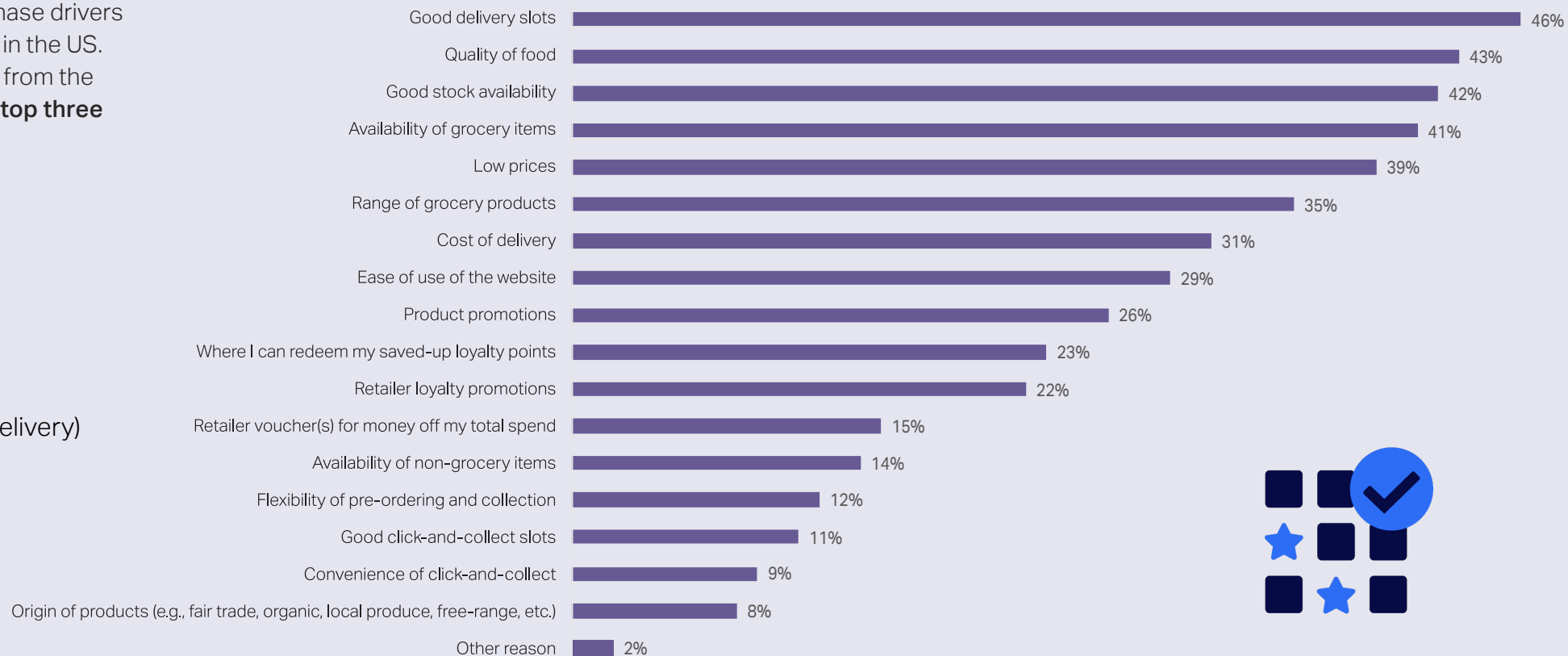
(good delivery slots)

2. Quality

(of food)

3. Price

(low prices cost of delivery)



²⁶SOTN November Survey 2023

The omni landscape across Asia Pacific (APAC)

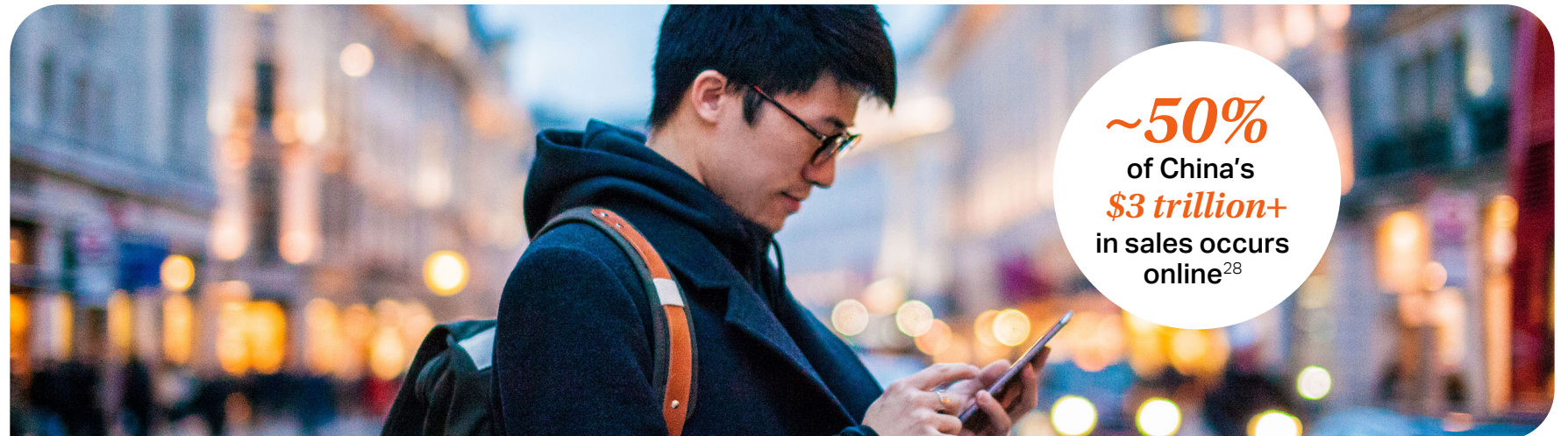
Within Asia Pacific, **differences across countries must be considered** to craft a winning strategy. Here are a few key considerations for manufacturers looking to enter or grow in the region:

- APAC is home to **four of the top 10** largest populations in the world.
- **Five of the top 10** e-commerce retail share markets are in APAC.²⁷ China sits at the top of this list, with

²⁷Insider Intelligence, eMarketer Forecast, Jan. 2024
²⁸APAC NIQ Homescan, 2023

almost 50% of its **more than \$3 trillion** in sales occurring online. This is especially notable since integrated online and offline retail only became a reality in China in 2024.²⁸ (By comparison, the second-largest market is the US, with **over \$1.5 trillion** in online sales.) South Korea is similarly advanced in e-commerce penetration.

- APAC accounts for **62.6%** of global e-commerce.²⁷
- For most of APAC, the in-store spend spread from high- to low-income groups is similar. However, we see significant variation in Indonesia, with low-income consumers spending far less in-store and high-income consumers spending far more than in other countries.²⁸



Regional trends are helpful for context, but granular country-specific data is best when it comes to informing your strategies.

Here's a look at how several markets within APAC compare to other regions in terms of omnichannel maturity.



Developing APAC trends for FMCG



more than
40%
of FMCG sales in
China comes from
e-commerce²⁹

1 There's huge opportunity for e-commerce growth.

China has the highest e-commerce penetration for the region and globally, with **more than 40%** of FMCG sales coming from e-commerce.²⁹ South Korea also has similar FMCG e-commerce penetration.

Even though China and South Korea are mature e-commerce markets, they continue to see robust continuous growth of **7-9%** year over year. There's also much more opportunity for growth in the region, particularly in countries where traditional trade still has a foothold.

In comparison, just **4% and 7%**

of all sales in Indonesia and Japan, respectively, come from e-commerce channels. But these markets are experiencing some of the highest growth globally, accelerated by subchannels like Quick Commerce (Q-commerce) in India and social commerce in Indonesia.³⁰ Other APAC markets with high growth rates to watch include the Philippines, Vietnam, Malaysia, and Thailand. These countries are among the top 10 fastest growing in e-commerce sales around the globe.³¹

FMCG also has less penetration than the Technology & Durables (T&D)

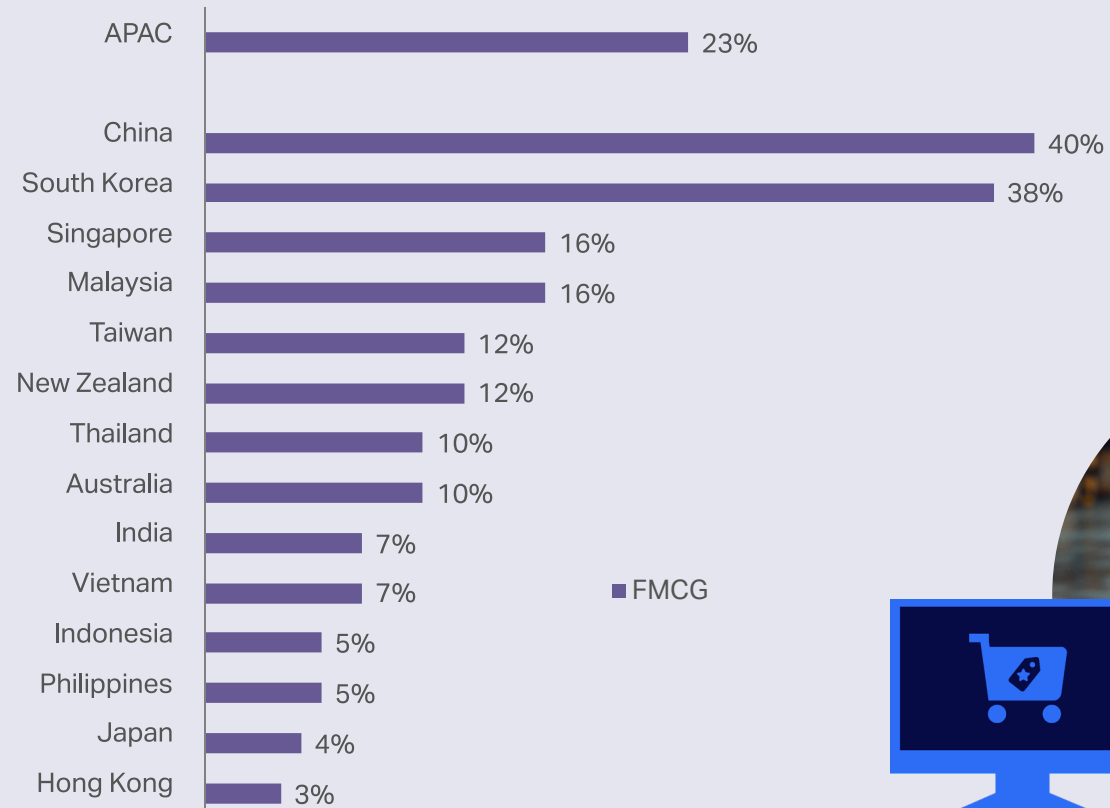
sector (**23%** vs. **35%**)—another indicator of APAC's runway. With its current growth trajectory in the region, we anticipate e-commerce will have a **30%** share of FMCG by 2030.³²



²⁹ Insider Intelligence, eMarketer Forecast, Jan. 2024
³⁰ NIQ, GFK 2024 data, Forrester, Statista, Metric, Meti 2023 data
³¹ Insider Intelligence, eMarketer Forecast, Jan. 2024
³² NIQ, GFK 2024 data, Forrester, Statista, Metric, Meti 2023 data



E-commerce value share of trade in Asia Pacific

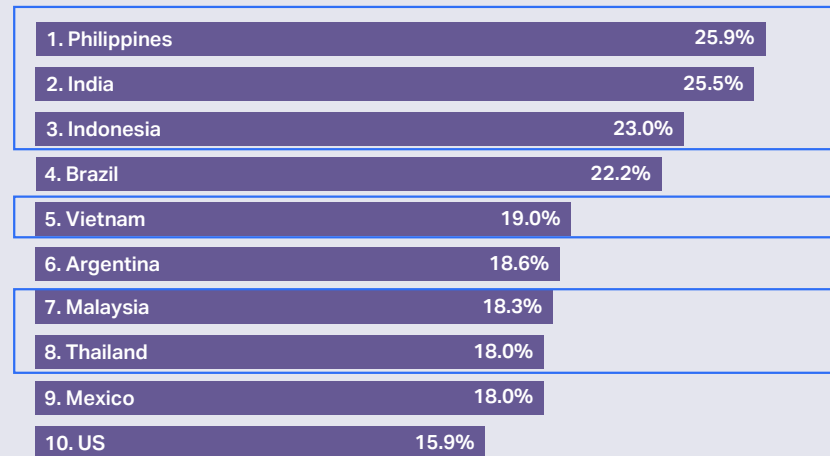


E-commerce market size by country [updated 2024] mobiloud.com

APAC e-commerce: Size, growth, and total penetration

6 of the top 10 e-commerce growth markets percentagewise are in APAC

Top 10 countries, ranked by retail e-commerce sales growth, 2022
% change



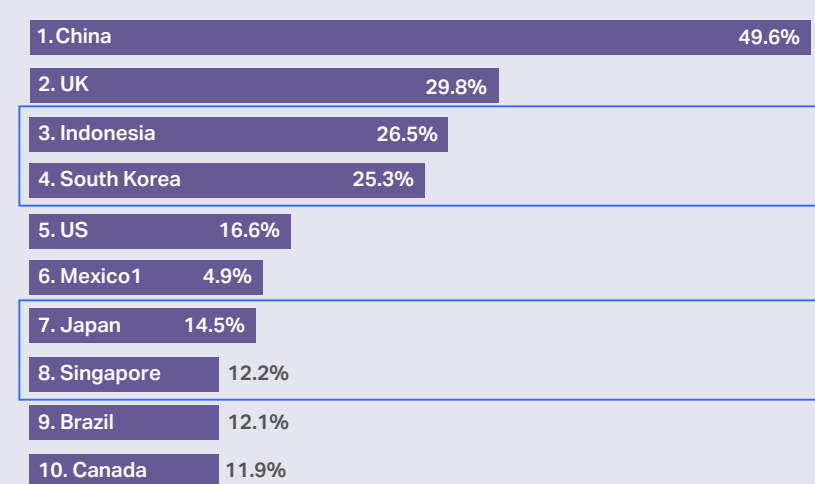
Note: Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales

Source: eMarketer, Jan. 2022

eMarketer | InsiderIntelligence.com

5 of the top 10 e-commerce retail share markets are in APAC

Top 10 countries, ranked by retail e-commerce as a change of total retail sales, 2024
% of total retail sales



Note: Includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales; ¹excludes Hong Kong

Source: Insider Intelligence | eMarketer Forecast, Jan. 2024

eMarketer | InsiderIntelligence.com





2 Health & Beauty have dominant players.

Nykaa, Amazon, and Flipkart are leaders in the Health & Beauty category in India. Skincare and haircare dominate sales, and most online Health & Beauty shoppers are concentrated in larger cities.³⁵



3 Quick commerce is booming in several markets.

Quick commerce is gaining traction in APAC. India has the highest penetration, with **40%** of consumers using it to deliver groceries and small appliances.³⁷ Major players include Blinkit, Swiggy Instamart, and Zepto.



³⁵ NIQ Retail Measurement Services, China, TikTok (Douyin) channel performance, % growth, 52 weeks ended Q1 2024 vs. year ago

³⁷ Foxintelligence data FMCG (calibrated E-commerce) | MAT ending Oct. 2023



52%
adoption rate
for social
shopping
in China³³

4 Social commerce is rapidly expanding here.

Over one-third of APAC shoppers make purchases through social media platforms. In China, the adoption rate for social shopping is even higher, at **52%**. An astronomical share of China's social commerce comes from TikTok, which makes up **42%** of its e-commerce sales.³³

Not surprisingly, the top-selling product categories on TikTok in APAC are in Health & Beauty. TikTok has been a player there for several years, and it continues to grow. Consumers in the region are spending **16%** of their budget on the platform—and **11%** more on average than the American online buyer (\$4,803 vs. \$4,325) across all categories over the past 12 months.

There are also platforms like WhatsApp, which is growing in areas like India. These types of platforms used to be solely for communication with friends and family but are now prime opportunities for brands to connect with and sell to consumers.

5 Price is a top purchase driver.

While there are some commonalities between the US and Western Europe, price takes the top spot in our top three purchase drivers in APAC.³⁴



³³ Nielsen Answers Desktop, 2023

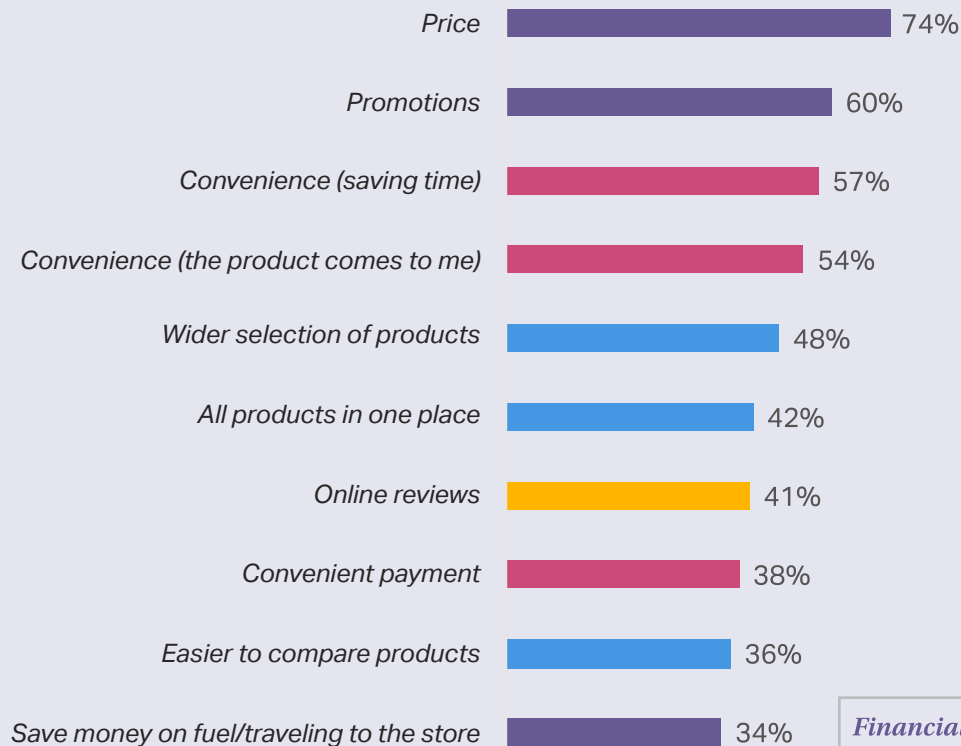
³⁴ NIQ E-commerce Survey July 2024, n=3,259

In APAC, price and promotions are the key drivers

Convenience in both time and effort are also widely appealing.

As we mentioned before, APAC is not a monolith, so **it's critical to examine these drivers by country and channel.** In China, for instance, price and promotions aren't even in the top three reasons why people buy online due to it being table stakes for anyone playing online. But across the region, we see convenience continues to grow in importance as a key driver.

What makes APAC shoppers buy online?



*Financial
Convenience
Choice
Trust*

Source: NIQ E-commerce Survey July 2024, n=3,259

The key takeaways:

- If you examine where China is today, relative to digital commerce, you know the rest of the world should be anticipating very similar shifts; an East-to-West trend is emerging.
- E-commerce is becoming increasingly fragmented. From bricks and clicks to quick delivery to social commerce to private domains (and even discounters), each player is taking their slice of the e-commerce pie.
- Measuring e-commerce performance based solely on sales simply can't provide you with the full view. The influence digital commerce platforms exert on sales extends far beyond the online world. To maximize success, think about the entire omni landscape in everything you analyze.

Channels to watch

Social commerce and the metaverse

Social shopping is on the rise

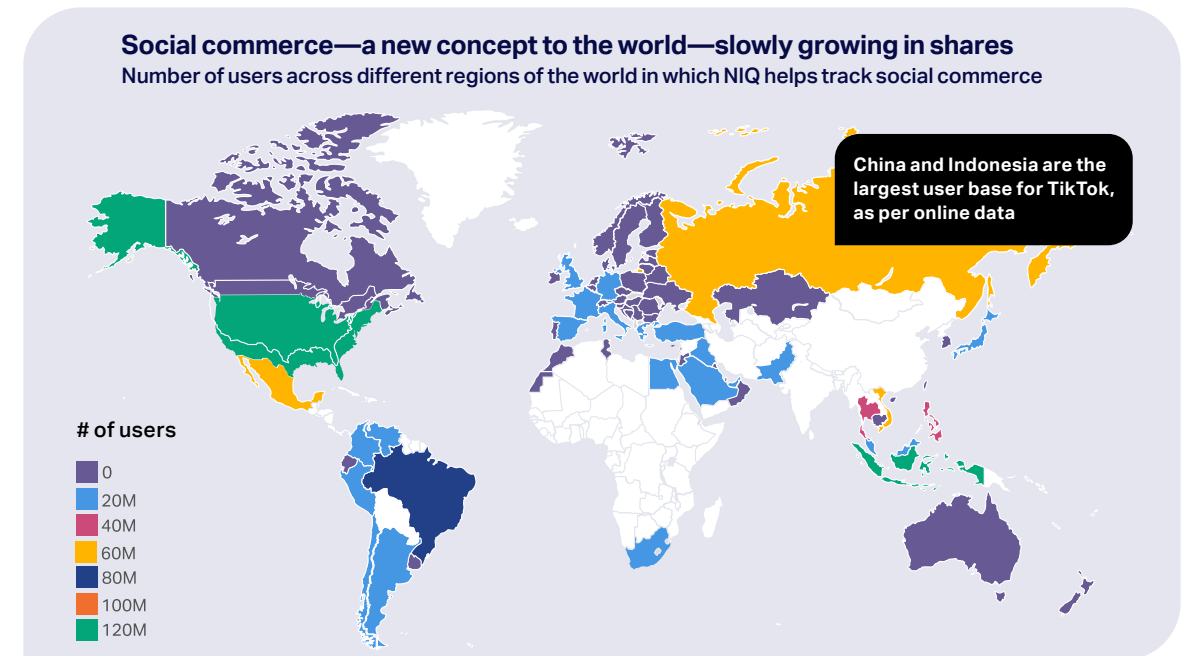
Social commerce is poised for astronomical growth. In 2021, the market size was \$0.62 trillion, and it's predicted to hit \$7.03 trillion by 2030, with a CAGR of 30.8%. As shown in our regional breakdown, **TikTok is one of the driving forces behind this growth**—particularly in the Health & Beauty category.

When it comes to social commerce, APAC is leading the way—and has been for the past 10 years. Today, China is seeing almost **55%** growth in sales on TikTok in 2024 versus the previous year.³⁵ With the United States and Indonesia currently having the most known TikTok users, we should expect to see this kind of sales growth across other regions as the user base continues to expand.

In Western Europe, TikTok Shop is still getting off the ground. Sales in the UK,

for example, are growing just **3%** year over year.³⁶ Beauty is the top-selling category, accounting for **7.8%** of all UK online cosmetic sales,³⁷ but impulse buys on items like toilet paper and food and

beverage are also happening.³⁸ Once TikTok brings its Shop feature to the rest of Western Europe, expect broader growth that brands can capitalize on.



³⁵ NIQ Retail Measurement Services, China, TikTok (Douyin) channel performance, % growth, 52 weeks ended Q1 2024 vs. year ago

³⁶ NIQ Foxintelligence, 2023

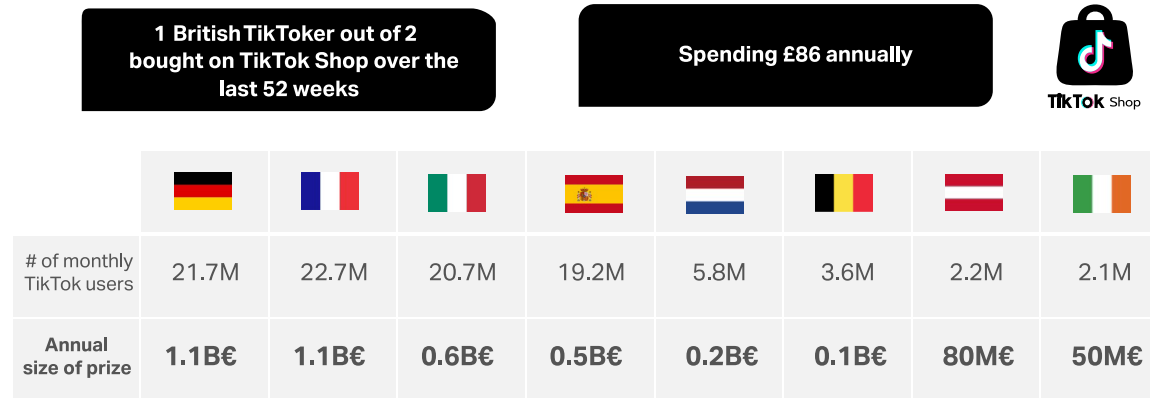
³⁷ Foxintelligence data FMCG (calibrated E-commerce) | MAT ending Oct. 2023

³⁸ NIQ proprietary data

A whopping 3.7B€ opportunity when TikTok Shop launches in WEU

Are you ready?

Size of TikTok audience and projected size of prize by country
Total E-commerce of goods: Last 52 weeks



Source: Digital Services Act Transparency Reporting - <https://www.tiktok.com/transparency/en/dsa-transparency/>
Source: Foxintelligence by NIQ e-commerce consumer panel, Data ending 6/2/24

TikTok Shop officially launched in the US in September 2023. By the end of the year, the company had over 500,000 sellers onboard. Our data reveals that the **majority of TikTok shoppers in the US are younger, more diverse, and less affluent.**³⁹ Though Beauty takes the vast share of sales, Food & Beverage is gaining ground, with **15%** of sales in 2024.⁴⁰

As consumers continue to look to social media for product discovery and direct sales, **CPG brands have an incredible opportunity to capitalize on convenience and impulse buying.**

Shoppable features on channels and content should be a focus for brands that want to stay competitive. And while TikTok may be the right place to start for some brands, it's important

to choose the social commerce platforms that align with your business objectives—including legacy and emerging platforms.



15%
Food & Beverage share of sales in 2024⁴⁰

³⁹ NIQ Rakuten e-commerce Retailer View
⁴⁰ NielsenIQ e-commerce ePanel, TikTok Shop Sales, 52 weeks ending 7/31/24

Don't forget about the metaverse



Though the initial hype has faded, the growth potential for the metaverse is very real. Recent estimates of the metaverse's commercial opportunity are as high as \$13 trillion, with an estimated 5 billion regular users by 2030.

When we talk about omni, **the metaverse offers new ways to marry digital shopping experiences with the physical.** For example, a customer can "try on" a clothing item on their avatar in the digital world before purchasing that item in the physical world.

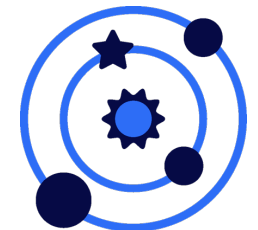
Some brands are using digital twins to help their employees provide better customer service. With their digital twin in the metaverse, employees can access real-time product information and inventory data to serve customers in-store.

These are just a few of the many applications for the metaverse. Some experts believe user adoption will be gradual at first but speed up as the graphics processing units (GPUs) needed to render the metaverse begin permeating users' devices, which is happening now with new AI-powered laptops and cell phones.



The NIQ difference

NIQ can help your brand integrate social shopping and metaverse commerce into its omnichannel strategy. With our Omni suite of solutions, you'll have access to data from more than 95 countries and be able to uncover insights on social and metaverse buyers, including demographics, consumption habits, and competitor performance.



What brands should focus on to win

An effective omnichannel strategy can't rely solely on measurement.

Think of your strategy like a three-legged stool: It needs all three legs—measurement, activation, and consumer—to stand on its own.



Let's briefly look at these areas and the levers of growth brands can use with each to create a strong, stable strategy.

Measurement

The ability to accurately measure your product's performance and the effectiveness of campaigns is the superpower you need to stay competitive. Retail Measurement Services, part of the NIQ Omni suite of solutions, offers comprehensive CPG market point-of-sale measurement. You'll be able to **discover new trends to maximize growth, see the performance of competitors, and make actionable decisions from trustworthy insights** across 900,000 stores globally.

Levers of growth

- **New channels:** One way to grow is through new sales channels. NIQ Retail Measurement Services helps identify channels where competitors are already succeeding—and channels where no competitors exist. With real-time data on your buyer, you can make informed decisions about which new channels offer the best opportunity for the brand.
- **Pack size optimization:** The right data can reveal new pack size opportunities. With NIQ, you can map pack sizes to consumer usage occasions and size anchoring within the category, identify gaps in a portfolio and sizes that open new distribution opportunities, and evaluate your trade promotion strategy.
- **Maximizing occasions:** Understanding how and when buyers consume products is critical to increasing sales. Not only does this data let you craft more timely campaigns and promotions, but it can also inform pack size strategy. NIQ solutions provide granular data on consumer buying patterns to help you see which occasions trigger a product purchase.



Activation

It's crucial not to take a blanket approach to omnichannel consumer activation. **NIQ data makes it possible to present the right message, in the right channel, to the right buyer.**

From programmatic advertising and social media marketing to influencer collaborations and personalized content experiences, we have the tools to fuel your activation strategies.



Levers of growth

- **Focus on brand equity:** A strong brand strategy in omnichannel helps maintain a consistent message and experience across channels. Brand values are a big part of that messaging. Questions to help identify your values include: *Why should a consumer choose your product over another? What matters to you about your products' social or environmental impact?* Infusing values into the activation strategy lets you speak to value-motivated consumers who want to purchase products from brands that align with their values. For instance, research by Forrester found that 72% of consumers in metro China and 74% in metro India make regular purchases from brands aligned with their values.
- **Health and wellness:** The Healthcare category is still going strong as consumers continue to spend on this category amid inflation and shifting cost of living. Part of what's driving this is consumers becoming more proactive about their health since they carry more of the cost burden. Brands that can clearly communicate product health and wellness benefits through claims and other messaging are more likely to attract health-conscious consumers.



Consumer

The FMCG market is experiencing rapid shifts as more brands adopt digital tools and new technologies—like [AI](#). Add to this the growing consumer preference for convenience and sustainability, and it can be hard to keep up. That's why a best-in-class data partner is essential. [NIQ's innovation solutions](#) help retailers and manufacturers stay on top of industry trends and drive digital transformation. Data insights that could take your team weeks to provide—including insights into the innovation landscape, launch performance analysis, and category innovation reports—are just a few clicks away.



Levers of growth

- **Innovation:** Entering or creating new spaces in the market has the potential to drive new business. However, attempts can fail without accurate data and insights. If you're thinking of making bold moves in this area, assess potential threats and review past launches (the good and the bad) so your team can build long-lasting innovations that will win on the shelf.
- **Sustainability and wellness:** Younger generations seek brands that value the environment/sustainability. [Gen Z](#) and Millennial consumers are **27%** more likely than older generations to purchase from a brand that cares about its impact on the planet and are [most likely to prioritize purchasing wellness-related products](#). Your brand's commitments and certifications in this area are a critical driver of trust and something to focus on as these younger generations gain dominance.

Beauty industry leader improves go-to-market strategy



L'Oréal, a global leader in beauty, partnered with NIQ to gain a deeper understanding of the e-commerce landscape and improve its strategy. The company's Consumer Products Division (CPD) wanted to implement a comprehensive data-driven approach to navigating complex market dynamics and consumer behaviors.

The collaboration began with a three-month pilot, during which 200 to 250

people at L'Oréal CPD started using NIQ's e-commerce solutions in various roles within the organization, including digital, e-commerce, activation, and brand roles. Before the collaboration, L'Oréal CPD had attempted to manage with less effective, piecemeal solutions for e-commerce visibility. But the comprehensive data from NIQ's tools allowed them to accurately read omnichannel trends and significantly improve their go-to-market strategy.



The impact

This implementation **helped L'Oréal CPD in three key ways:**

1. It enabled the identification of significant trends across multiple markets, enhancing the effectiveness of global campaigns and programs.
2. It provided insights into actual consumer brand repertoires, revealing true competitors and allowing L'Oréal to better understand its mass portfolio.
3. Its extensive e-retailer segmentation—covering over 400 beauty retailers—helped L'Oréal tailor its offers to specific retail touchpoints and manage campaigns more effectively.

LATAM beverage manufacturer optimizes its GTM strategy to *boost e-commerce performance*



An isotonic beverages company located in Latin America (LATAM) requested an analysis of how their top-selling product is performing online. Our objective was to understand e-commerce purchasing trends based on historical data from the past two years; identify key manufacturers, brands, and products with strong e-commerce performance; and uncover opportunities to drive growth in their category.

The Isotonic Beverages category is constantly evolving, with new brands such as Prime, Hidro 220, and Hidro Max now competing with our client for mindshare and consumer loyalty. To maintain market positioning and differentiation in this increasingly competitive space, it's crucial for our client to demonstrate added value as part of its go-to-market strategy.

Among our findings and recommendations:

- Optimize product offerings: Powdered products account for more than 30% of total e-commerce sales, highlighting their importance to consumers shopping for isotonic beverages online. To capitalize on this trend, our client is focusing on individual, portable, and easy-to-use packaging, as well as sugar-free options that align with the growing demand for healthier alternatives.
 - Drive high-performance categories: While 750mL presentations lead sales in physical stores, they rank among the lowest-selling options online. This suggests that the most successful formats in traditional retail don't necessarily perform well on digital platforms. Ensuring the availability of formats that better align with online demand is crucial.
 - Refine pricing and promotional strategies: Data show that sales increase significantly when promotions are implemented. Maintaining competitive pricing aligned with the market is key to preventing customer loss due to high prices. Adjusting the pricing strategy and launching targeted promotions will improve our client's profitability and strengthen their top product's presence in the digital marketplace.
- Implementing these actions will ensure our client's top product regains visibility and enhances its e-commerce performance, securing its competitiveness in an ever-evolving market.

Additional considerations

Pricing and promotion strategies remain key to global omnichannel success in 2024 and beyond.



Inflationary pressures are driving consumers to seek **value**, which is a **blend of brand, quality, price, and promotion**. Getting your pricing and promotion strategy right requires detailed category and SKU-level data.

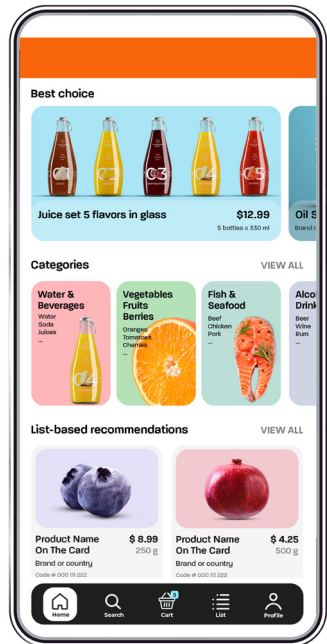
Here are the **five types of pricing and promotion strategies** available today:

- 1. Cost-based pricing** is the most common strategy used by retailers and manufacturers. CPG manufacturers ensure they recoup costs and make a profit by factoring in all production and packaging costs, plus a markup.
- 2. Competitive pricing** aims to match or undercut competitor products. However, attempts to keep up with competitors can result in losses.
- 3. Penetration pricing** is dynamic pricing that starts new products at a low introductory price and increases them as demand grows. This strategy requires capital to maintain low margins at launch.
- 4. Value-based (or demand-based) pricing** sets a price based on what consumers are willing to pay. This pricing works well for products with a high perceived value but requires strong data and analytics to understand market dynamics.
- 5. Price skimming** involves launching products at a high price and lowering them once competition enters the market. With this strategy, competitors have the potential to undercut you before the price drops and gain market share.

For all these pricing strategies, **data is essential**. Our [Revenue Growth Management](#) solution helps uncover the best pricing and promotion strategies. The data we provide traces how decisions lead to specific results so you can optimize pricing and promotions throughout the product lifecycle. For more on pricing and promotions, [download our guide](#).



Merchandising and assortments can help overcome shelf shrink.



Shrinking shelf space is a real problem—both online and in-store, with almost 40% of retailers planning to reduce SKUs. In this environment, data analytics will help you optimize assortments and pack sizes, understand consumer behavior, and demonstrate value to retailers. Data also allows for a more shopper-centric merchandising and assortment approach across the omnichannel experience.

NIQ data and platforms provide the granularity needed to help you stay on shelf and ahead of the competition. For example, NielsenIQ Shelf Architect's store-level model can identify as much as **8%** more category opportunity.⁴¹ Download our guide for more tips on winning strategies for merchandising and assortments.

⁴¹ NIQ proprietary data



Automation and orchestration are the future of e-commerce.



The best omnichannel brands create a seamless and efficient customer experience across all touchpoints. However, that can be challenging to achieve with the vast amounts of data generated from customer interactions and transactions.

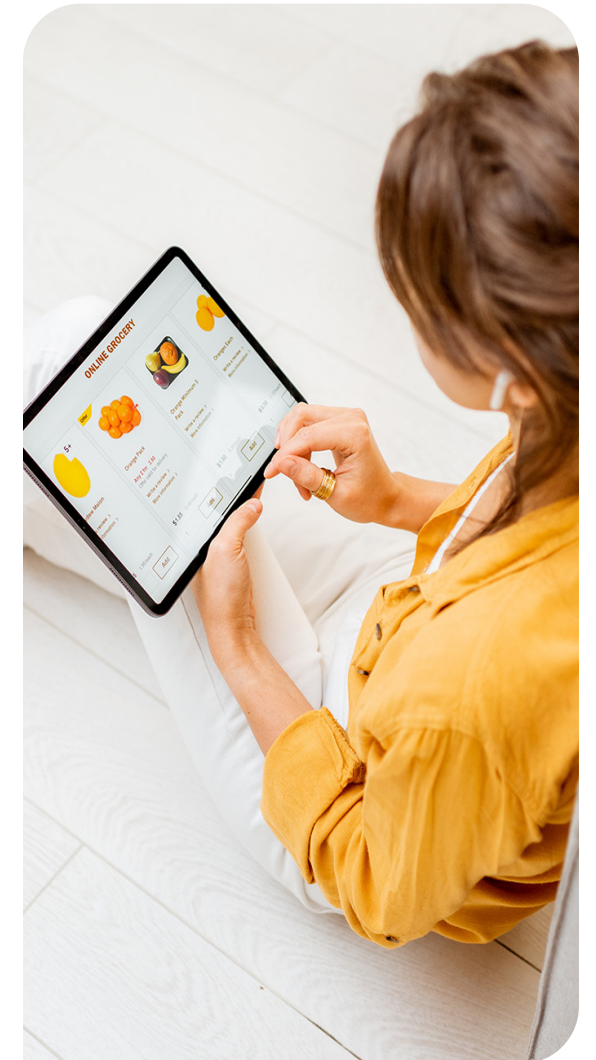
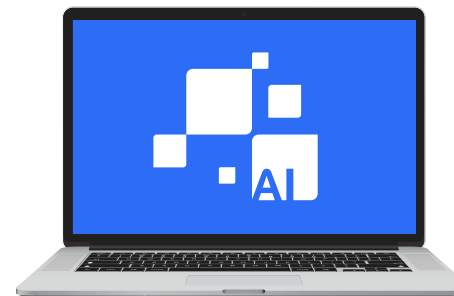
Automation and orchestration streamline the management and analysis of all this data. Data insights can then further help you automate personalized customer experiences, resulting in higher conversions and customer satisfaction.

Operations is another area where automation can provide a competitive edge. Streamlining routine tasks like

inventory management, customer support, and post-purchase communications will often improve efficiency and reduce manual errors.

Automation is front and center now that AI is advancing what's possible.

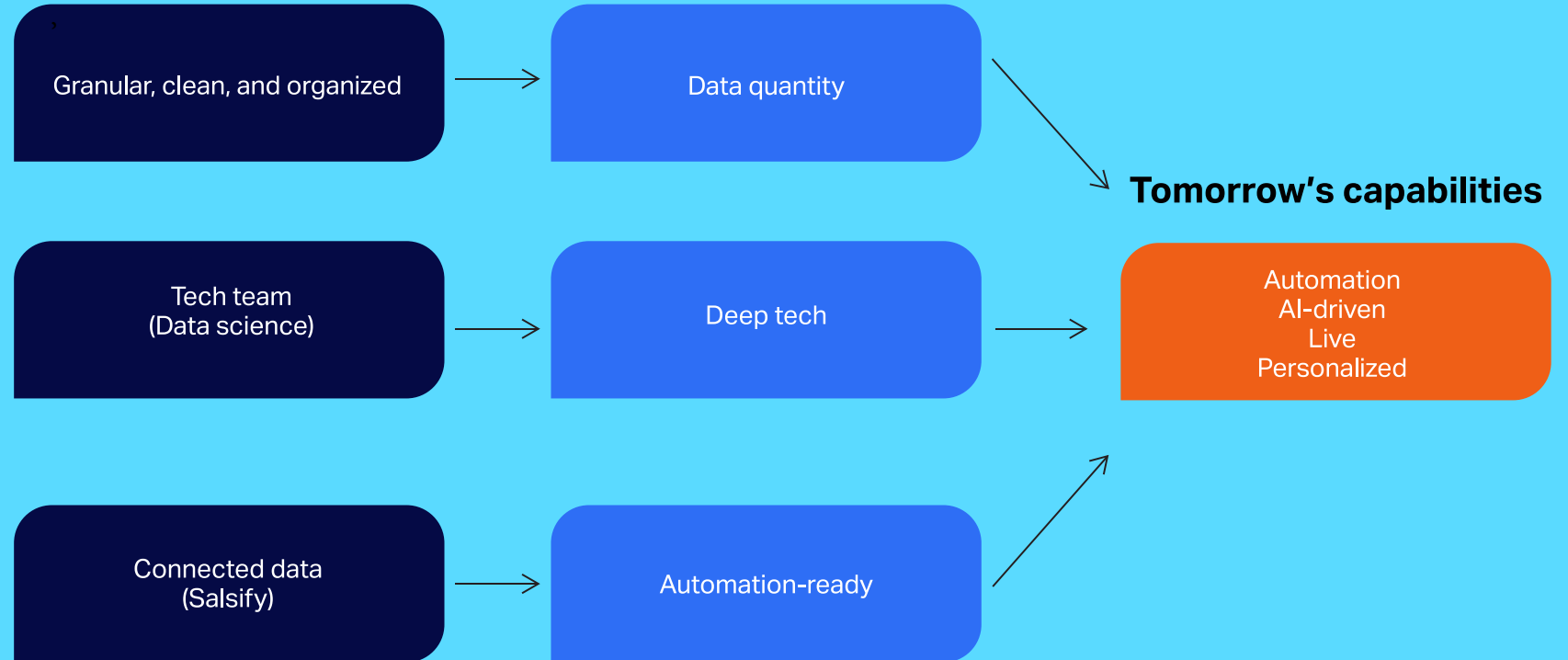
Data partners like NIQ offer automation solutions that can deliver tangible returns on investment by driving revenue growth and cost savings.



How NIQ supports your data journey



Today's requirements



Your next steps

As our regional overviews have clearly shown, opportunities abound for omnichannel growth. Awareness of these trends can keep you informed, but a comprehensive multichannel strategy will require data specific to your products and your consumers—across every country and region where your products are sold.

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

1

Create a frictionless user experience

via personalized journeys and leveraging connected customer data across all channels.

2

Utilize AI to achieve hyper-personalization:

Analyze real-time consumer data from e-commerce shoppers, in-store purchases, loyalty app behavior, etc., then align regional differences to optimize your organization's global performance.

3

Link supply chain and pricing and promotion

by leveraging real-time demand forecasting to optimize stock levels (reduce out of stocks, etc.) and by implementing flexible pricing tools that align promotions with levels of available inventory, regional variables, and overall market trends.

4

Integrate sustainability and health and wellness attributes and claims

into products and your omnichannel marketing strategies.

5

Stay on top of emerging technologies by developing customized strategies for every channel.

6

Invest in omnichannel analytics, letting data lead the way across the board.

By utilizing NIQ's extensive network and partnerships, you'll gain access to deep-dive analyses into market trends (regional and global), consumer behaviors, and competitive landscapes. Our expertise in data analytics, consumer research, and digital technology will help provide the actionable insights required to grow your organization's revenue and build lasting brand loyalty.



NIQ's Global Thought Leadership team values your feedback. [Complete this brief survey](#) to let us know what you think of this content.

Contact our experts to find new opportunities

for omni growth and to facilitate regional demand generation for key omni personas.



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About NIQ

NielsenIQ (NIQ) is a leading consumer intelligence company, delivering the most complete understanding of consumer buying behavior and revealing new pathways to growth. NIQ combined with GfK in 2023, bringing together two industry leaders with unparalleled global reach. Our global reach spans over 90 countries covering approximately 85% of the world's population and more than \$7.2 trillion in global consumer spend. With a holistic retail read and the most comprehensive consumer insights—delivered with advanced analytics through state-of-the-art platforms—NIQ delivers the Full View™.

For more information, visit [NIQ.com](https://www.niq.com)

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