

Built For Yesterday, Losing Today

Why outdated growth plans are failing—and how omnichannel reinvention leads the way forward

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Today's presenters



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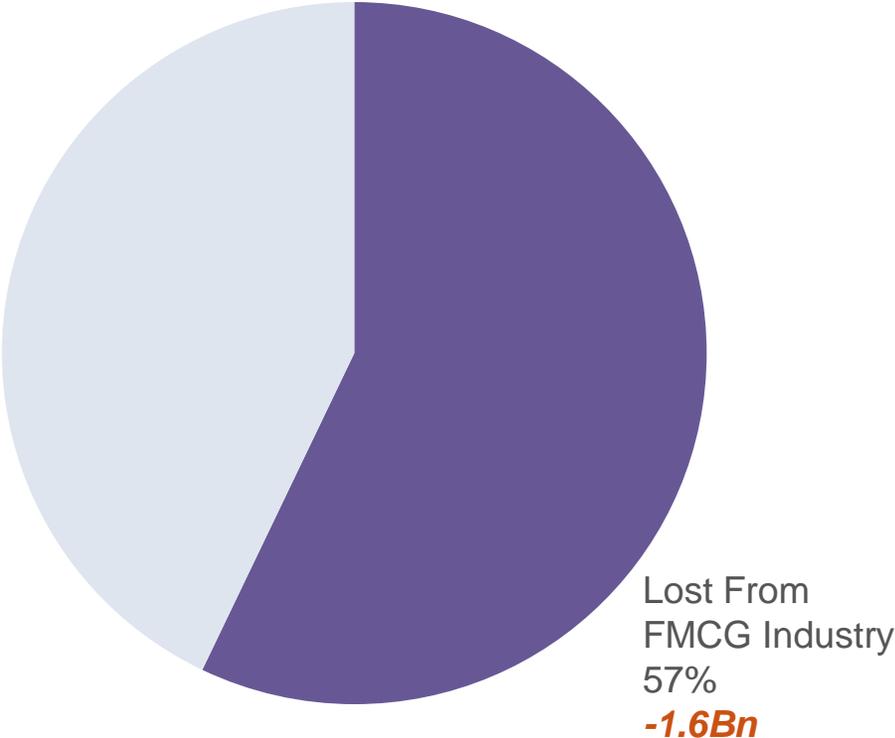
2.8

Billion food & beverage units disappeared from brick & mortar over the past year

Source: NIQ, Omnisaless+, Total US In-Store, Total Food & Beverage, 52 Weeks Ending 3/29/2025

57% of that demand is simply gone

Source Of Brick & Mortar Food & Beverage Unit Sales Loss

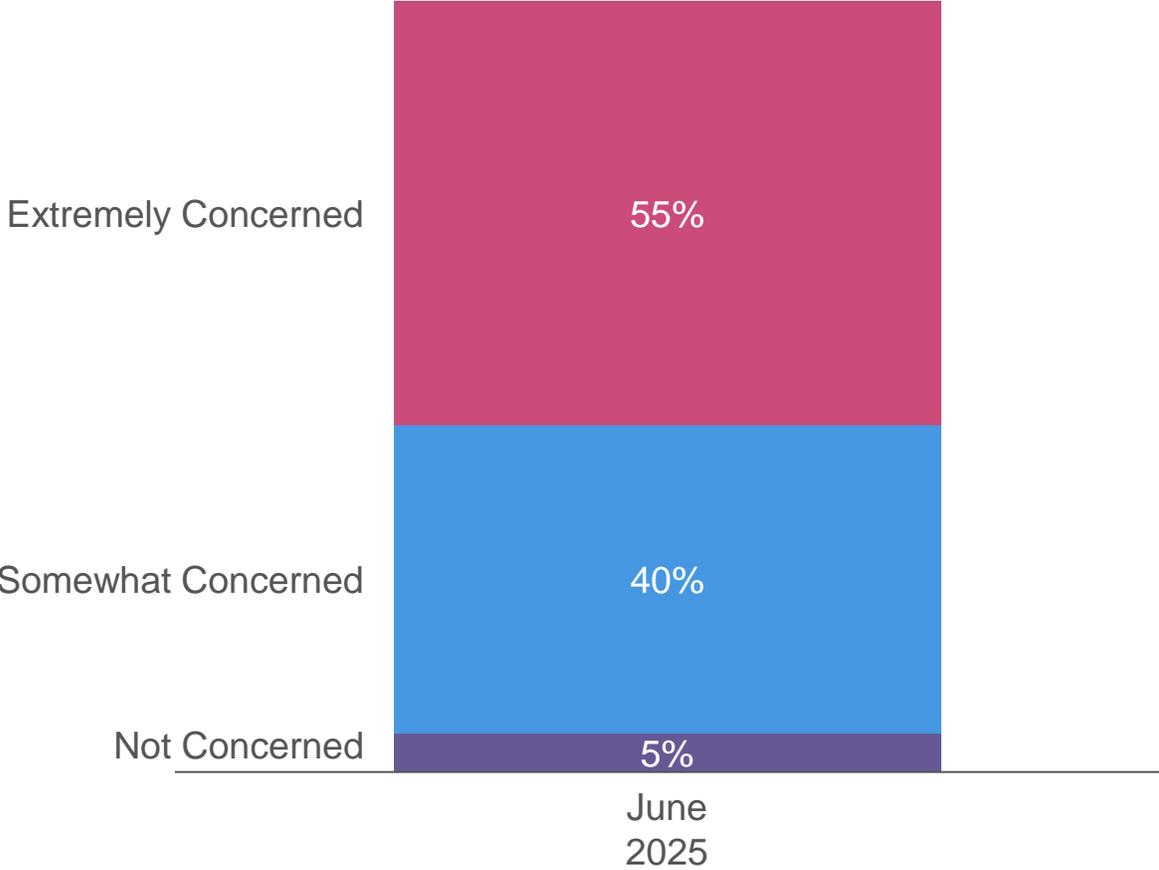


Source: NIQ, Omnishopper Panel On Demand, Total US, Total Food & Beverage, 52 Weeks Ending 3/22/2025

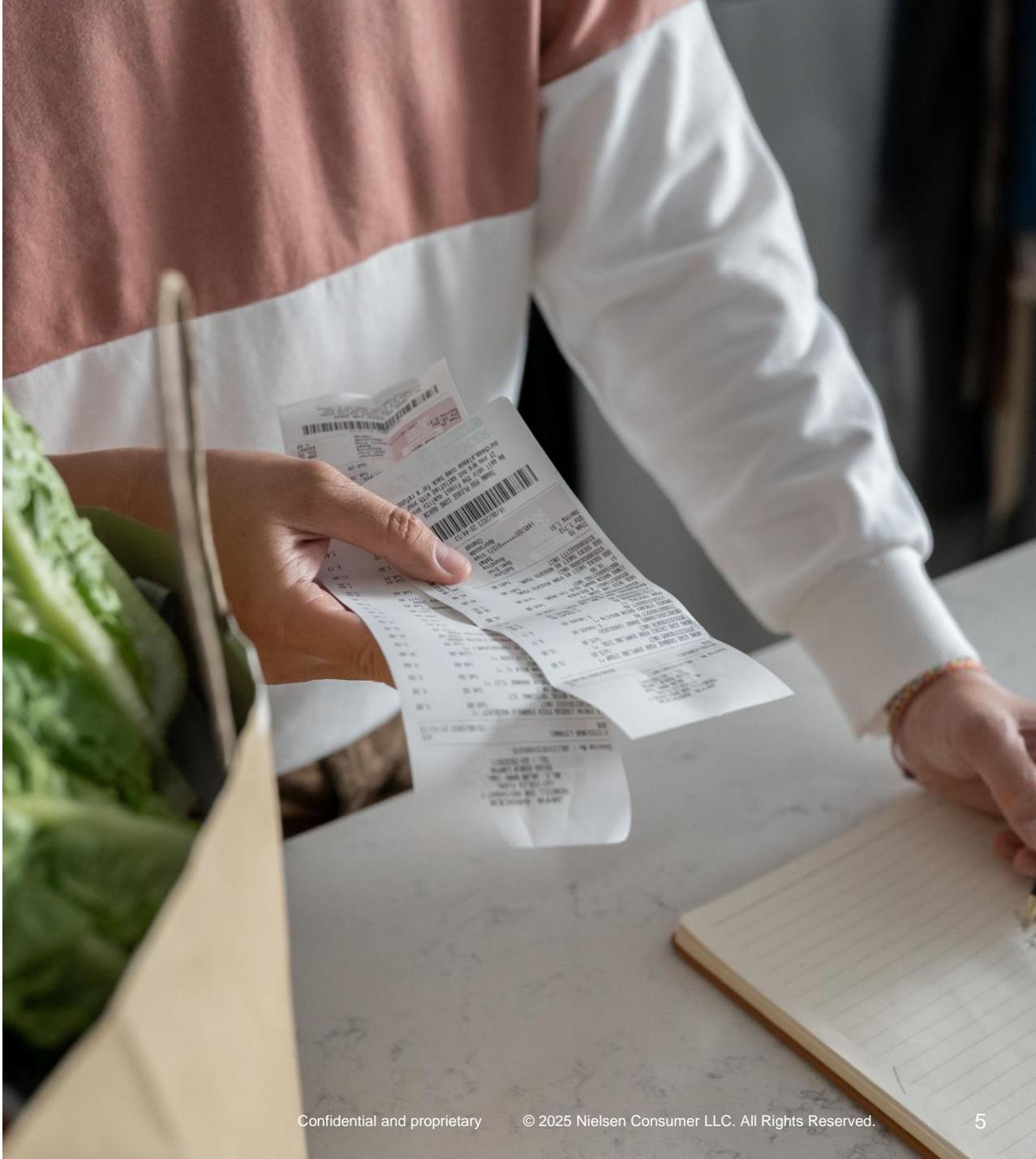


Think about where the consumer mind is

Concern Over Food Cost Inflation

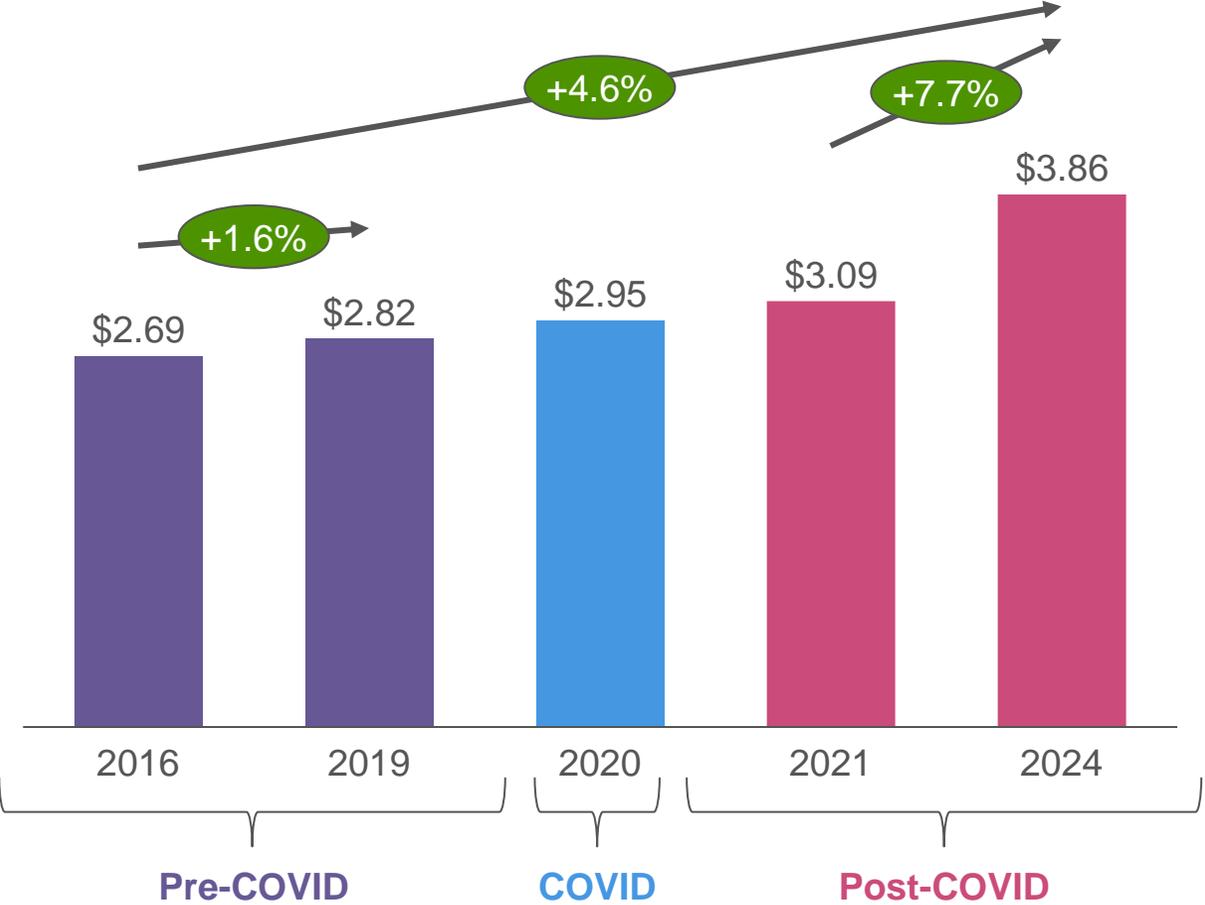


Source: NIQ, BASES Quick Question Omnibus Survey, June 2025, n=1,005



Prices have taken off since 2020...

Food & Beverage Base Unit Price

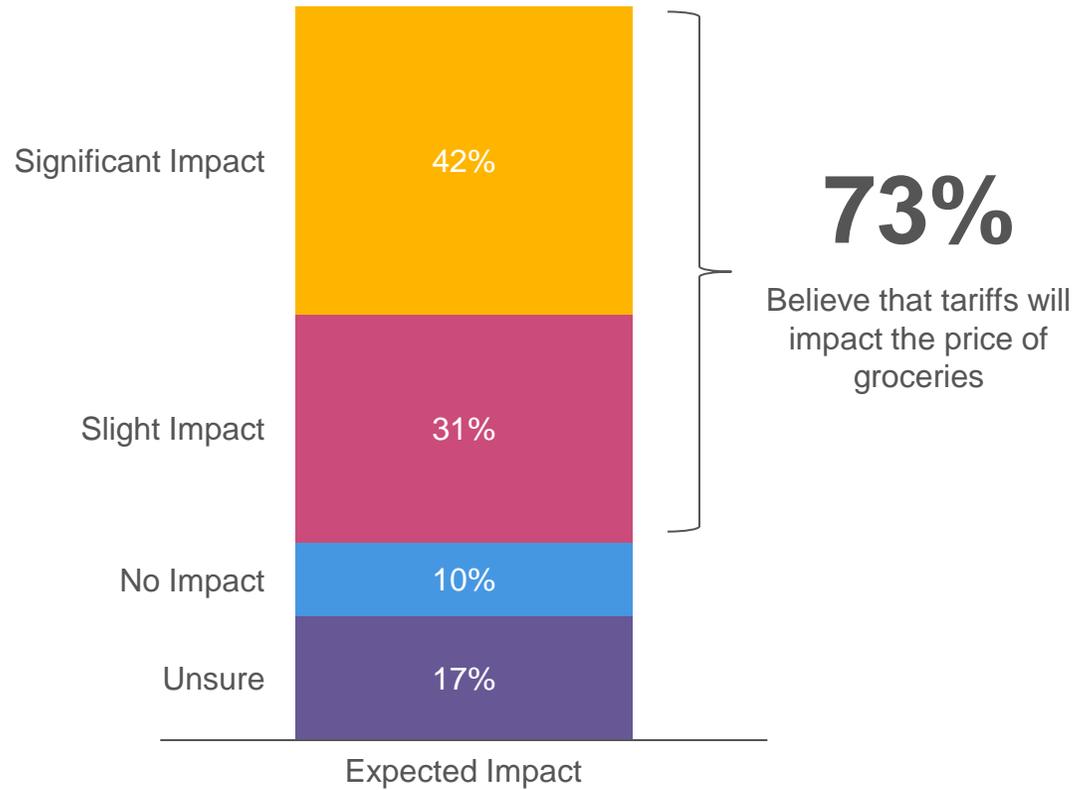


Source: NIQ, Retail Measurement Services, 10-Year Database, Total US xAOC + Conv., Total Food & Beverage w/Fresh

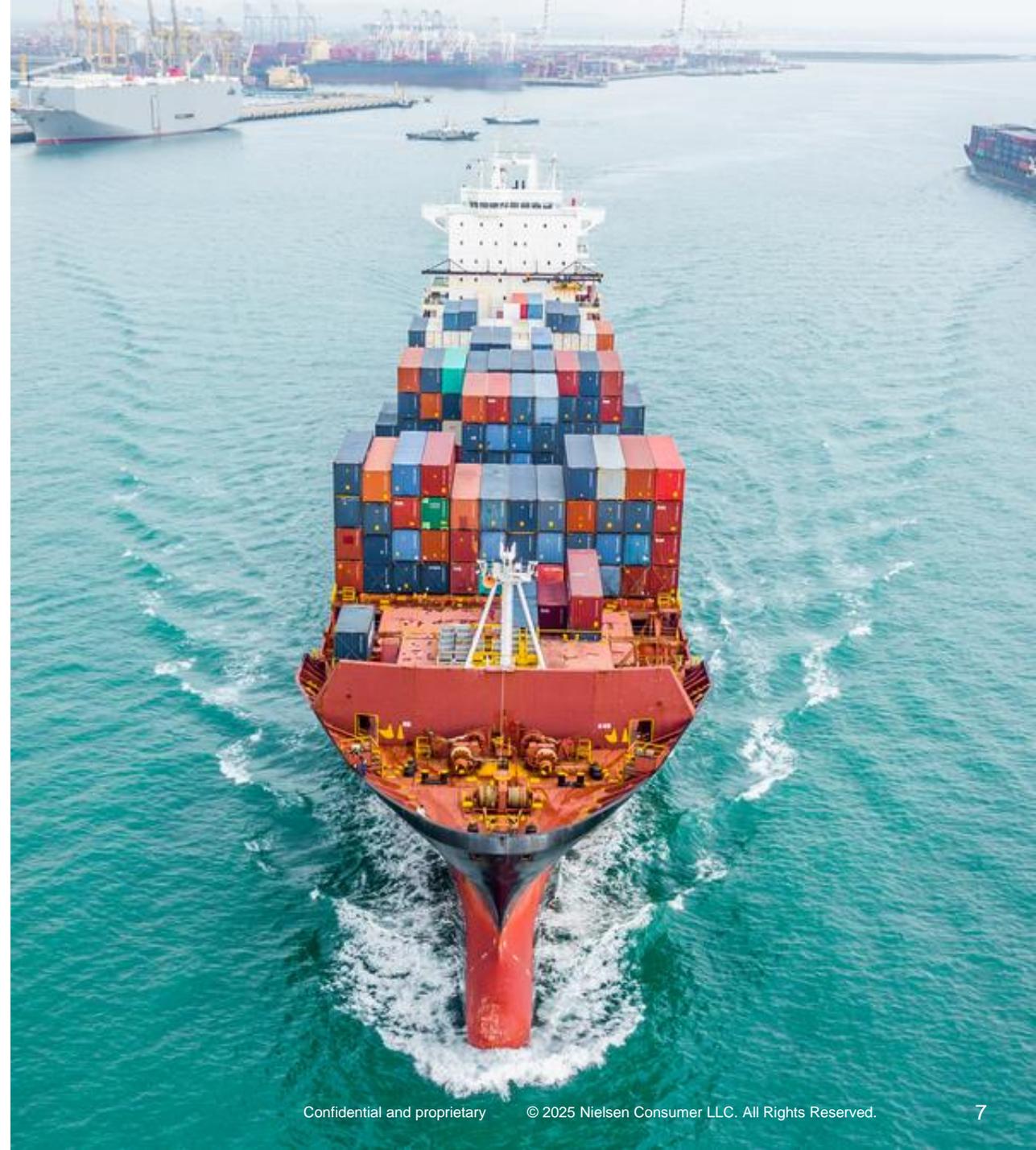


...tariffs are expected to have an impact...

Expected Impact Of Tariffs On Grocery Prices

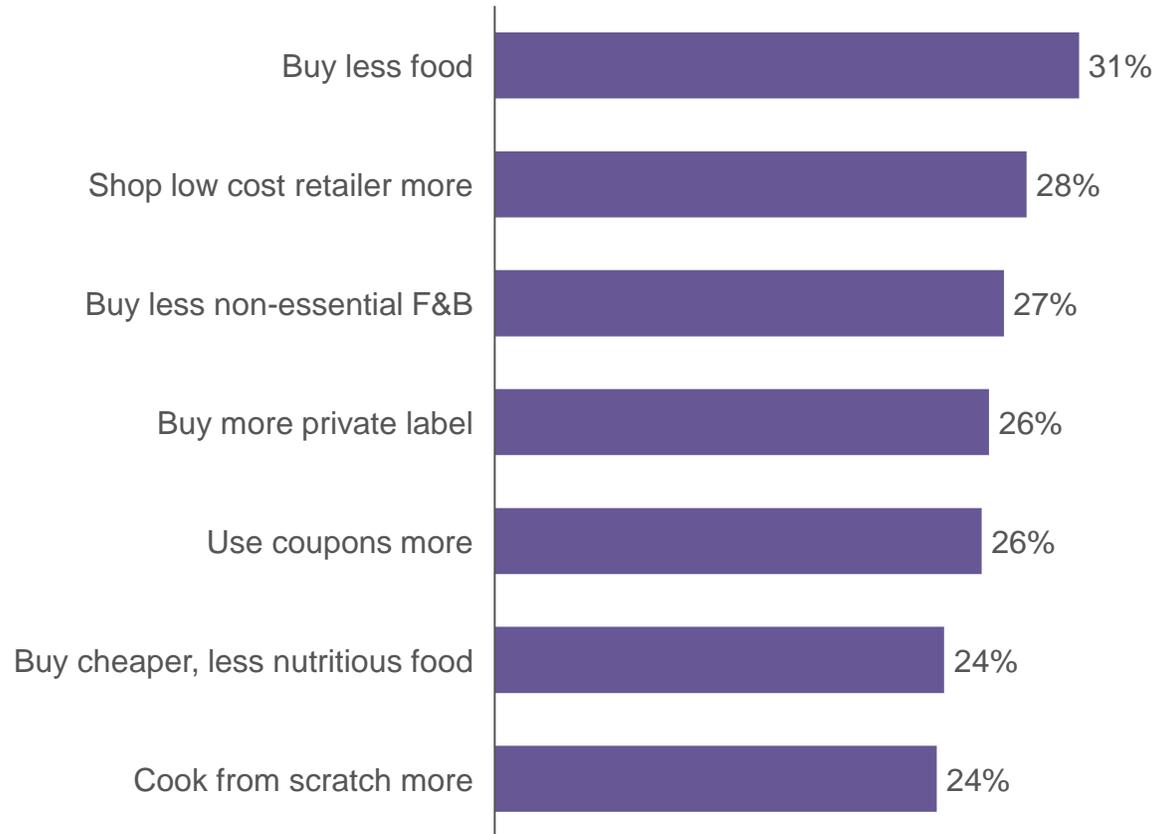


Source: NIQ, BASES Quick Question Omnibus Survey, February 2025 n=1,003
Note: Survey was conducted when tariffs were announced on Canadian and Mexican imports only.



...SNAP benefit reductions may be coming...

F&B Purchase Adjustments Due To SNAP Benefit Reduction

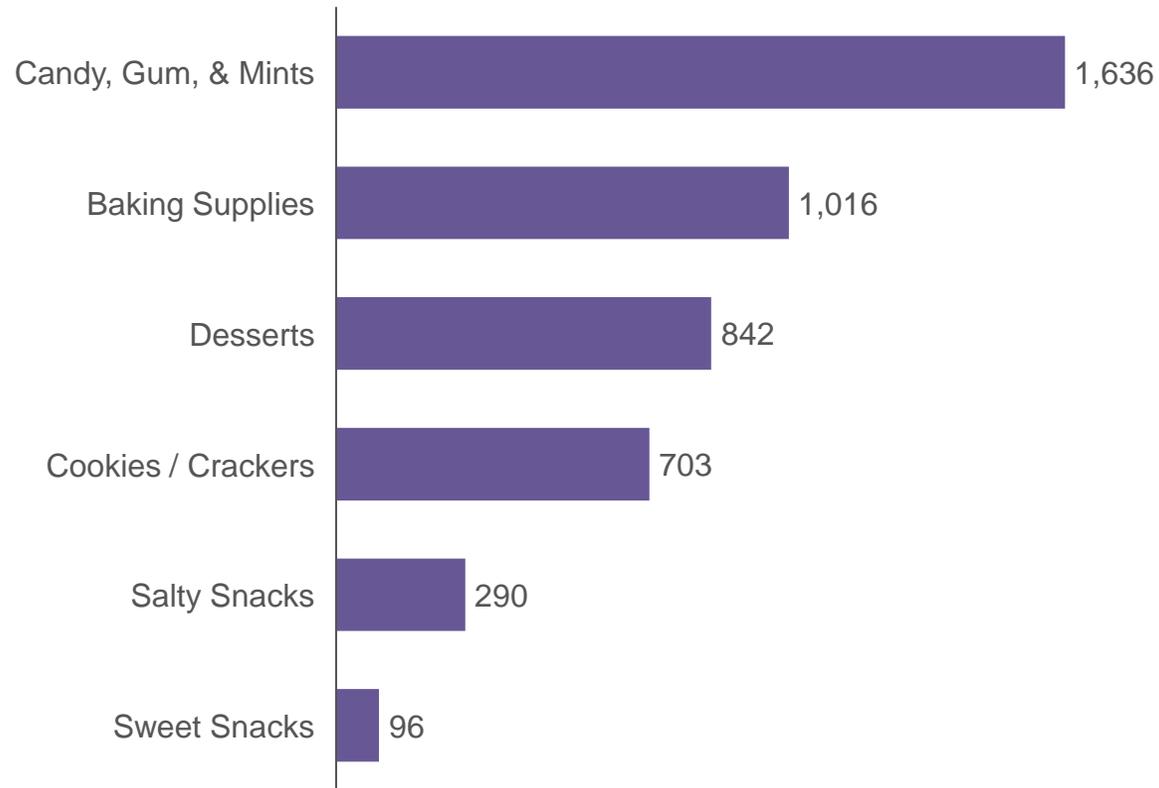


Source: NIQ, BASES Quick Question Omnibus Survey, February 2025 n=1,003



...ingredient scrutiny is weight on shoppers...

Number Of Items Selling Containing Red Dye 3



Source: NIQ, Retail Measurement Services, Powered By Label Insights, Total US Full View + Conv., 52 Weeks 4/19/2025
Note: * Red dye 3 was banned from beauty products in the 1990s. The ban in food and beverage goes into effect in January 2027, and the ban in OTC goes into effect in January 2028.

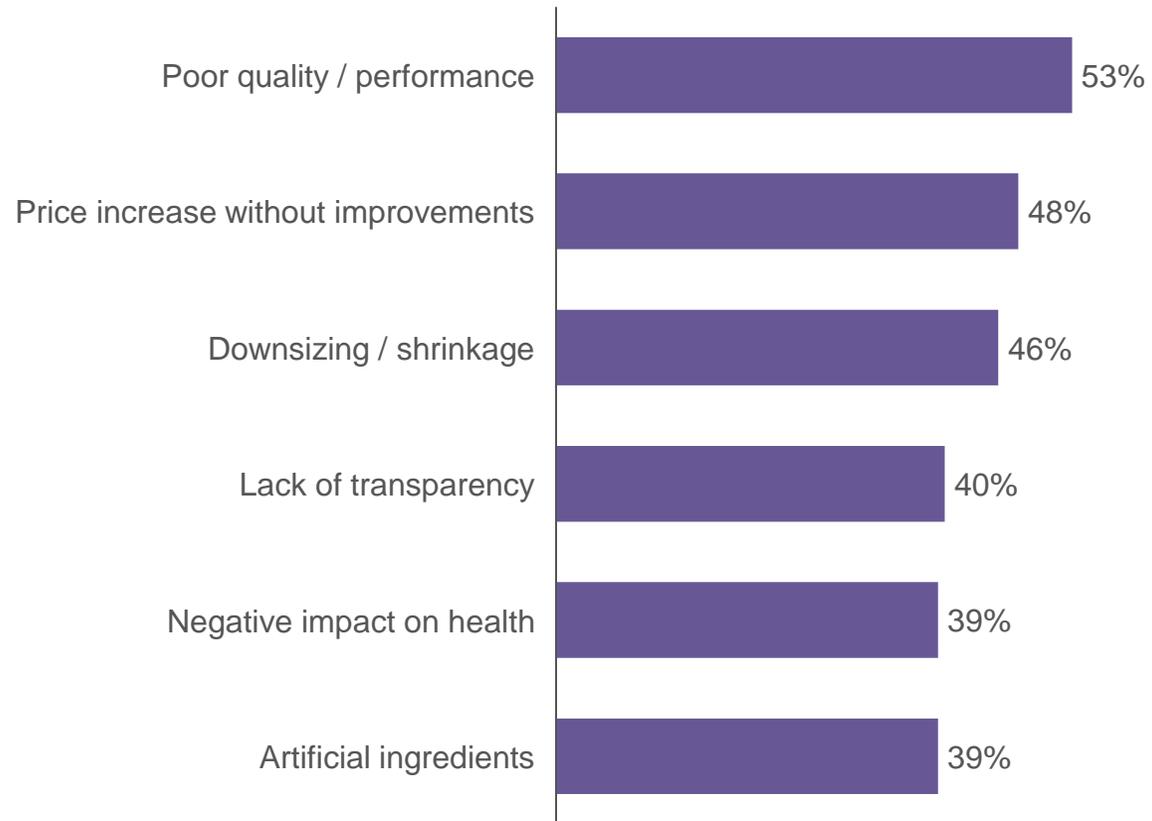
\$507M

in pet food
also contains
red dye 3



...and brand trust is eroding

Leading Reasons Food Brand Trust Declined For Some



Source: NIQ, BASES Quick Question Omnibus Survey, May 2025, n=1,000



Affordability is forcing consumers to shop differently...

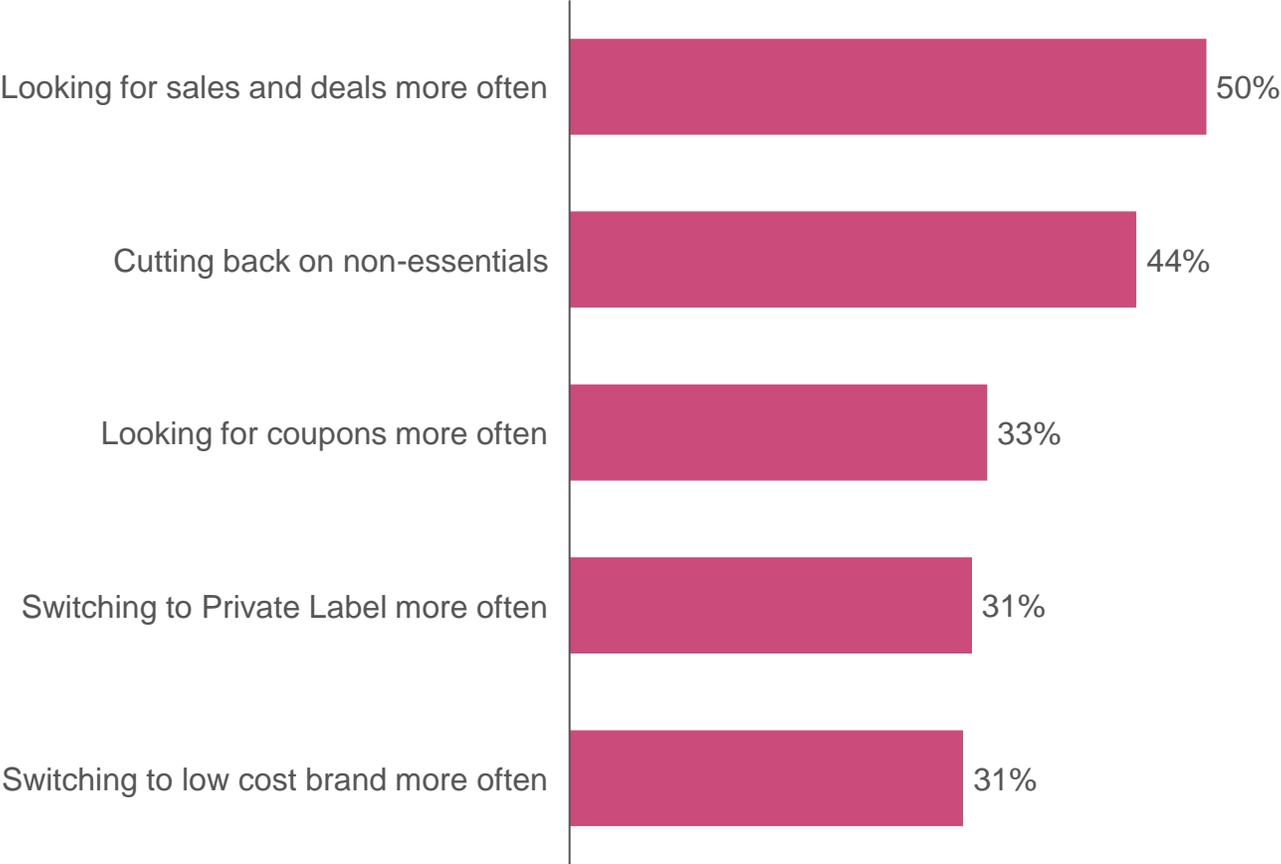
43%

Believe prices are **much higher** than a year ago

42%

Believe prices are **slightly higher** than a year ago

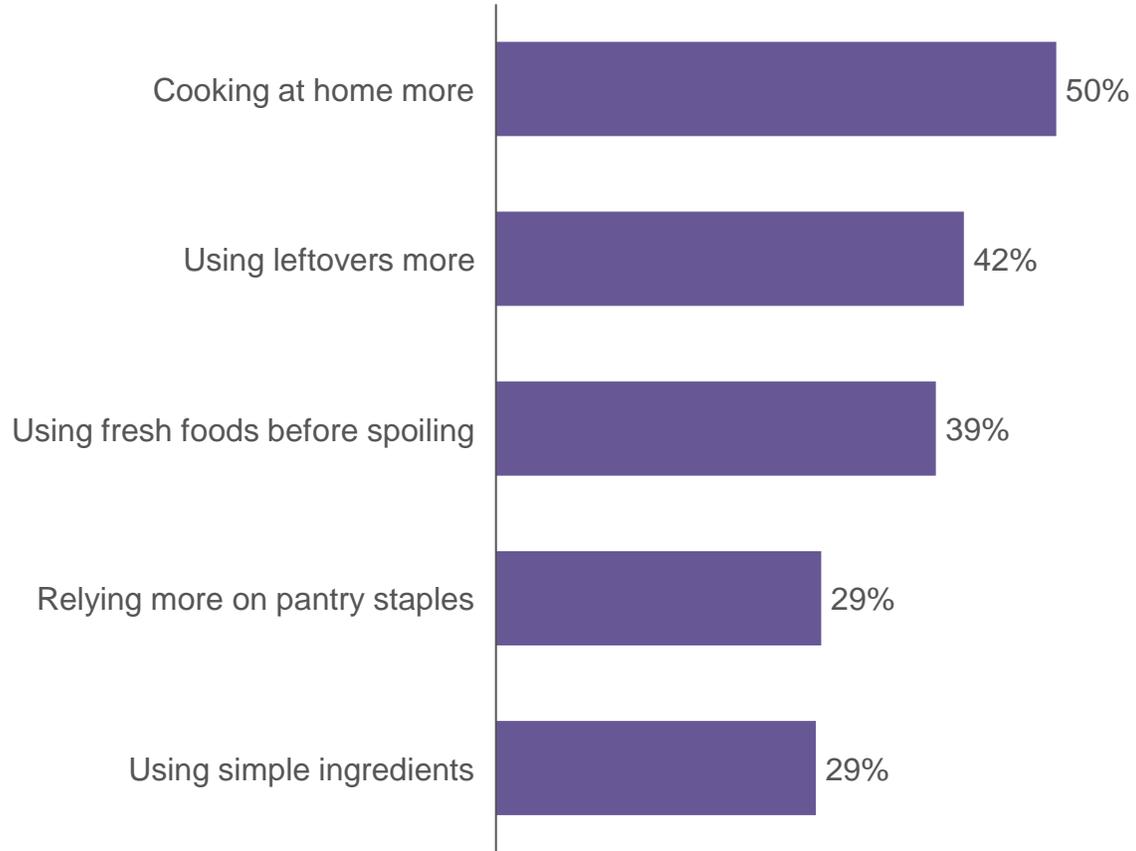
Top Cost-Saving Strategies



Source: NIQ, BASES Quick Question Omnibus Survey, June 2025, n=1,005

...to prepare meals differently...

Impact Of Inflation On Meal Preparation



Source: NIQ, BASES Quick Question Omnibus Survey, June 2025, n=1,005



...and to snack differently

Impact Of Inflation On Snacking Behavior

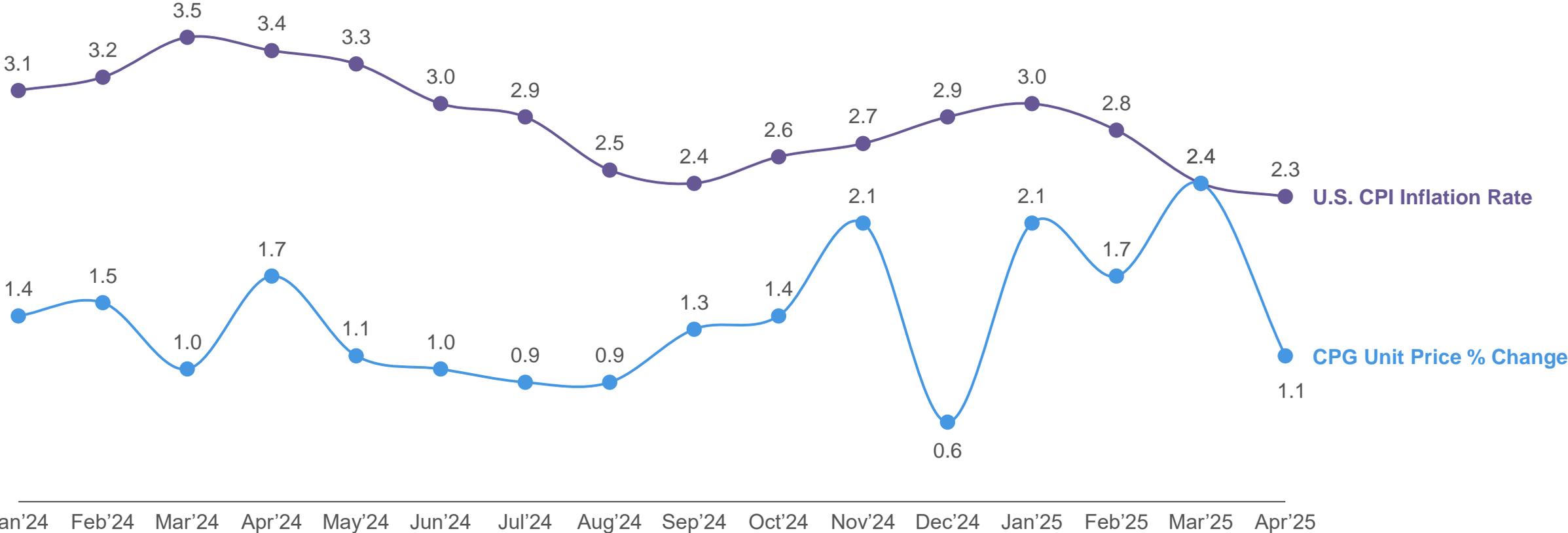


Source: NIQ, BASES Quick Question Omnibus Survey, June 2025, n=1,005



Remember, its not just about us!

Inflation Vs. Price Change

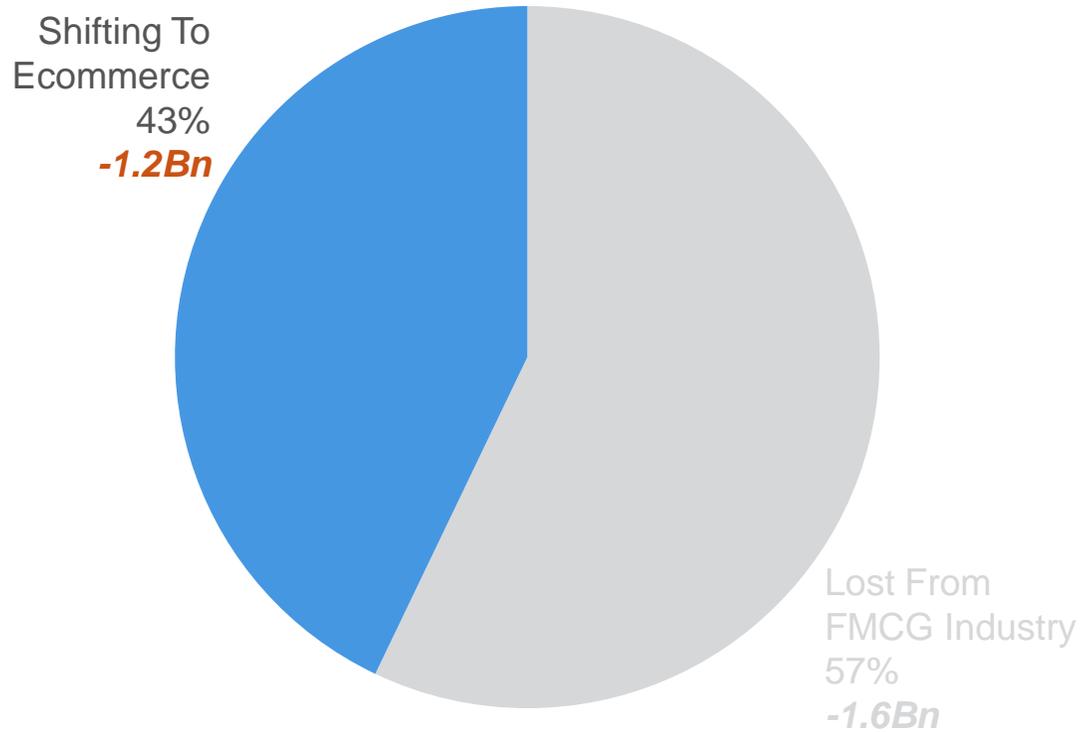


CPI Source: U.S. Bureau of Labor Statistics, Consumer Price Index
CPG Source: NIQ, Total US xAOC, Through April 2025

Consumer behavior is
changing faster
than the industry is reacting

Ecommerce is a shock absorber

Source Of Brick & Mortar Food & Beverage Unit Sales Loss



Source: NIQ, Omnishopper Panel On Demand, Total US, Total Food & Beverage, 52 Weeks Ending 3/22/2025



1.2Bn units that shifted were worth \$4.7Bn...

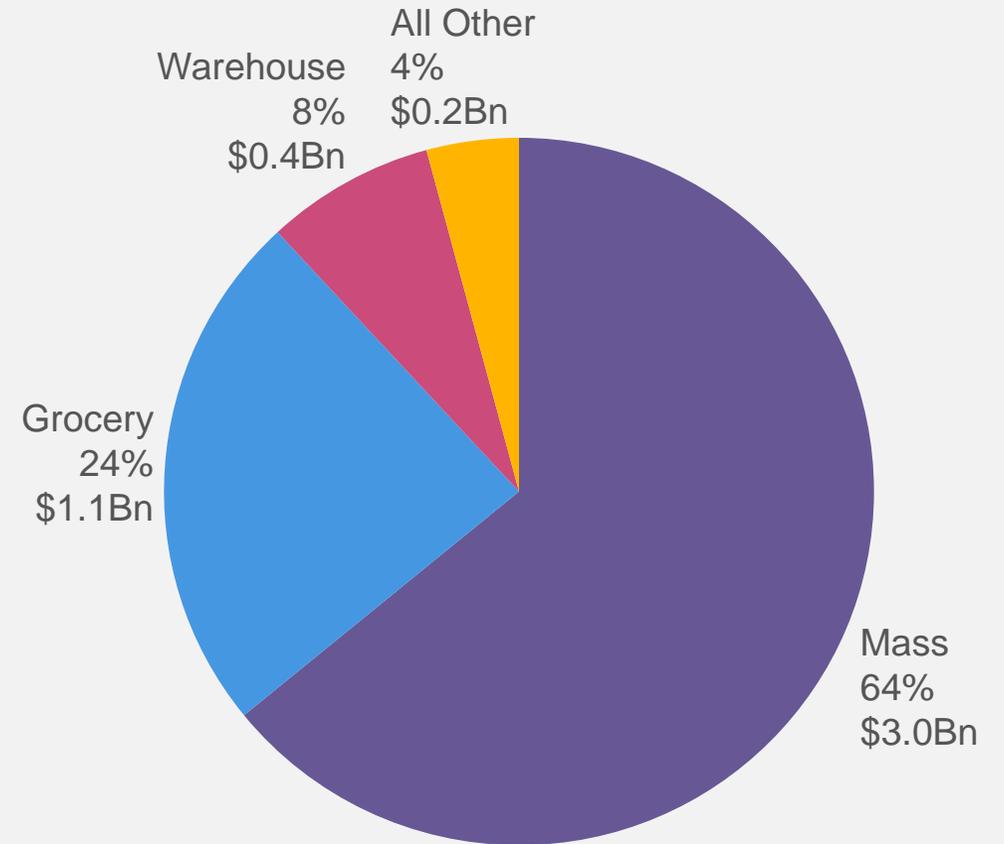
...and online Mass retailers won 64% of them

Brick & mortar stores

lost \$4.7 billion

in food & beverage sales to eCommerce

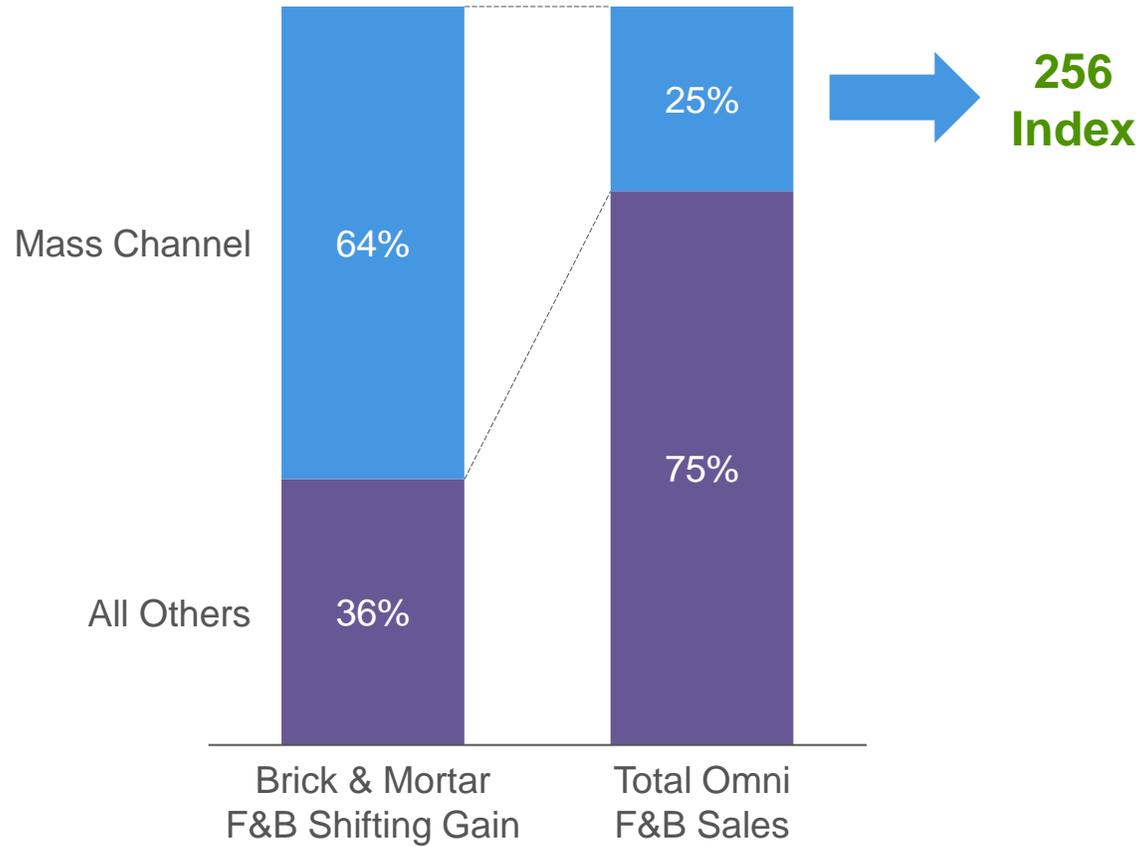
Online Food & Beverage Dollar Shifting Gains



Source: NIQ, Omnishopper Panel On Demand, Total US, Total Food & Beverage, 52 Weeks Ending 3/22/2025

Mass retailers have prioritized ecommerce

Mass Channel Performance In Food & Beverage

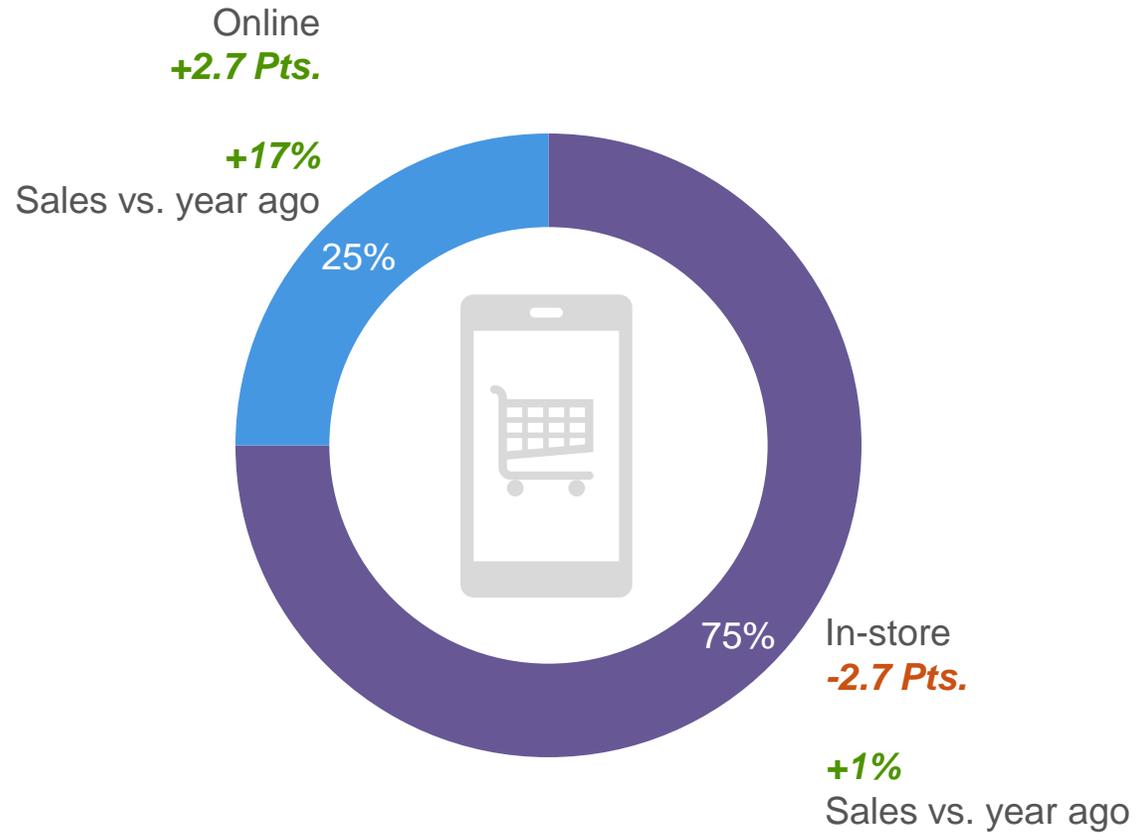


Source: NIQ, Omnishopper Panel On Demand, Total US, Total Food & Beverage, 52 Weeks Ending 3/22/2025

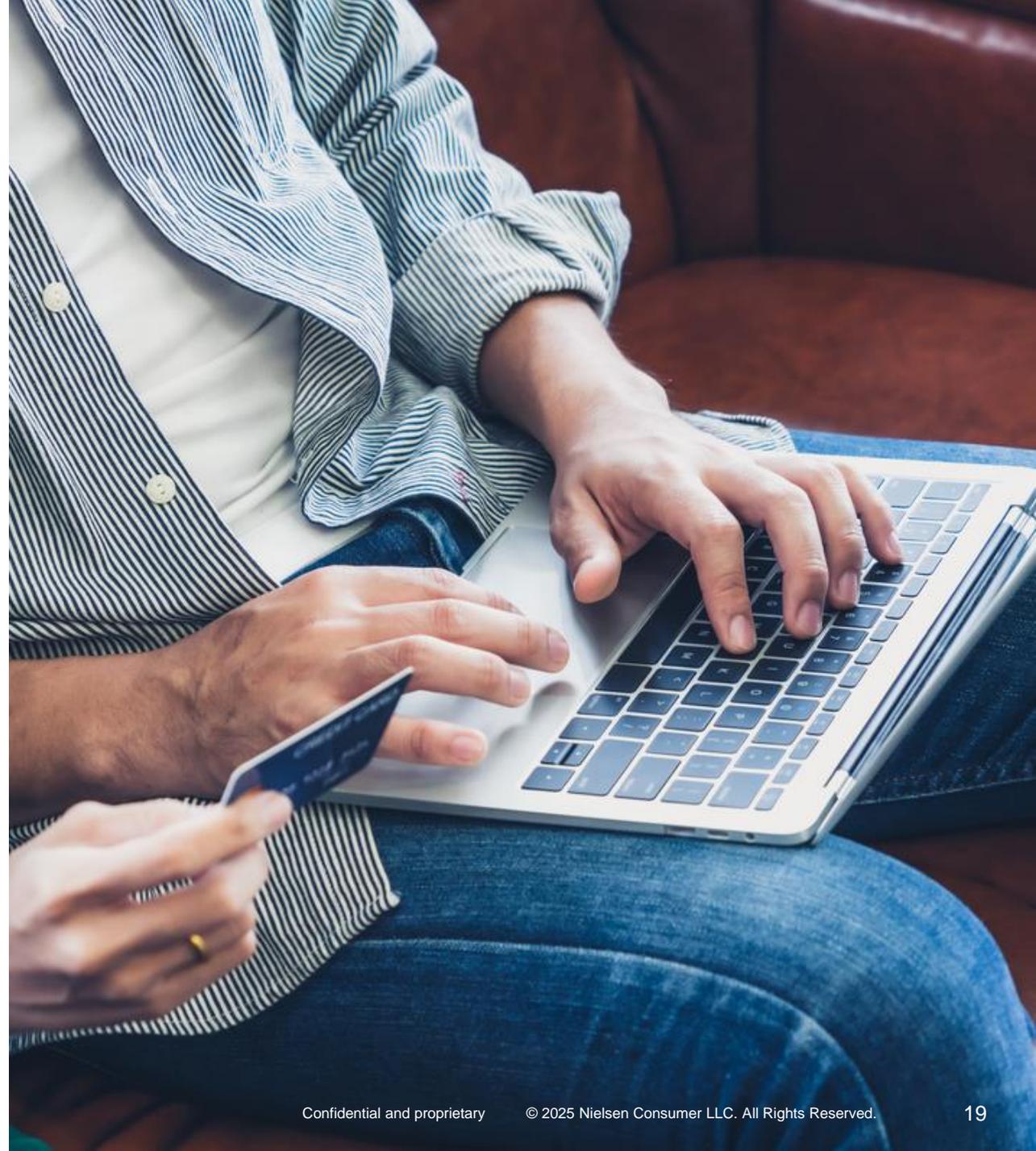


Ecommerce is a growth engine

Omni Share Of Total CPG Dollar Sales



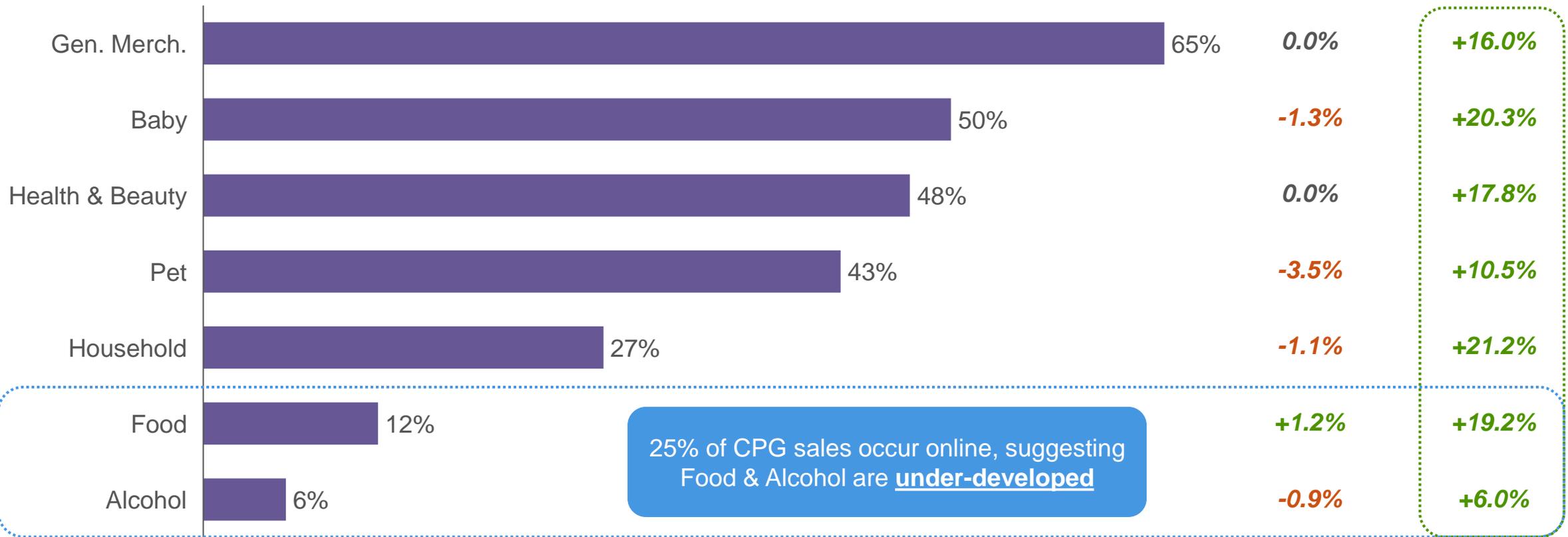
Source: NIQ, Omnisales+, Total US Omni, Total Store, 52 Weeks Ending 3/29/2025



Departments online are growing double-digit

Online Dollar Share Of Department Sales

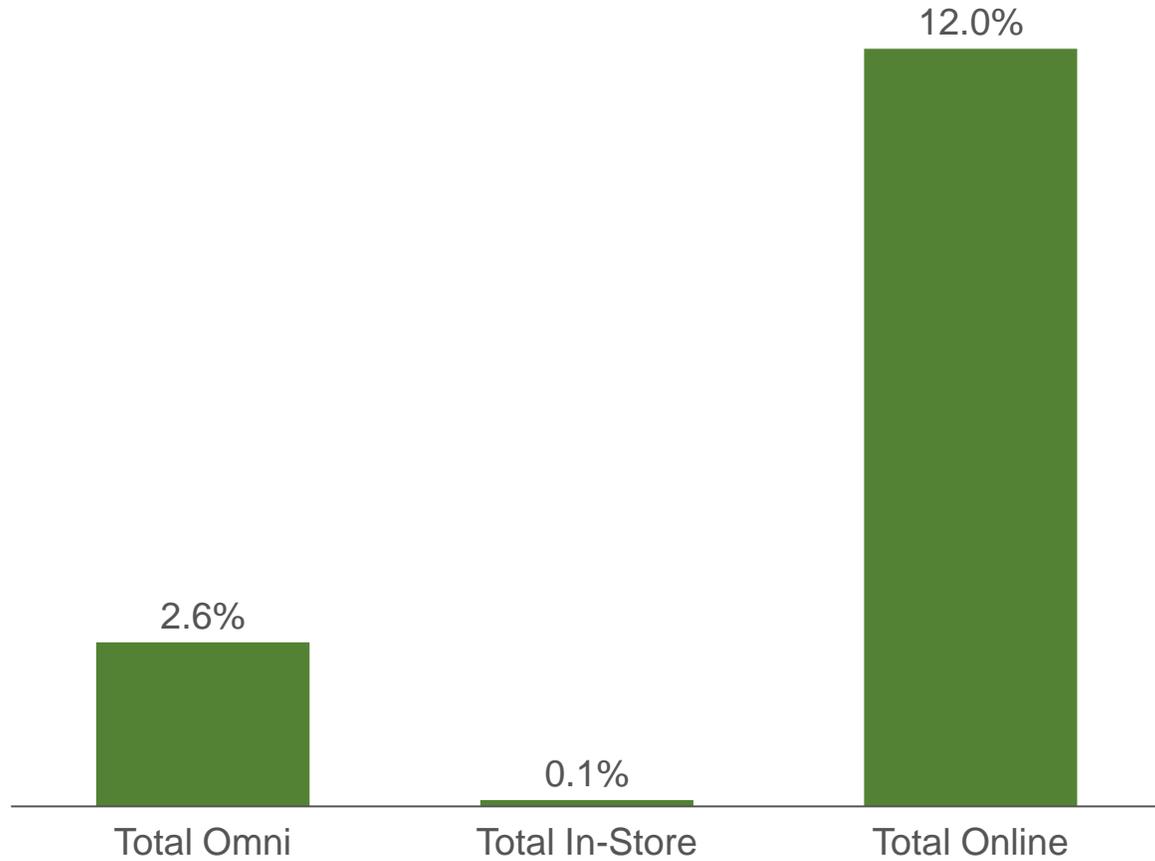
\$ Sales % Chg
In-Store Online



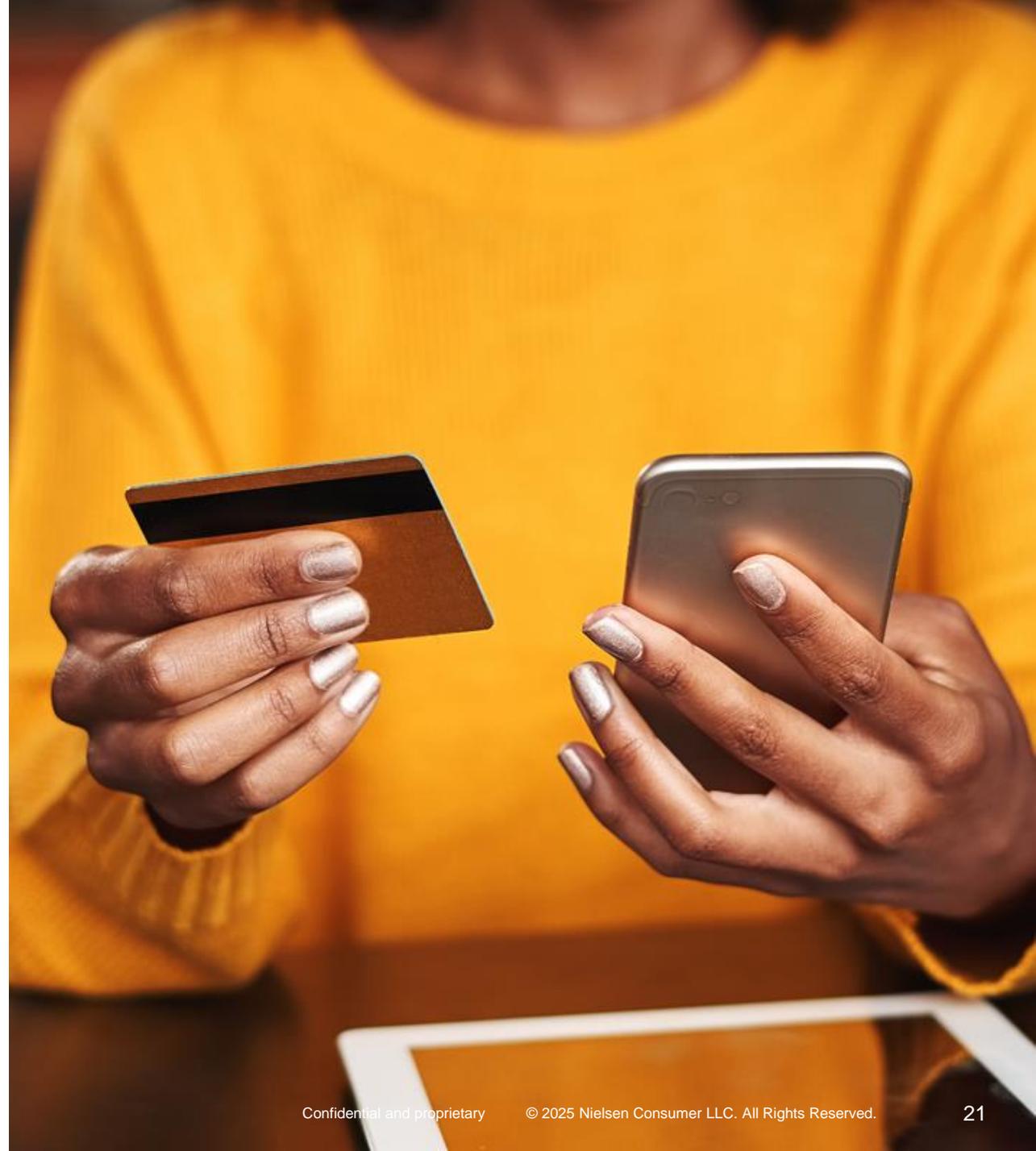
Source: NIQ, Omnisales+, Total US Omni, 52 Weeks Ending 3/29/2025

Strong online growth will continue

Omni FMCG Dollar Sales CAGR
2024 - 2027



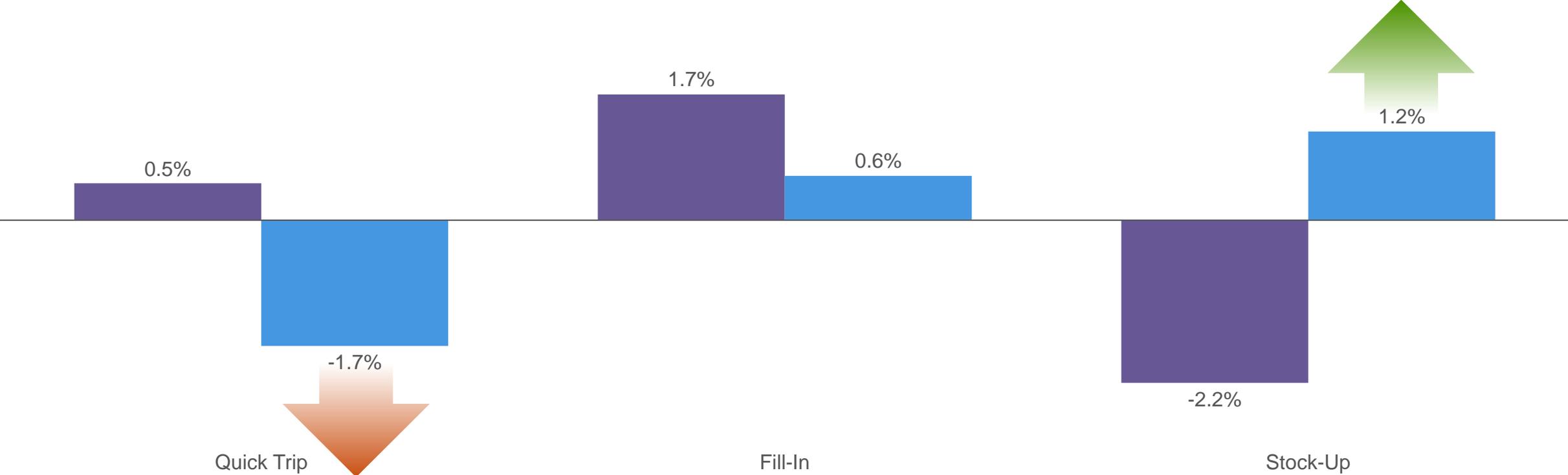
Source: NIQ, Online and In-Store Sales Forecast, Total Omni, 1/6/2025



First we try, then we trust

Share Of Spending By Trip Type

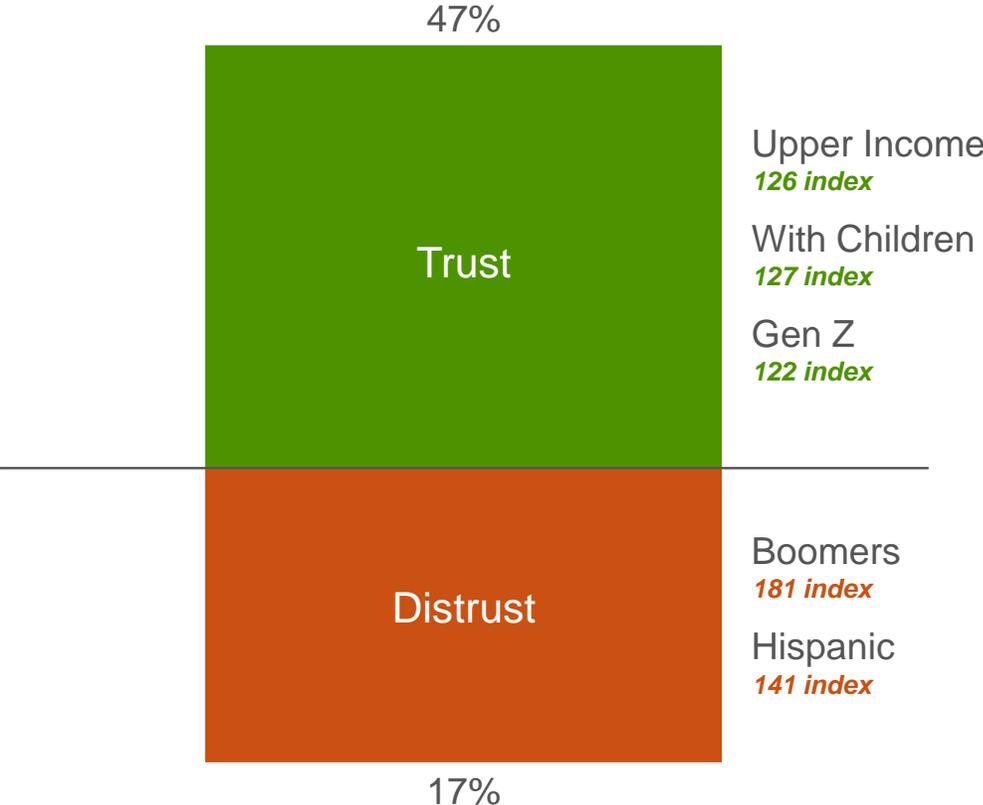
In-Store Online



Source: NIQ, Omnipanel, Total US, 52 Weeks Ending 6/15/24

Trust in ecommerce is critical

Trust In Packaging And Handling Of Online Temperature-Sensitive Purchases

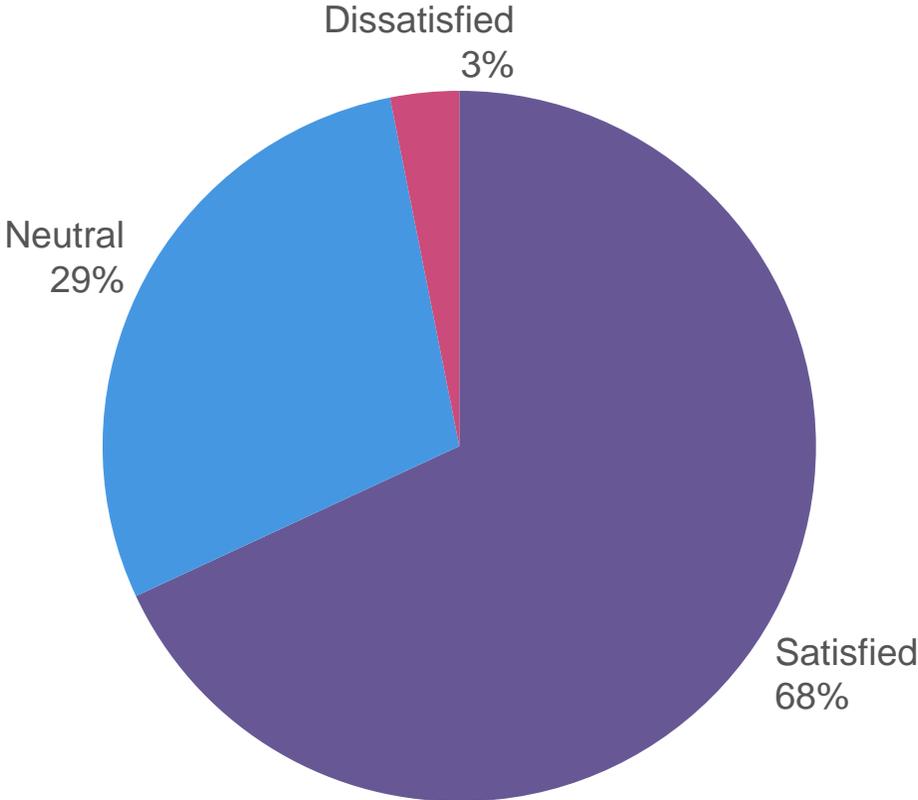


Source: NIQ, BASES Quick Question Omnibus Survey, February 2025, n=1,003
Note: 36% feel neutral regarding trust in packaging and handling



Trust fuels satisfaction

Satisfaction With Quality Of Online Temperature-Sensitive Purchases

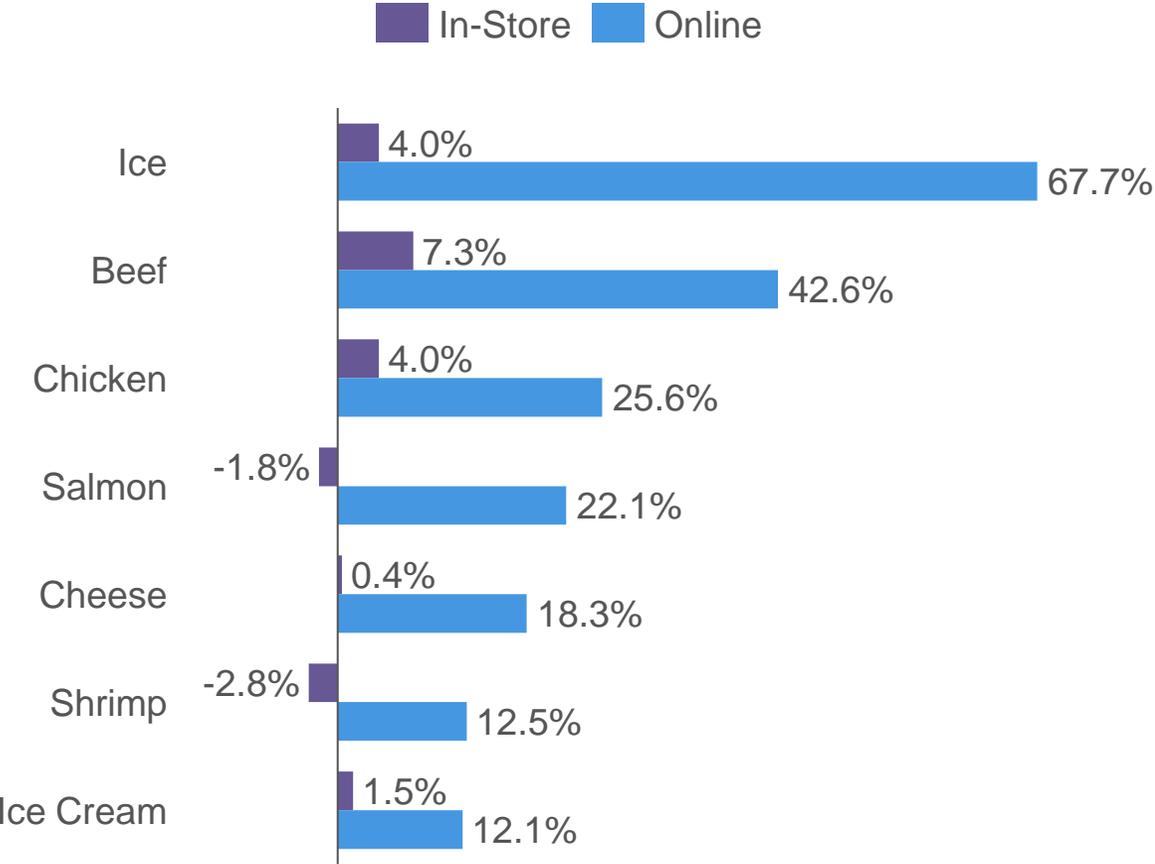


Source: NIQ, BASES Quick Question Omnibus Survey, February 2025, n=642



Trust is why temperature-sensitive products are growing...

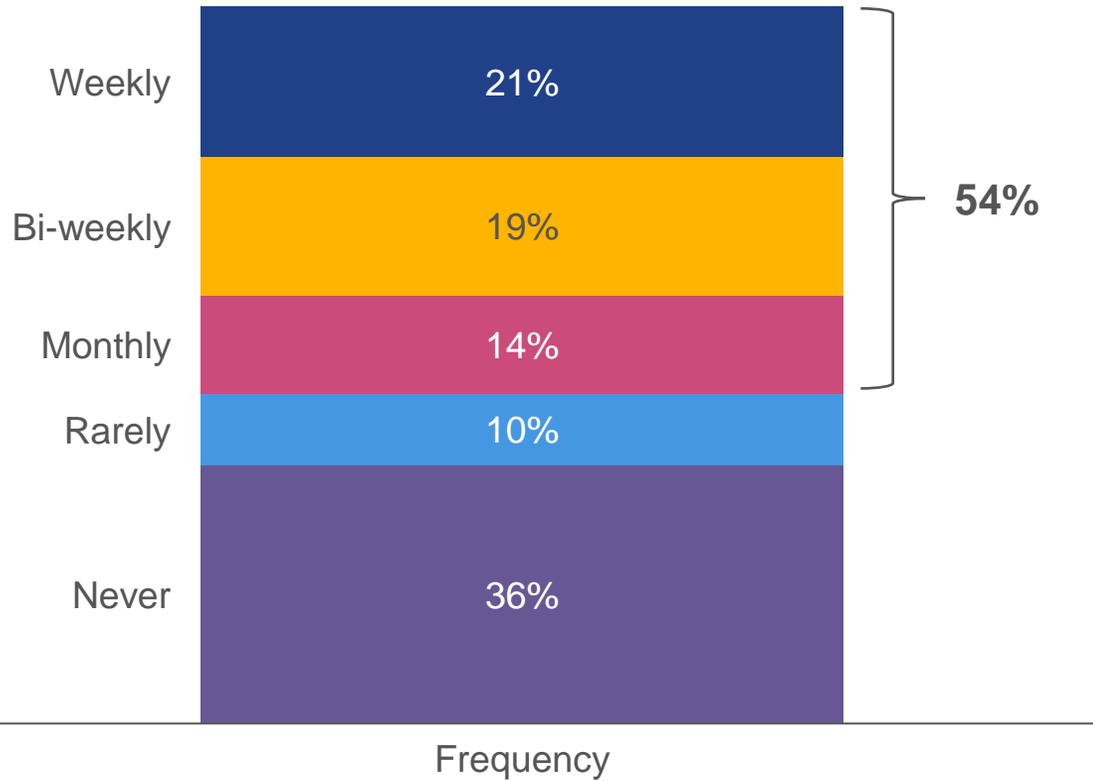
Dollar Sales Growth Temperature-Sensitive Categories



Source: NIQ, Omnisaless+, Total US Omni, 52 Weeks Ending 3/29/2025

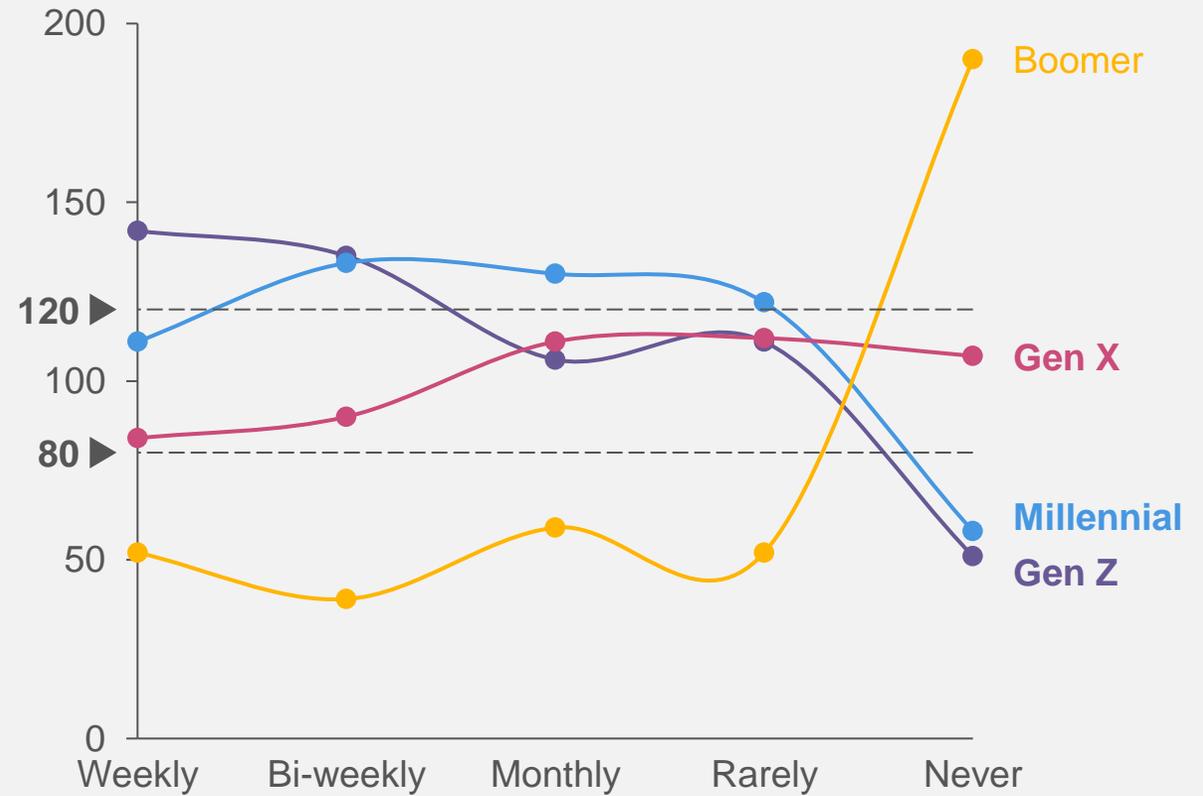
...and why consumer behavior is shifting...

Frequency Of Online Temperature-Sensitive Purchasing



...especially among younger shoppers

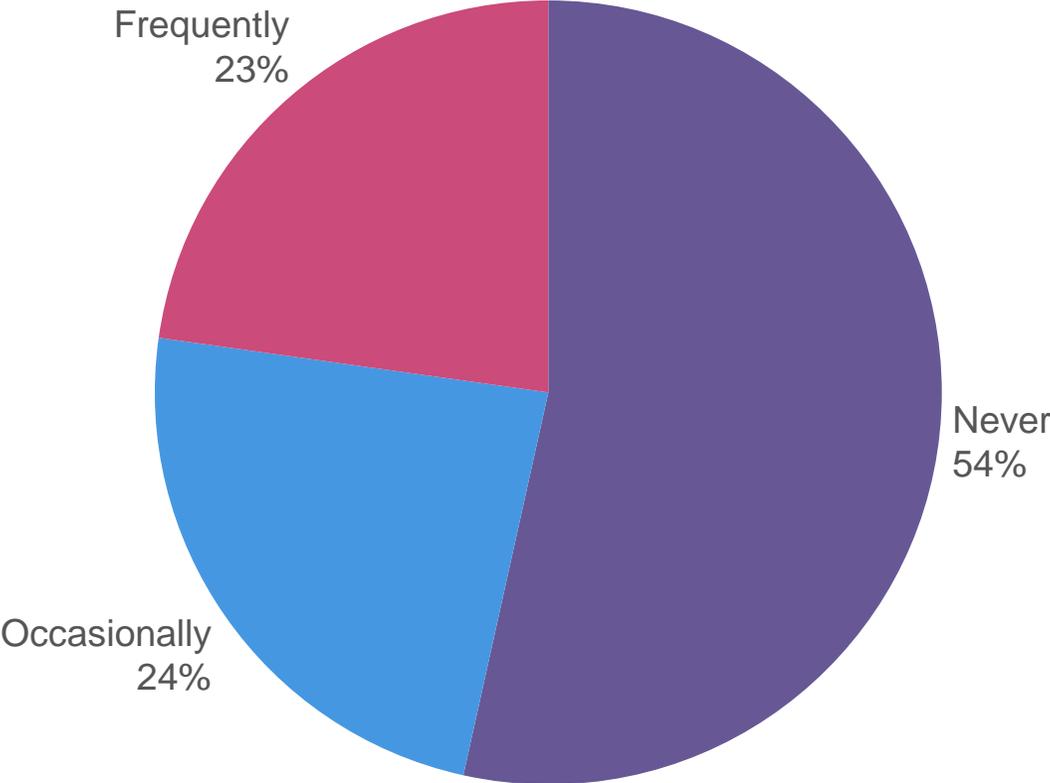
Generation Index For Frequency Of Online Temperature-Sensitive Purchasing



Source: NIQ, BASES Quick Question Omnibus Survey, February 2025, n=1,003
 Note: Index value ≥120 indicates above average significance, <80 indicates below average significance

Online shopping is not without issue

Frequency Of Temperature Control Issues With Online Temperature-Sensitive Purchases



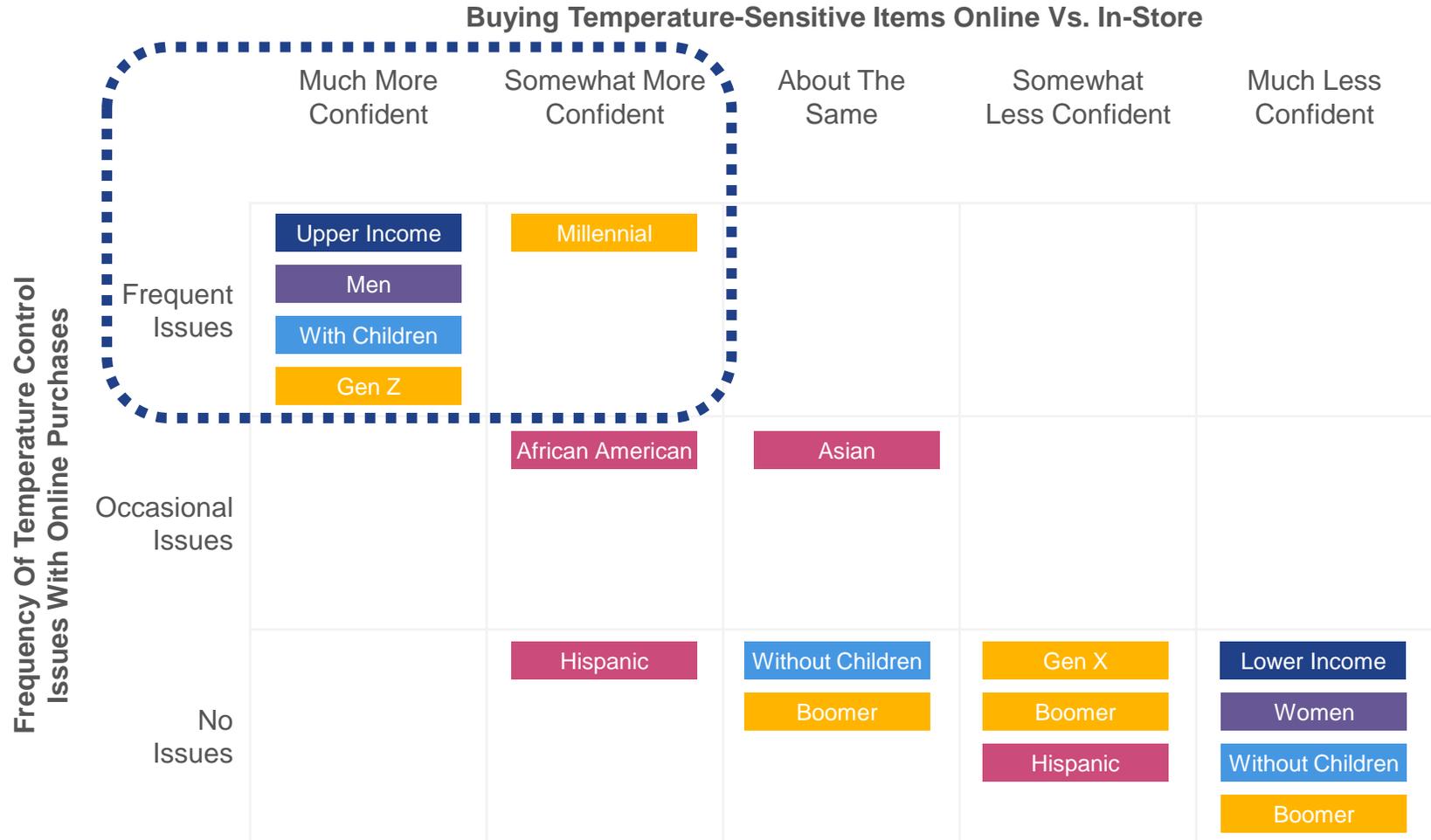
Source: NIQ, BASES Quick Question Omnibus Survey, February 2025, n=642



Experiencing issues does not appear to erode confidence

- Gender
- Children
- Ethnicity / Race
- Generation
- Income

Demographic Skews For Confidence Vs. Issue Frequency



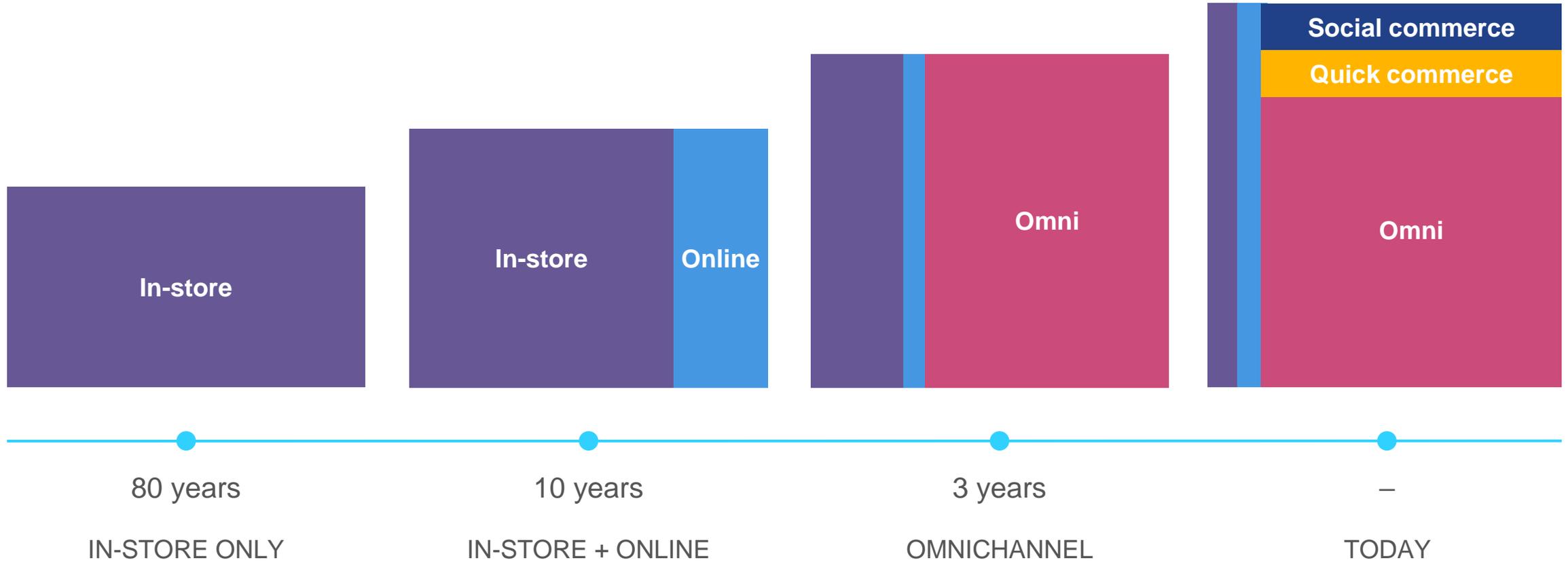
Source: NIQ, BASES Quick Question Omnibus Survey, February 2025, n=642



The takeaway...

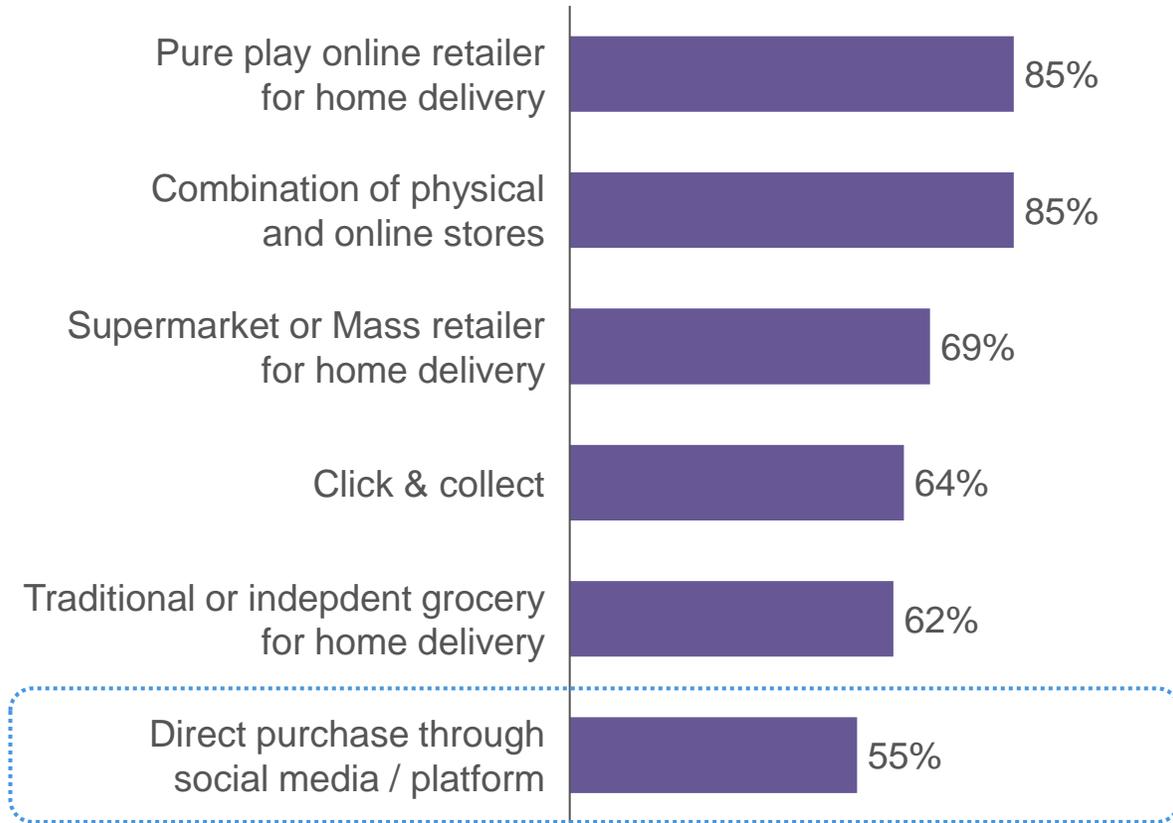
An omnichannel strategy is
where recovery
lives

The pace of change is accelerating



New capabilities are challenging retailers

Where Shopping For Grocery & Household Items Normally Happens



Source: NIQ 2024 Consumer Outlook, U.S.
TikTok Shop sales, NielsenIQ Omnisales 52wks ending 9/30/2024



Social media is a search engine for some...

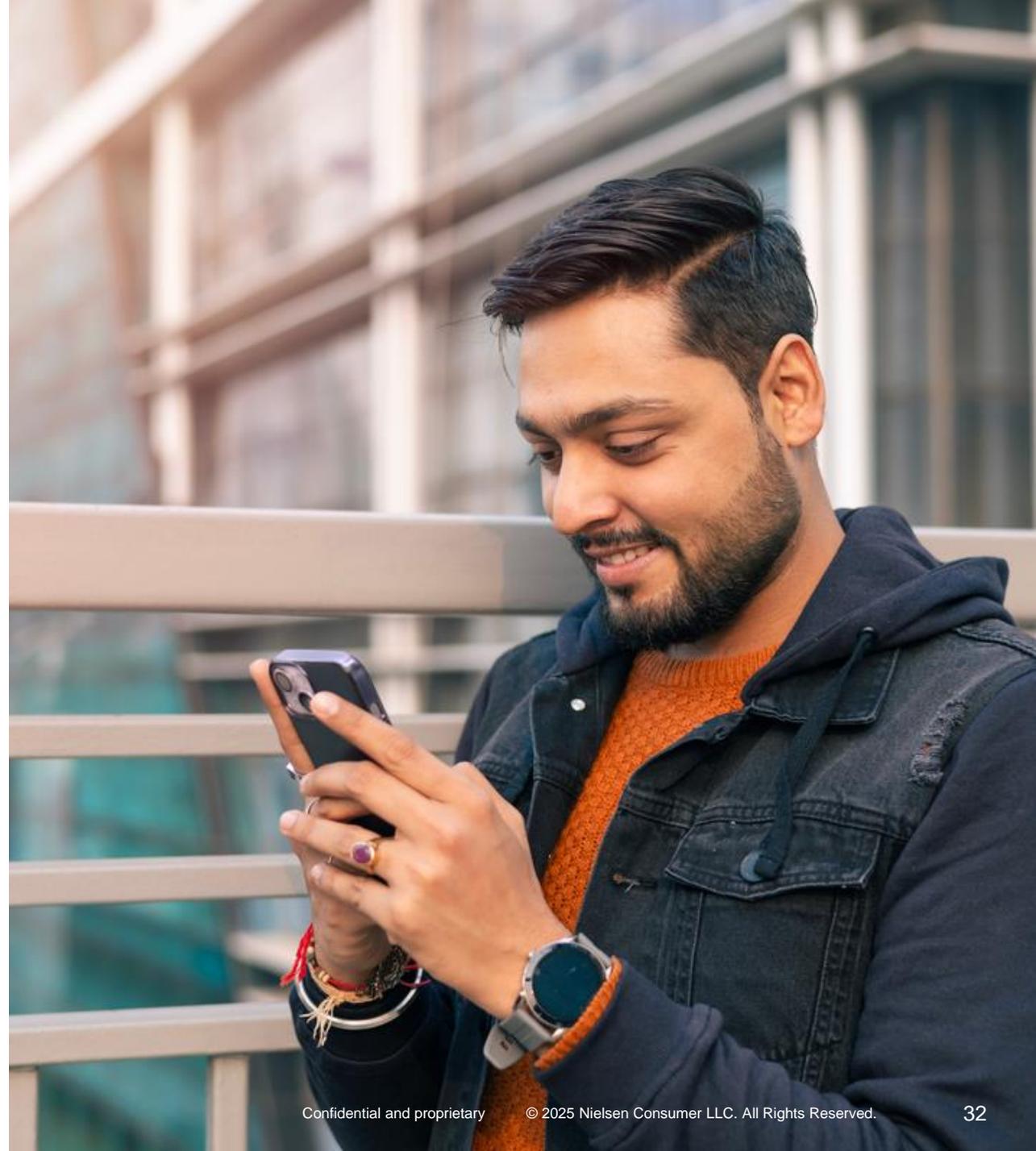
31%

Use social media as their primary source to learn about new products and services

28%

Search social media for product information before using a traditional search engine

Source: NIQ 2024 Consumer Outlook, U.S



...where influencers and viral marketing campaigns wield power over decision making



Freeze Dried Candy



Crookie



Baked Feta



Loaded Cereal



Whipped Coffee



Pickle Sandwiches



Stuffed Dates

We know social media is influential in CPG

35%

Sought out a new product in-store or online because of something seen on social media

22%

Changed brands based on the recommendation of a social influencer

Source: NIQ 2024 Consumer Outlook, U.S



Social commerce gives small brands a voice

82% of TikTok Shop users
say the platform

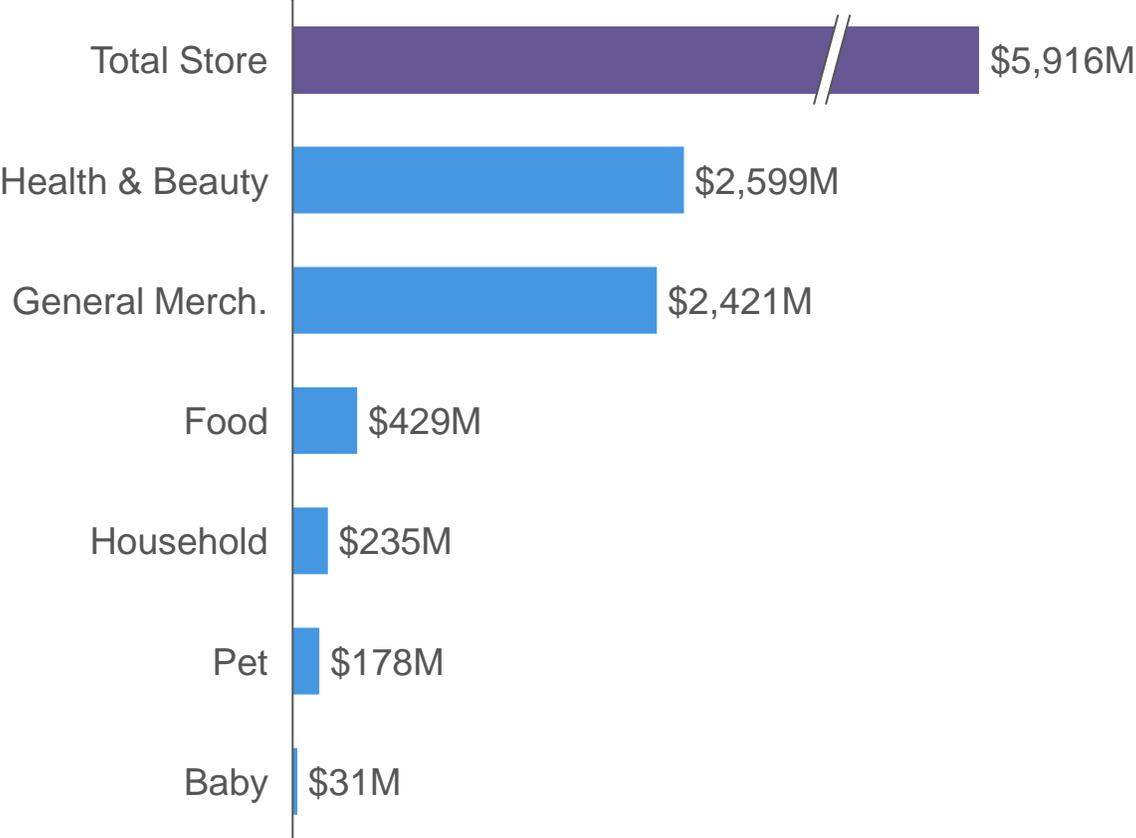
*introduced
them to brands
they did not
know*

Source: TikTok Marketing Science Global Shopping Ad Products Study



Nearly \$6 billion sold through TikTok Shop

TikTok Shop Sales By Department



Source: NIQ, Omnisaies+, Total US Omni, Total Store, 52 Weeks Ending 3/29/2025

Snacks are among the top selling categories

Top Food Super Categories Selling On TikTok Shop



Health & Performance
\$106M



Candy, Gum, & Mints
\$77M



Beverages
\$64M



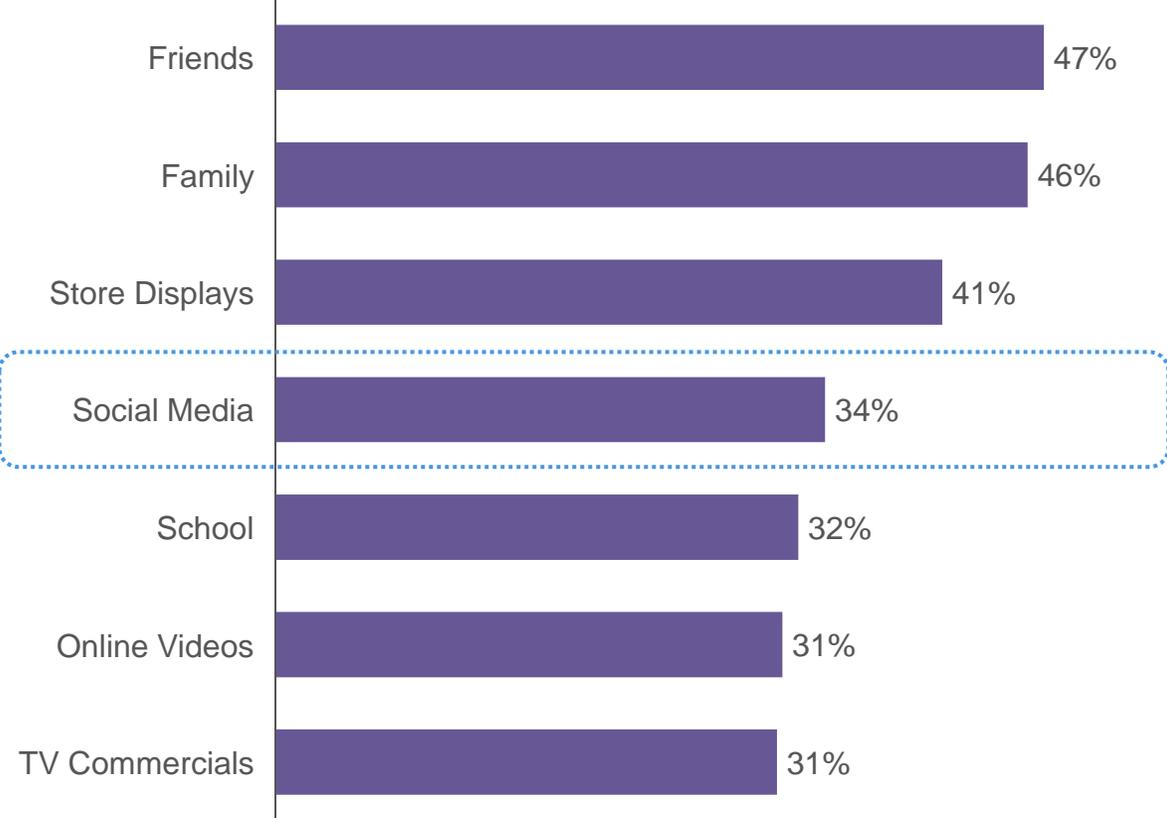
Nutrition & Cereal Bars
\$26M



Salty Snacks
\$24M

Gen Alpha discovers snacks on social media

Where Gen Alpha Learns About New Snacks



Source: NIQ, BASES Quick Question Omnibus Survey, April 2025, n=305
Note: Asked to households with Gen Alpha children (under 16 years old)



A good social media strategy combines push with pull



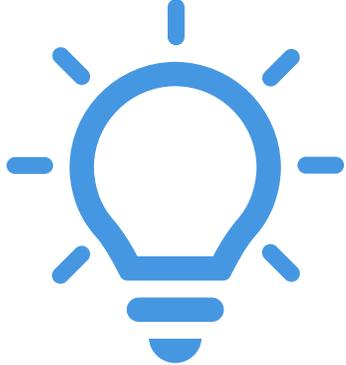
Push

Drive awareness

Sell



Pull



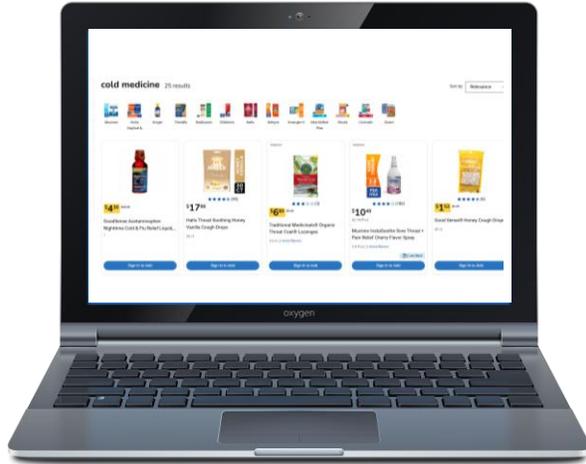
Get ideas

Innovate

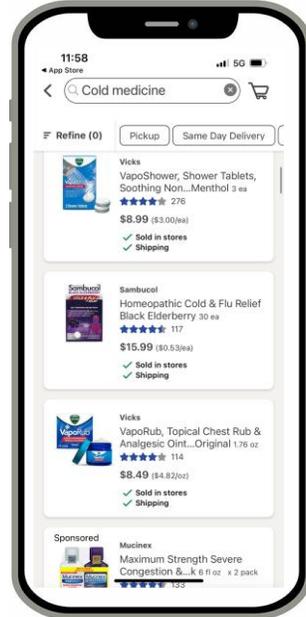
Technology unlocked social commerce, and technology will unlock what comes next



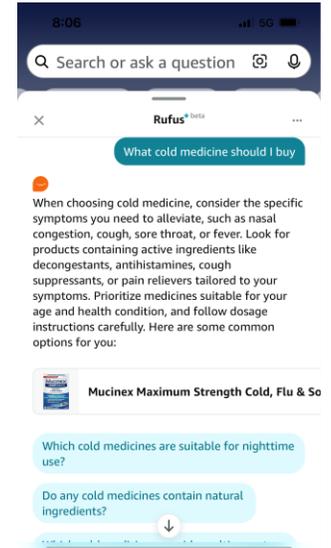
Physical Shelf
50+ SKUs



Digital Shelf
5+ SKUs

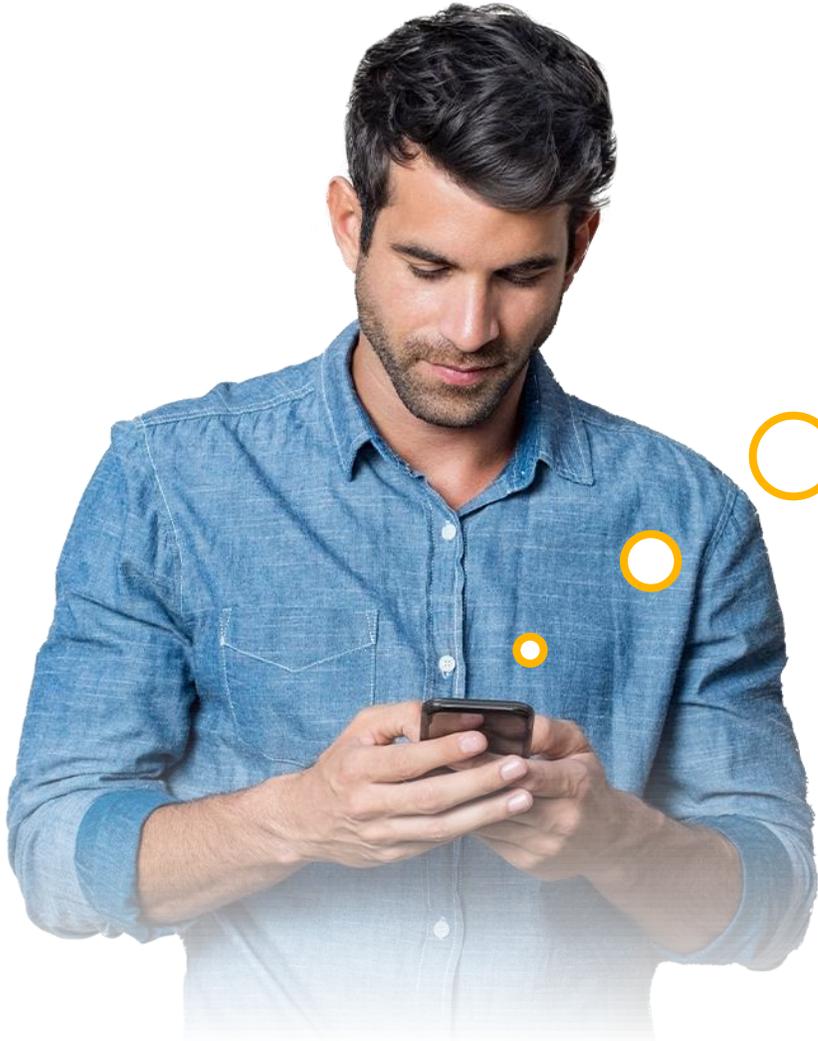


Mobile Shelf
4+ SKUs



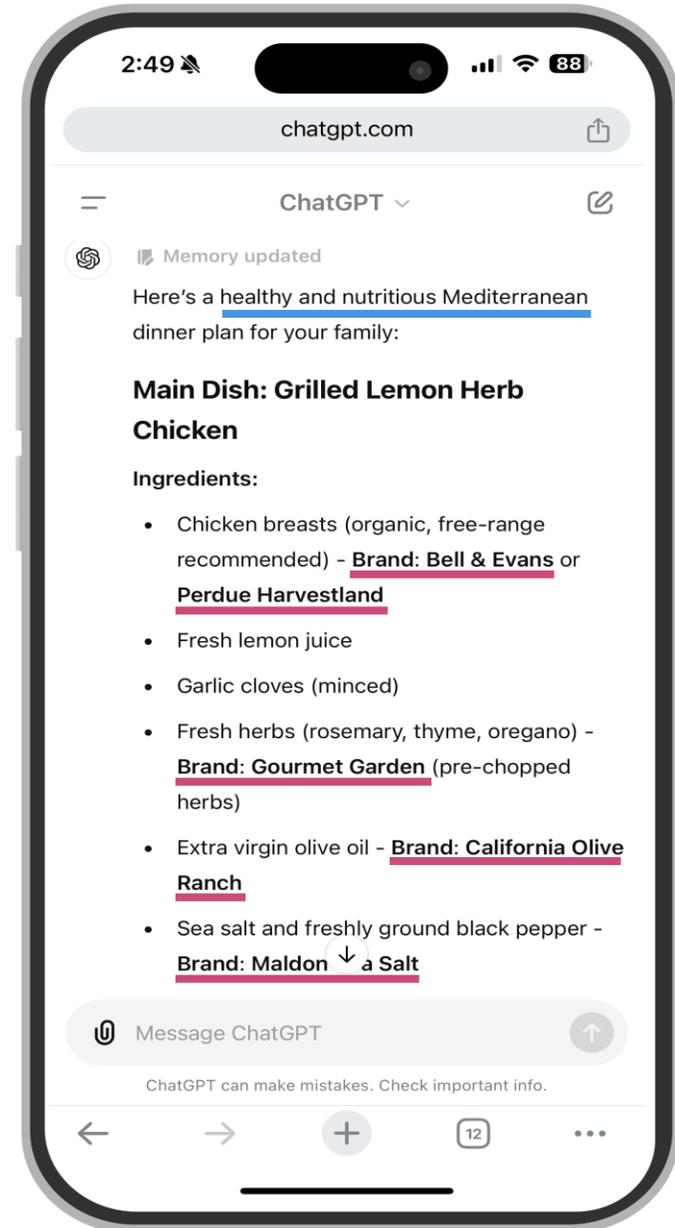
Next Evolution
0-2 SKUs

AI will fundamentally change the path to purchase



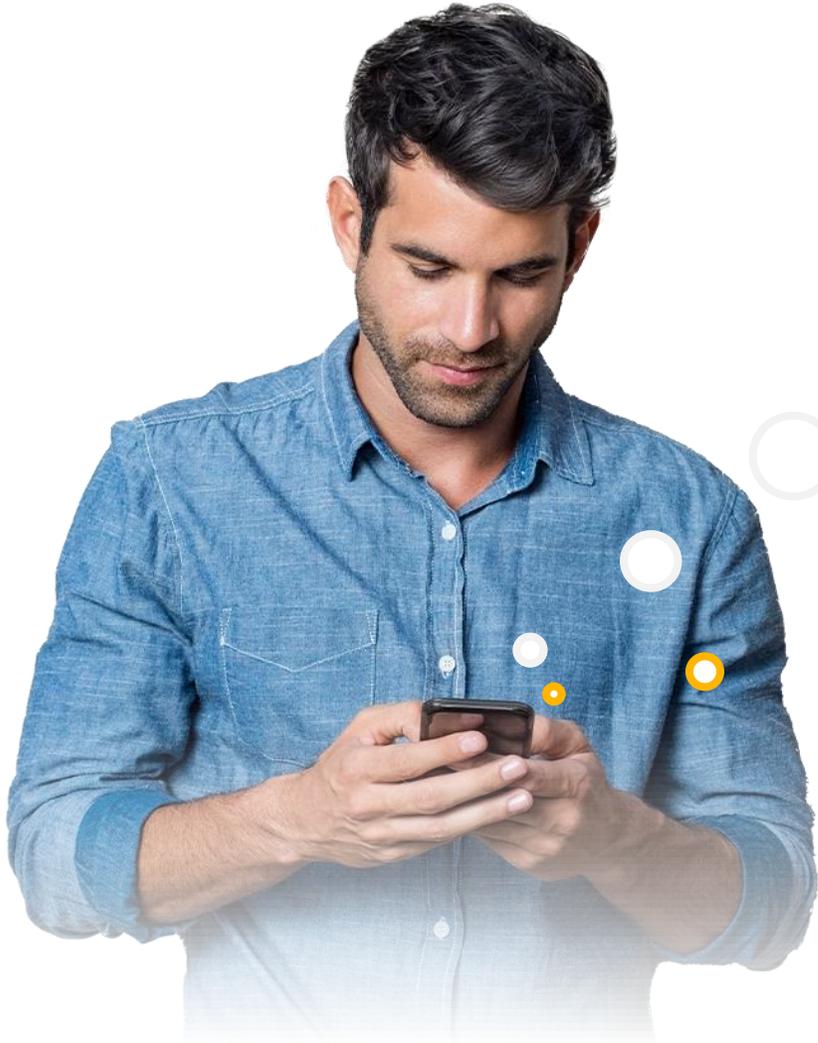
Help me plan dinner for tonight, it must be healthy, nutritious, and my daughter likes Mediterranean food.

Include brand recommendations on highly-rated ingredients.



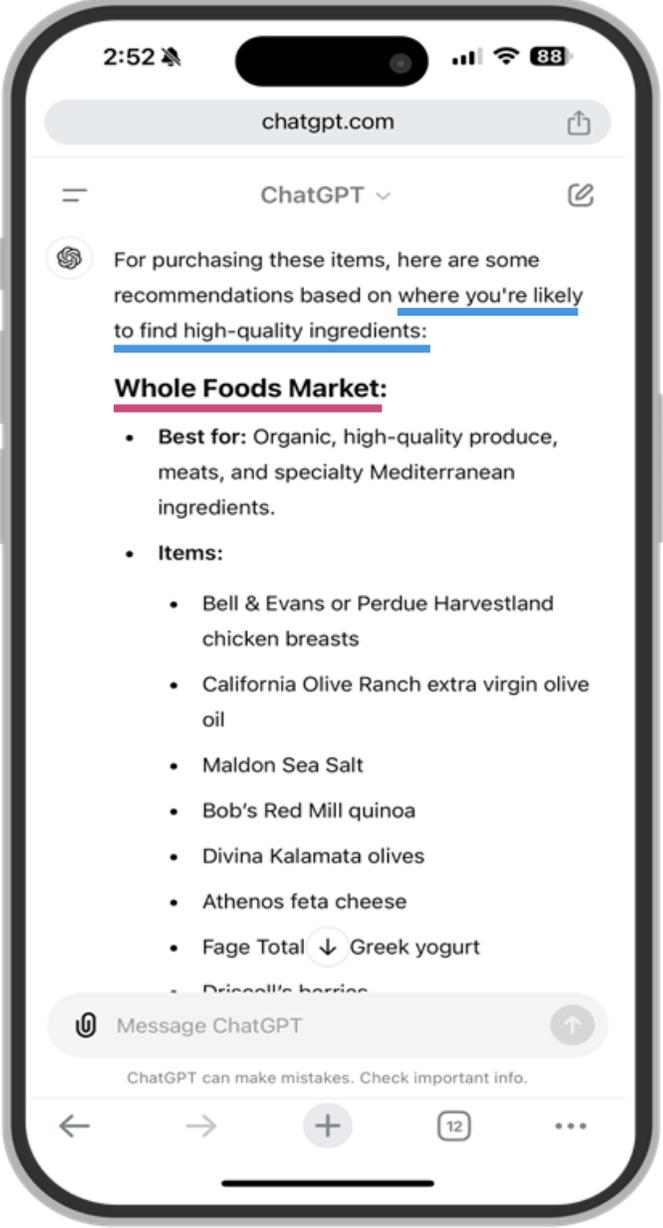
Source: ChatGPT, 2024

AI will fundamentally change the path to purchase



Where is the best place to buy all these products?

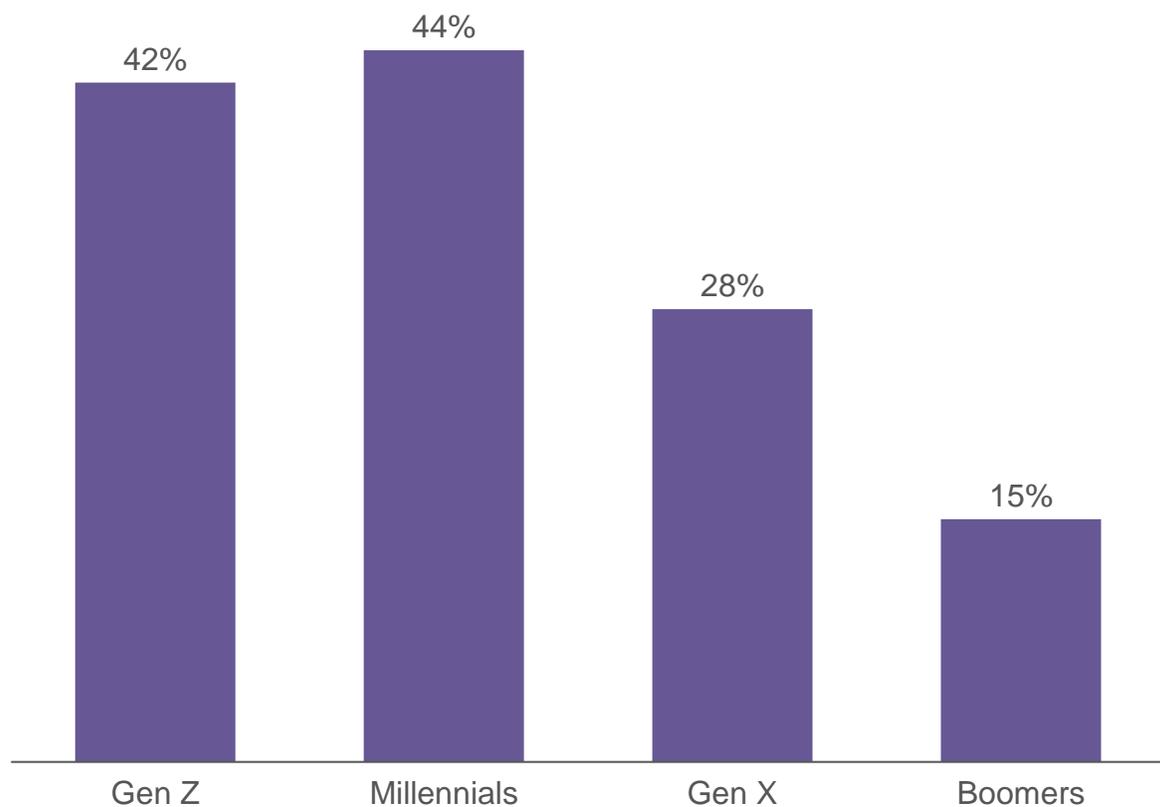
Where is the best place to buy all these products?



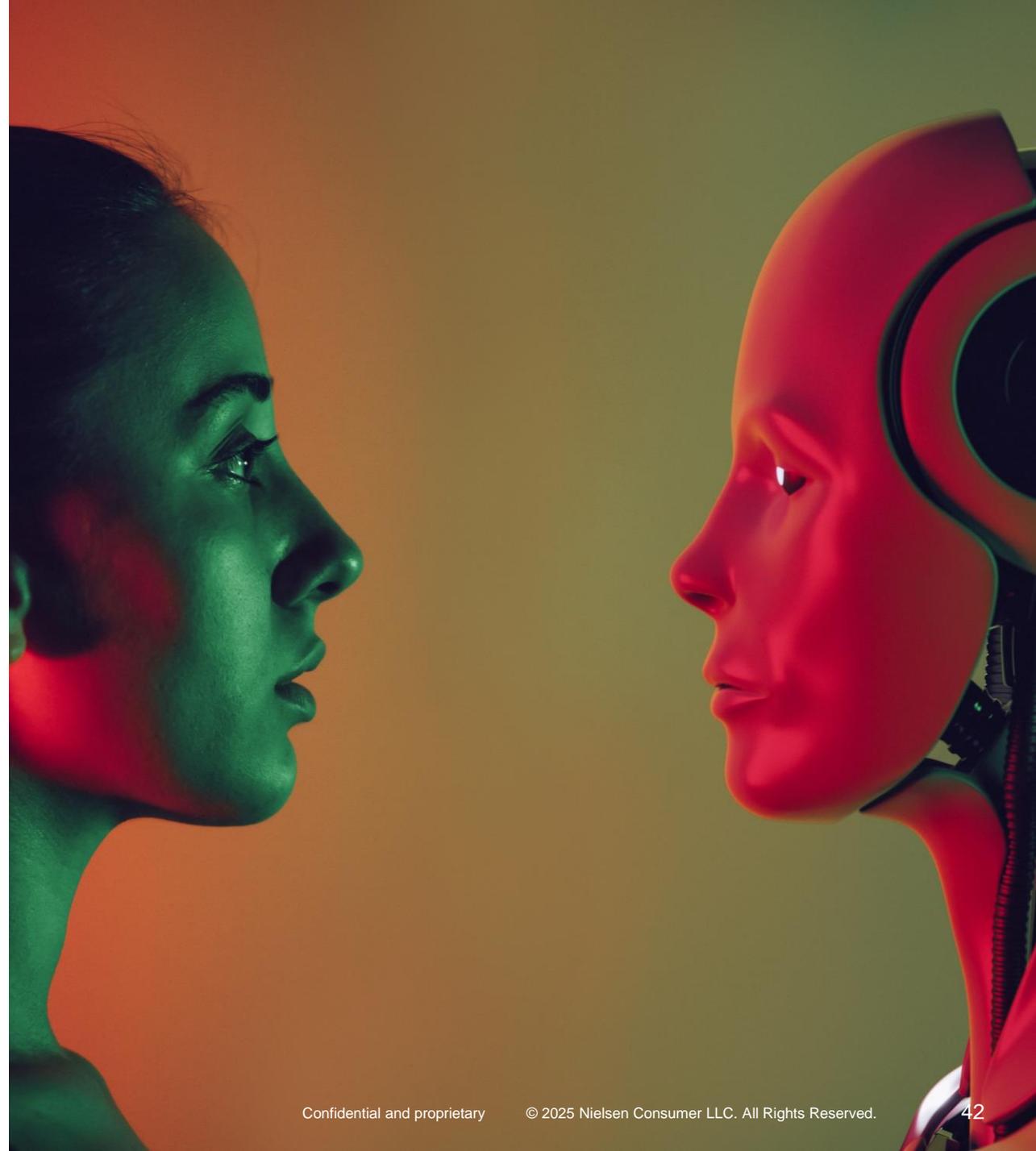
Source: ChatGPT, 2024

We don't just market to people anymore

Willingness To Allow Smart Devices To Automatically Order Products When Needed



Source: NIQ, Midyear Consumer Outlook, 2024



Technology will define
brands that lead

The future belongs to brands that connect channels and earn trust across them

A volume crisis is hidden in plain sight

The consumer changed, we just didn't notice

Growth plans built on yesterday's shoppers are already broken

Omnichannel doesn't just unlock recovery, it unlocks reinvention

Growth lives where channels connect

Omnichannel trust is earned, not assumed

Loyalty is being rebuilt digitally, from the ground up

The shelf doesn't earn loyalty, the feed does

The algorithm is the new aisle

Thank you!

Chris Costagli

Vice President, Thought Leadership,
Food & Beverage Insights Lead,
NIQ

Parag Shah

Co-Founder & Partner,
Think Blue Consulting

NielsenIQ

