

# Beyond Third-Party Cookies:

How CPG Brands Can Reach Consumers at Scale and Drive Impact with Contextual Commerce



Custom content for Chicory by studioID

# Introduction

This year, after much anticipation, Google Chrome is phasing out the third-party cookie — the data-tracking tool that has followed users across the internet since its advent in 1992, shaping and defining how consumers engage online along the way. This process is underway already: As of Jan. 4, Chrome has started restricting third-party cookies by default for 1% of Chrome browsers.

Google’s transition represents the fulfillment of a years-long promise to better meet consumer privacy concerns. All corners of the internet will be touched by this change — digital marketing, most of all.

According to new research from Chicory and studioID, marketers at food and consumer packaged goods (CPG) brands anticipate ripple effects from the transition. Chicory and studioID surveyed 150 marketers from food and CPG companies of all sizes, with worldwide revenues ranging up to \$50-billion. The vast majority (83%) are director-level or above (Vice Presidents or C-Suite), most of whom (53%) manage annual marketing budgets of more than \$1-million.

## What is the annual marketing budget that your team manages?

Less than \$100,000	2%
\$100,000 to \$499,999	7%
\$500,000 to \$999,999	11%
\$1 million to \$9.99 million	40%
\$10 million to \$24.99 million	22%
\$25 million to \$99.99 million	14%
\$100 million or more	4%

## What is your job level?

C-Suite	20%
Vice President	25%
Director	38%
Manager	17%
Individual contributor	0%



Seventy-two percent of marketing executives surveyed are extremely or very concerned about Google’s phase-out of third-party cookies. Among those concerns: 73% of marketers fear they won’t find a cost-comparable alternative to third-party cookies; 70% are concerned about losing the scalability that third-party cookies offer.

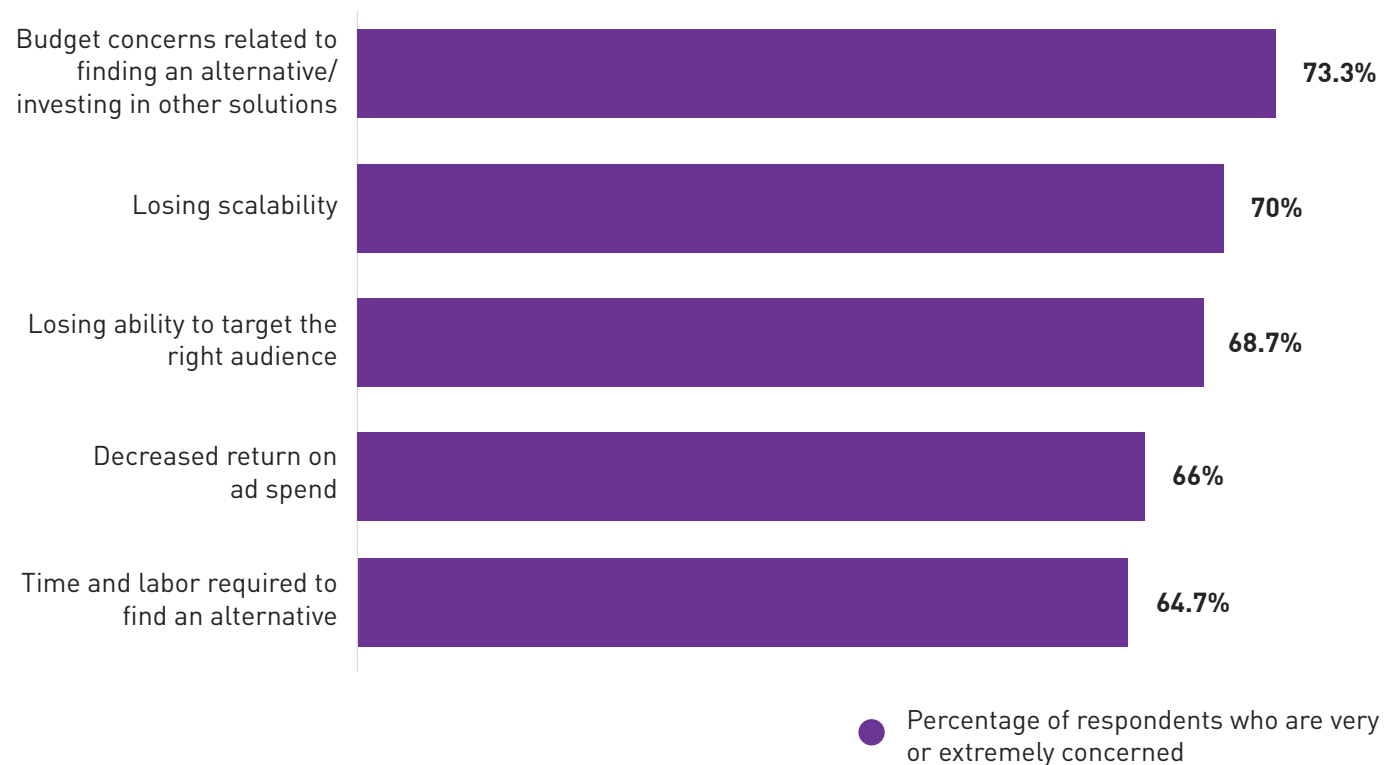
Amid a transition facing the advertising sector at large, brands have an opportunity to shift their approach. Many would do well to consider a **contextual commerce strategy** as a way forward.

Contextual commerce is a future-proof marketing strategy that turns commerce-oriented content into a shopping moment — without relying on first or third-party data for targeting. Popular examples of contextual commerce in the grocery space include in-recipe advertising, complementary product recommendations and commerce-enabled links within food content. Each of these reach consumers with **hyper-relevant** messaging during **high-intent moments of the grocery shopping journey**.

## To what extent is your brand concerned about Google’s phase-out of third-party cookies?

Extremely concerned	29%
Very concerned	43%
Somewhat concerned	20%
A little concerned	7%
Not concerned at all	1%

## Considering the deprecation of third-party cookies, please rate how concerned your brand is with the following risks?



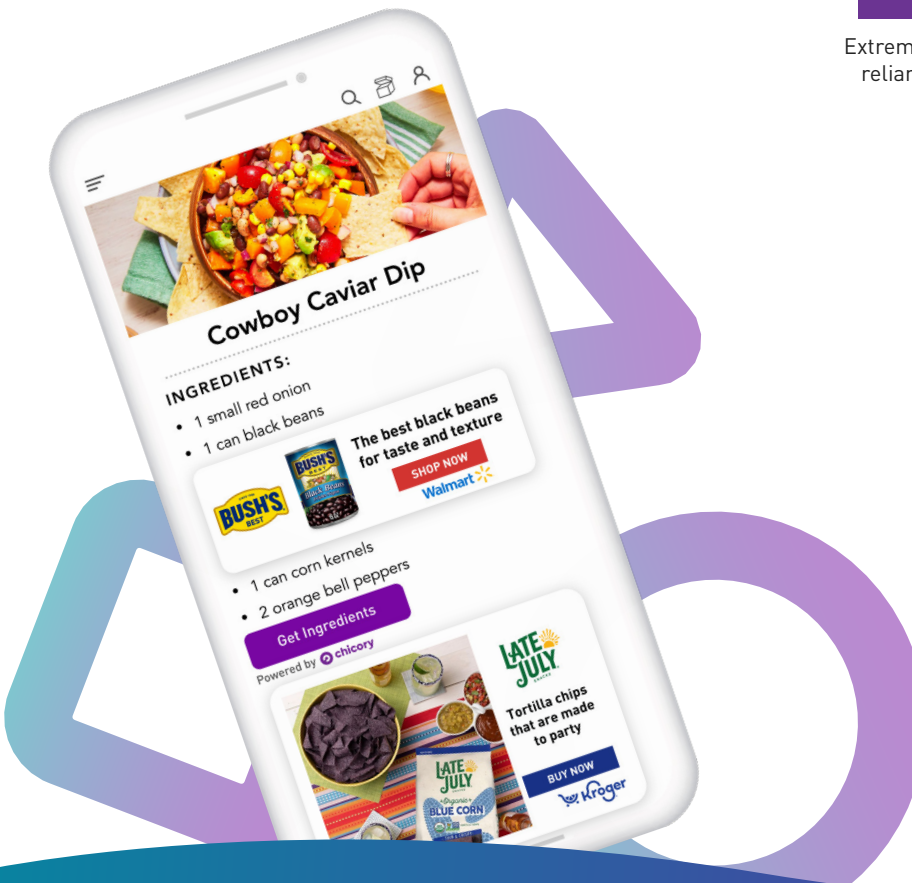
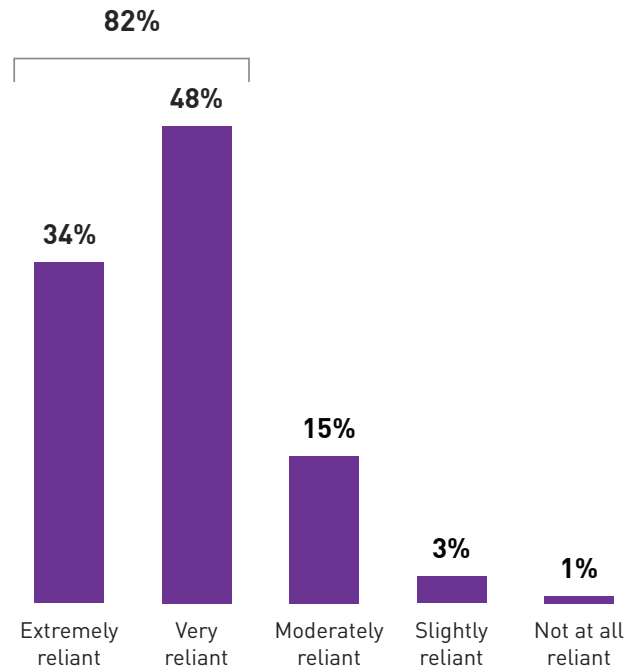
Most CPG marketers know what those high-intent moments are based on their customers' shopping journeys: 82% of respondents to Chicory and studioID's survey said they believe their customers relied heavily on digital recipes, and around half said they believe their customers shop with cost, reliability and efficiency top of mind.

Eighty-six percent of marketers also said they know their consumers have growing privacy concerns. This combination of data presents an opportunity for brands to better cater to consumer preferences, while simultaneously future-proofing their advertising solutions and improving overall addressability.

### To what extent is your brand taking into consideration growing consumer privacy concerns in your advertising strategy?

Very strongly considering	86%
Moderately considering	11%
Slightly considering	3%
Not at all considering	0%

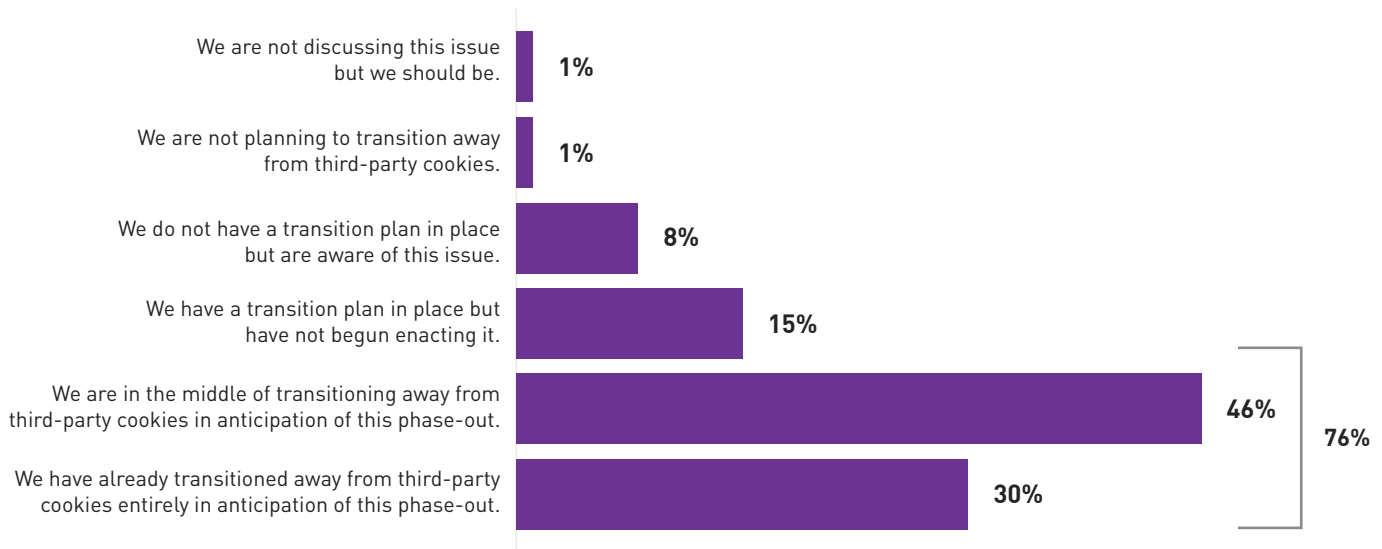
### How reliant do you think your CPG brand's customers are upon digital recipes in their daily lives?



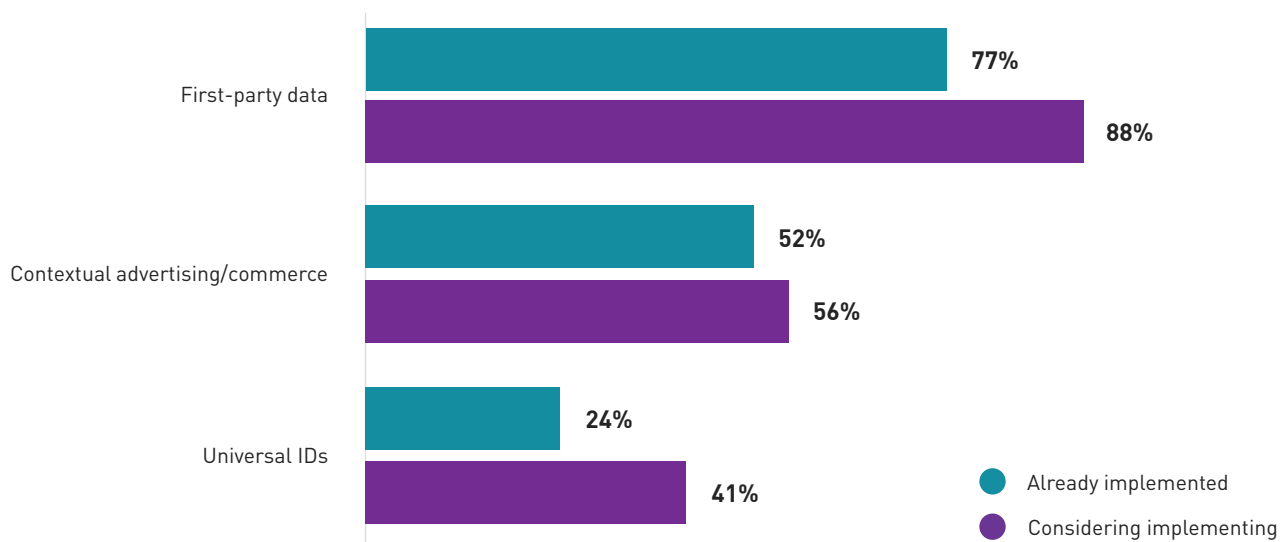
# An Industry in Transition

Many advertisers have begun to prepare for the shift away from third-party cookies, Chicory and studioID's research found. Seventy-six percent of respondents said they have taken significant steps to address Google's phase-out of third-party cookies — 30% have transitioned away from them entirely, and 46% are in the middle of transitioning.

## Which of the following best describes your brand's preparations for the general phase-out of third-party cookies?



The top solution marketers are turning to? First-party data. This data is gathered directly from users on a brand's website, as a way to track their engagement exclusively on that site. Seventy-seven percent of marketers who are already transitioning away from third-party cookies said they are turning to first-party data. Similarly, 88% of those who have not, but are planning to transition from third-party cookies, said they are exploring it as a replacement.



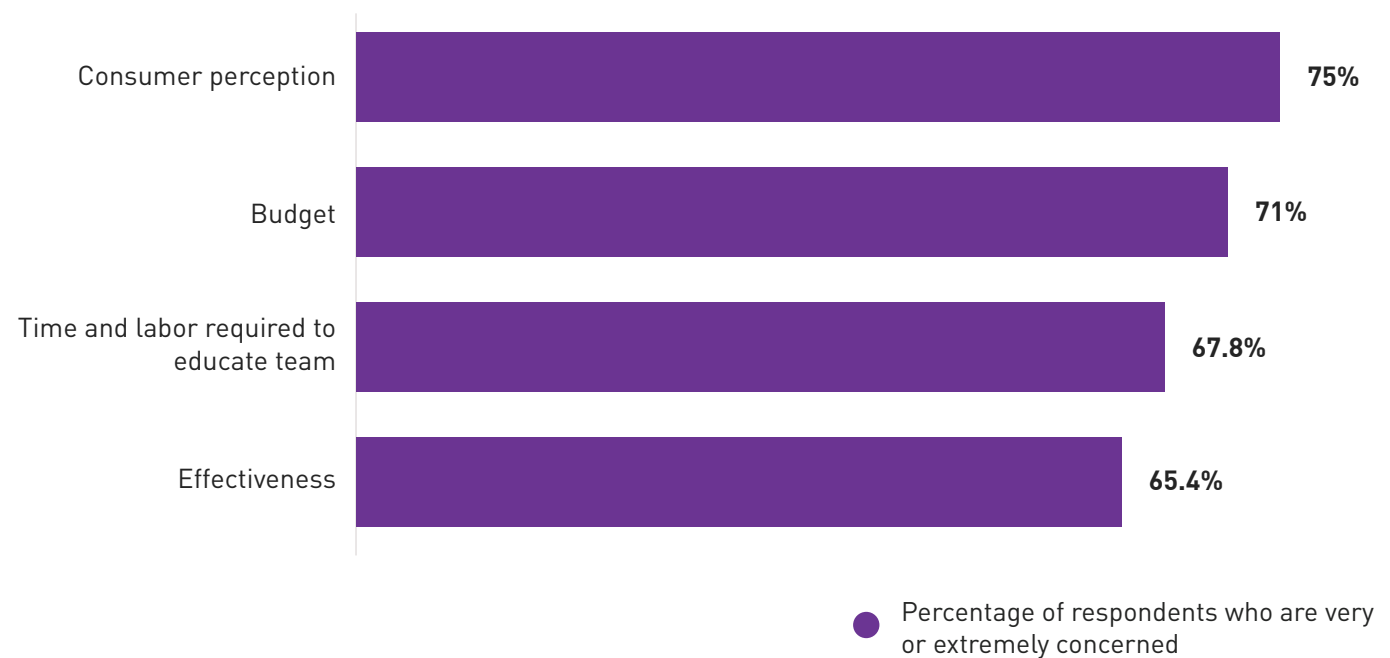
But first-party data limits a brand's ability to reach new consumers, and is almost always reliant on publishers gating their sites (behind, for example, a form that might require visitors to submit their email address). What's still to be determined is whether first-party data can drive comparable results, considering this reduction in scale. That, combined with higher costs to implement the strategy, poses significant budgetary challenges for brands that need to be more intentional than ever with their ad dollars.

Amid third-party cookie deprecation, consumer privacy concerns remain: According to market research firm [GWI](#), in 2023, 1 in 5 internet users said they decline cookies, and half of them (52%) are worried about how companies use their data. Meanwhile, 40% of consumers said that they worry about their online privacy, a rate that has remained steady over the past three years. With this knowledge, it would be shortsighted of the industry to turn exclusively to another consumer-data-dependent strategy, like first-party data.

Contextual commerce, on the other hand, offers marketers a way to personalize their approach while respecting consumer privacy. Over half (56%) of marketers planning their transition from third-party cookies are considering a contextual commerce strategy, and 52% of those who have transitioned are currently using one.

Those who said they were wary of transitioning to contextual commerce highlighted a few common concerns: **consumer perception, budget, effectiveness** and **scalability**. Yet testimonials from users of contextual commerce paint a different picture entirely: one of an advertising strategy that offers a win-win for food and CPG brands.

## How concerned is your organization with each of the following hesitations about using contextual commerce?

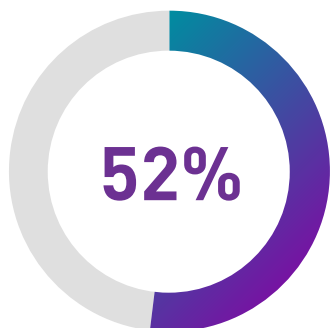


## SECTION 1

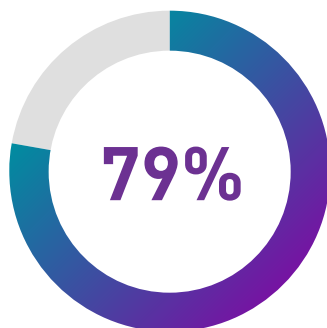
# A Win for Brand Awareness and Sentiment

Three out of four marketers not yet using contextual commerce worried that introducing it could affect how customers perceive their brand. However, results of a [September 2023 survey](#) from Chicory and the Path to Purchase Institute (P2PI) found that a contextual commerce strategy caters to consumer preferences — and could, in fact, be a boon for brand awareness and affinity.

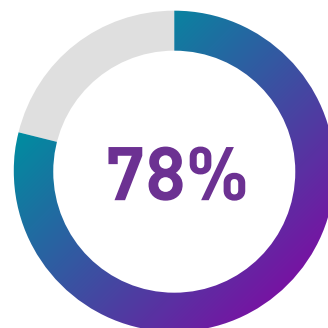
Around half of consumers said they have made one or more online purchases via contextual commerce in the last few months. Honing in on food content more specifically, shoppers said contextual, in-recipe advertising — commerce-enabled advertisements contained in a digital recipe — has a meaningful effect on their opinion of the brand advertised. Seventy-eight percent said seeing an ad for a grocery item in a recipe would urge them to consider purchasing. The same number said they are more likely to remember a brand in-store after seeing an in-recipe ad. For an impressive 79%, contextual, in-recipe ads have positively affected their perception of a brand.



**of consumers have recently made one or more online purchases via contextual commerce.**



**of consumers say contextual, in-recipe ads positively impact their perception of a brand.**



**of consumers are more likely to remember the brand and buy from that brand after seeing a contextual, in-recipe ad for that brand.**

Source: 2023 P2PI and Chicory Contextual Commerce Shopper Study

Contextual commerce also offers advertisers a new way to educate consumers about their products, creating space to insert brand messaging into recipes. A blue cheese brand, for instance, partnered with Chicory to drive awareness of its products in a particular region, emphasizing the convenience of its ready-to-use crumbles for Western shoppers. The campaign saw a sales lift of nearly 8%, as 8,800 shoppers added the product to their carts.

### CASE STUDY

#### **How contextual commerce helped this plant-based protein brand build brand awareness**

Education is key to garnering customer trust when disrupting a market. For one plant-based protein brand, alerting customers to the product's viability as a meat replacement is key to driving sales and converting new customers. The brand worked with Chicory to place commerce-enabled advertisements in recipes for dishes like Grilled Chicken with Mango Salsa. The ad units catered to meat and veggie categories alike, aligning with categories like Plant-based, Healthy Sides, Veggie Forward, and Hot off the Grill. The campaign drove a 2.2% sales lift, over \$500,000 in incremental sales and a 4.3x iROAS.

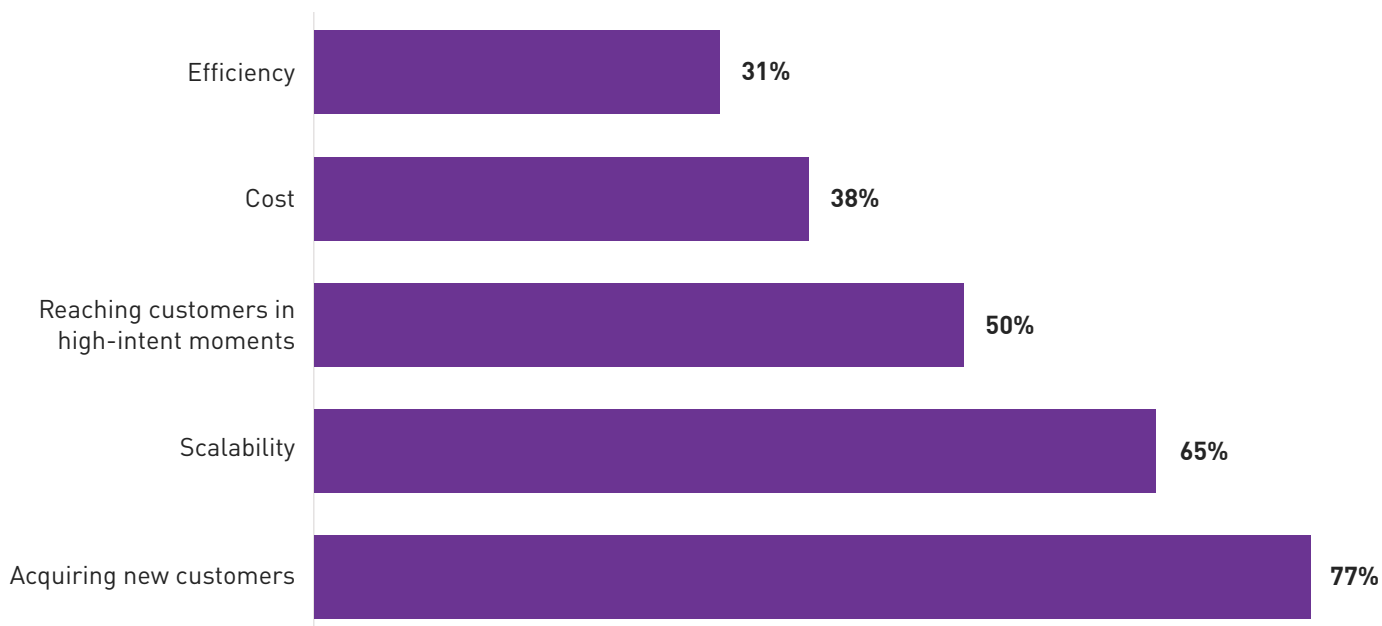




## A Win for Return on Ad Spend

Seventy-one percent of marketers not yet using contextual commerce have budgeting concerns about adopting the strategy. Meanwhile, current contextual commerce users report that the strategy is actually maximizing their marketing budgets: more than one-third (38%) of contextual commerce users who responded to Chicory and studioID's survey said they find cost to be an advantage of the advertising strategy.

### What advantages have you found since using contextual commerce as part of your advertising strategy?



Chicory's data on incremental return on ad spend (iROAS) supports this finding. Based on a database of 260+ campaigns, advertisers who spend with Chicory consistently see incremental returns above 2.5x. Take, for instance, a pair of health-conscious brands that collaborated on a campaign promoting non-GMO sweet potato fries and unsweetened ketchup. The brands saw 14.5x iROAS and \$1.4-million in total incremental sales from the campaign.

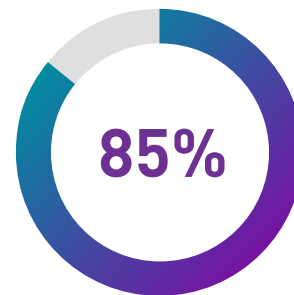
## SECTION 3

# A Win for Reaching New and Lapsed Shoppers

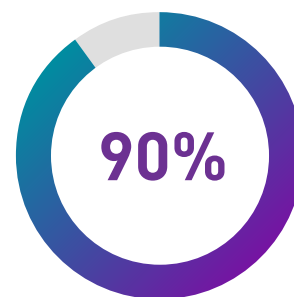
Sixty-five percent of marketers surveyed who have yet to adopt contextual commerce are concerned about its effectiveness. However, contextual commerce puts shoppability in front of highly motivated consumers in moments of inspiration – when they’re looking for a new recipe and are open to experimenting with new ingredients. This, in turn, generates higher engagement and attracts new and lapsed shoppers (see page 9 for data).

Outside of the retailer’s site, high-intent moments are created during the planning phase of a consumer’s grocery shopping journey, when they’re seeking meal inspiration and building shopping lists. Eighty-five percent of consumers use online recipes while shopping or making lists, and nearly half of shoppers said they enjoy browsing recipes in their downtime, Chicory and P2PI consumer data found. This offers an invaluable resource to advertisers — one consumers are receptive to. While shopping in-store, 90% of consumers in the past three months have purchased grocery items that they discovered from an online recipe.

Brands are reporting a surge in new and lapsed shoppers after employing contextual commerce. Chicory campaigns supporting a leading national retailer typically see a median of 44% of sales driven by new and lapsed shoppers, data from 130+ campaigns has shown.



**of consumers use online recipes while shopping or making lists.**



**of consumers in the past three months have purchased grocery items that they discovered from an online recipe.**

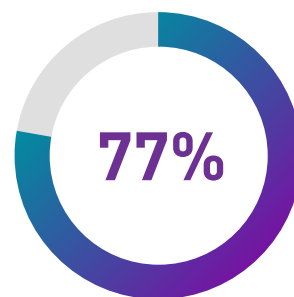
## CASE STUDY

**How Chicory puts your brand in front of new customers**

Chicory's contextual commerce strategy is a win not only for brand perception but also for customer acquisition. Commerce-enabled in-recipe ads put items in front of new consumers: 77% of marketers sampled in Chicory and studioID's survey highlighted customer acquisition as a benefit of contextual commerce.

Grass-fed-beef supplier Pre Brands has had particular success with contextual commerce. In a bid to build brand awareness and continue customer acquisition, the company partnered with Chicory to leverage its network of 5,200+ top-tier food publishers and place high-quality contextually relevant ads within popular sites. The company saw a 5.1% sales lift in the first two months and generated \$600,000 in incremental sales in the first five months. In all, the campaign brought in an iROAS of 2.4 to 4.8x for the company.

"There's something more authentic about seeing the brand within a context that makes sense," Pre Brands Chief Marketing Officer Nicole Schumacher said. "It's fitting a need."



**of marketers sampled in Chicory and studioID's survey highlighted customer acquisition as a benefit of contextual commerce.**

**2.4 to 4.8x**

**increase in iROAS from the campaign**

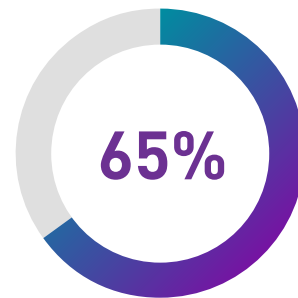


## SECTION 4

# A Win for Scalability

As Google phases out third-party cookies, 70% of marketers say they're concerned about losing scalability in their advertising. In other words, they're concerned about losing their advertising reach.

Contextual commerce addresses these marketers' concerns: nearly two-thirds (65%) of current users find the strategy's scalability to be an asset. Unlike other advertising alternatives that are limited by consumer data for targeting, contextual commerce utilizes keyword targeting. This type of targeting opens up far more ad inventory, effectively and efficiently reaching consumers on thousands of off-platform channels. First-party data, by contrast, limits advertisers to their existing customer base, offering data solely from users who have already discovered or are frequenting a brand's website.



**65%**  
of current contextual commerce users find the strategy's scalability to be an asset.

See full data on page 9

In reaching new and lapsed shoppers, contextual commerce replenishes customer bases, generating more opportunities for incremental revenue.

### UNLOCKING SCALE WITH CONTEXTUAL COMMERCE

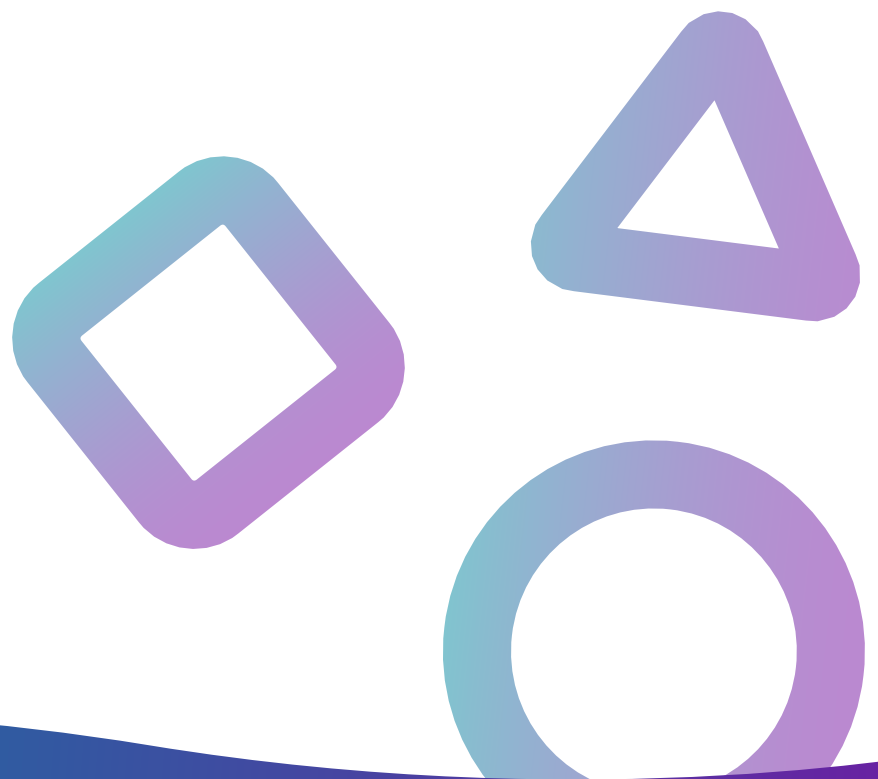
“We created Leap to help CPG brands better engage with and improve their customers' shopping experience, and our partnership with Chicory is helping us do so at an even greater capacity and scale. We're thrilled to be integrating Chicory's unique approach to commerce advertising with Leap, so we can help our brand partners provide highly engaging, relevant ads to their customers, and facilitate a streamlined shopping experience, all in a privacy-conscious way.”

— Joell Robinson, Giant Eagle Senior Director, Leap Media & Sales

## Conclusion

2024 marks a shift in the advertising industry as Google finally phases out third-party cookies. The vast majority (72%) of food and CPG marketers are concerned about this. Many are considering replacing third-party data with first-party data collected in-house — but with concerns about consumer privacy mounting, and privacy regulations ever-changing, it's time to take a second look at how brands reach consumers.

Contextual commerce offers a scalable, personalized, effective and budget-friendly way to reach highly motivated consumers in the moments and mindsets that matter. With 7 in 10 consumers shopping online for groceries once a week, and nearly half perusing online recipes in their downtime, in-recipe advertising offers marketers a new way to reach and influence existing, new and lapsed customers, build brand awareness, and drive sales. Better yet, it does this without asking consumers for any of their data — offering a future-proof strategy to weather coming regulatory changes and consumer concerns.



## About the research

The findings of this research are based on an online survey conducted by Food Dive from Nov. 11 to 15, 2023. A total of 150 marketing executives participated in the research. The sample was drawn from Food Dive databases.

# studio / **ID**

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