



The Consumer Data Revolution in Asia Pacific

Learn from Asia Pacific consumers about how their attitudes to sharing data have changed and how they will prefer to engage with brands following the demise of third-party cookies.



Introduction

Fundamental shifts in data sharing present a generational opportunity

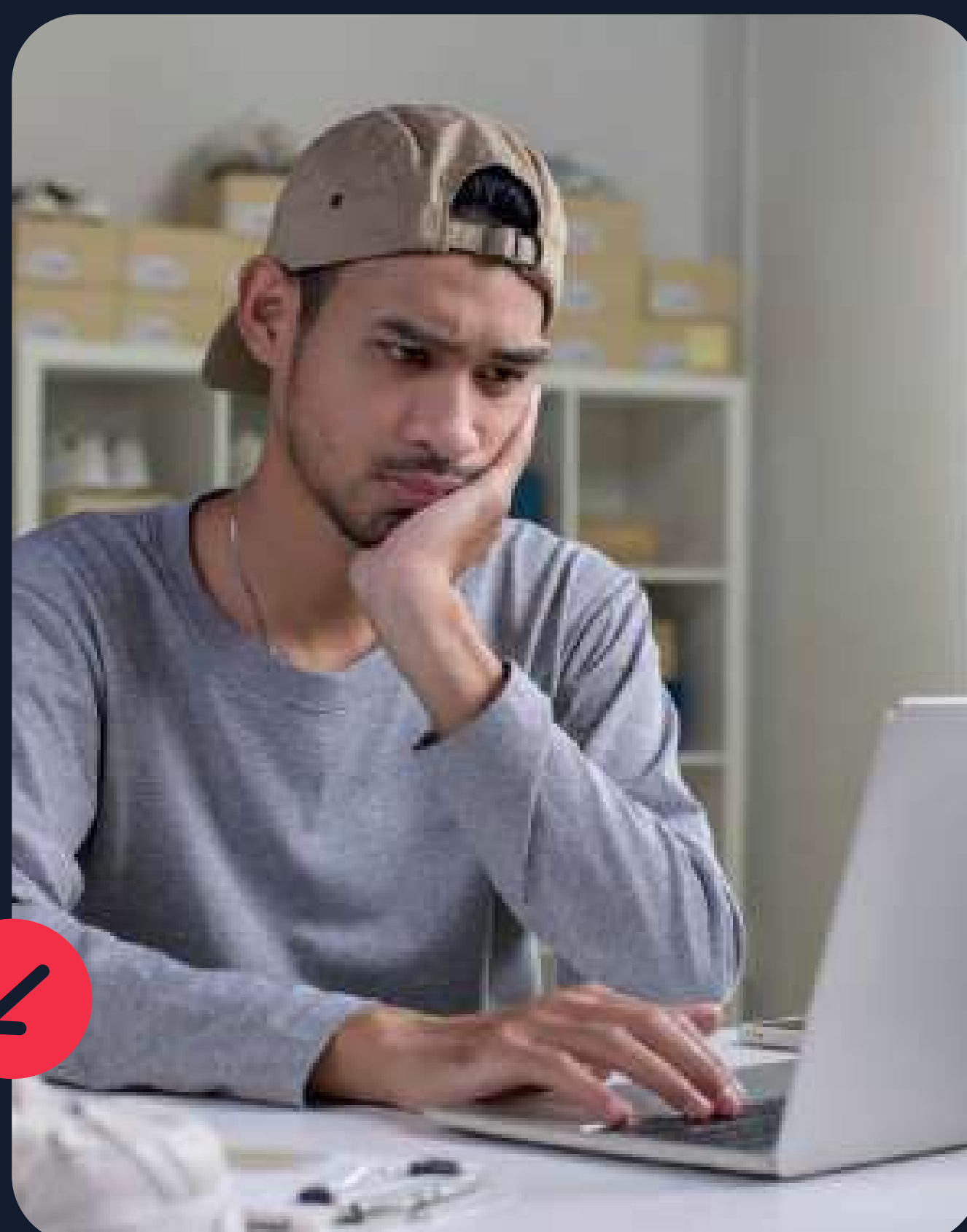
Over the past decade, digital transactions have become the norm for consumer-facing businesses in the Asia Pacific (APAC) region, now being the default mode for most exchanges.

This shift towards digital transactions has catalysed the rise of third-party cookies, as businesses seek to collect data on user behaviour, enabling targeted advertising, personalisation, and improved customer insights.

This has presented a remarkable array of benefits for consumers, enhancing personalised experiences and tailored services. However, this data-driven revolution has simultaneously cultivated a growing sense of unease due to escalating privacy concerns.

Consumers have every right to mistrust organisations given how their information has been misused. After all, the most infamous data scandal of all, the Cambridge Analytica case, impacted several APAC countries.

This reflects a wider trend of consumers being wary about how their data is being stored and used, exacerbated by a string of headline-grabbing data breaches, targeting companies from industries ranging from telecommunications and retail to finance and healthcare. These breaches have potentially compromised vast amounts of customer data.



APAC governments have been listening to consumers' concerns, with several strengthening data protection and privacy laws. Tech companies have been paying attention too. Google is set to phase out support of third-party cookies in its web browser, while Apple and Mozilla – used by a quarter of internet users globally – have already done so.



While government measures will help consumers, the demise of third-party cookies will arguably have a more far-reaching impact on how data is collected and used. It's a major industry reform that's designed to protect consumers' privacy, preventing cookies from tracking users as they browse multiple websites. However, it will also radically change digital advertising, as businesses have become dependent on third-party cookies to understand consumers' online behaviours and serve targeted ads.

What does this seismic shift mean for marketers and digital business in general? Twilio surveyed 1,500 consumers across APAC to find out.

In this report, we analyse responses from consumers in Australia, Hong Kong, Indonesia, Japan, the Philippines, and Singapore. Their answers provide a valuable glimpse into what a healthy and sustainable data-sharing ecosystem could look like in a post-cookie world.

Our research shows that despite data misuse and breaches, consumers are still willing to share data with businesses. However, they're more informed than ever about how their data is used – and therefore only willing to share the right type of data under the right circumstances.

Our findings also suggest that businesses need to earn consumers' trust and offer meaningful utility by providing customers more value – such as personalised services – in exchange for sharing data.



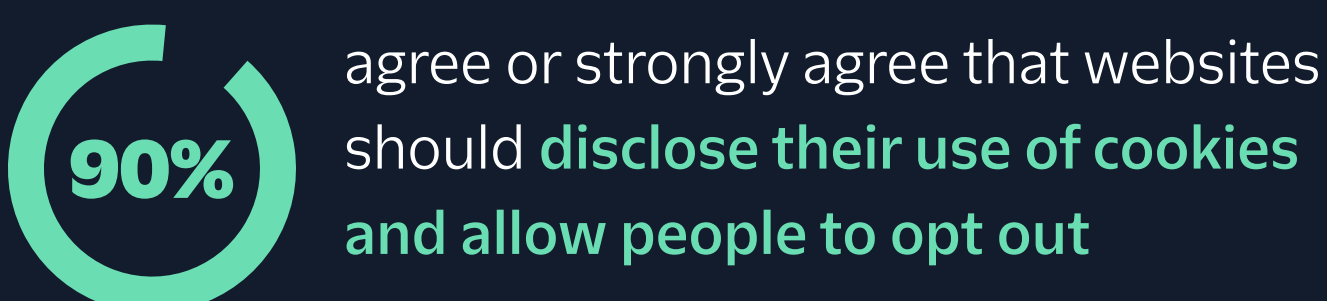
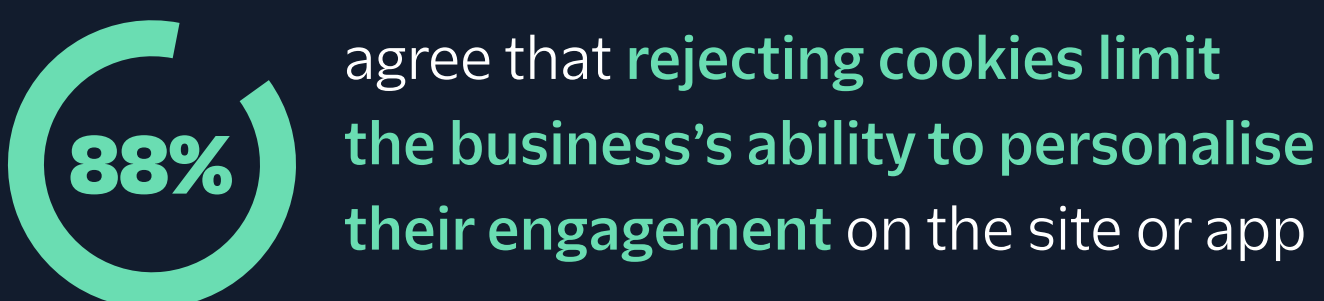
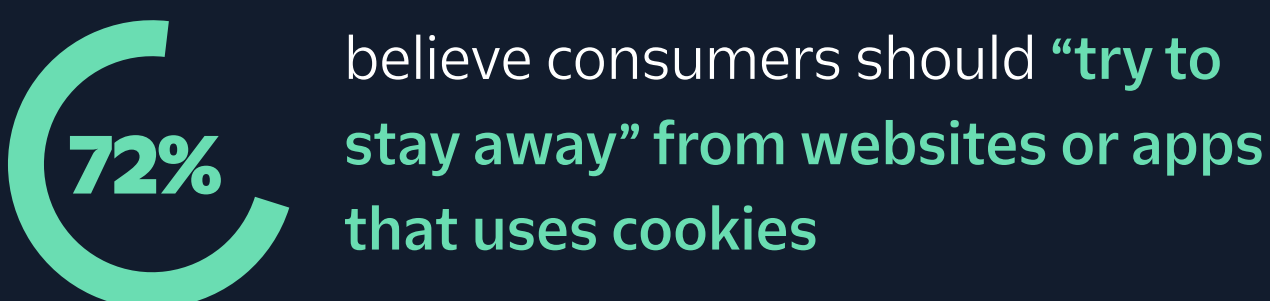
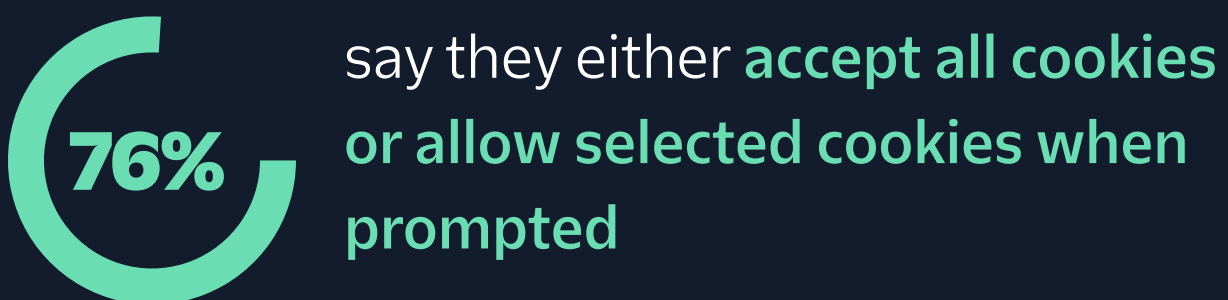
1* Consumers are ready to say goodbye to cookies

Our research suggests that most APAC consumers have become accustomed to cookies, generally either accepting all of them or allowing selected cookies when prompted on websites or apps.

That widespread acceptance appears to be mainly due to pragmatism, not ignorance. Most survey respondents understand that cookies are widely used to provide personalised experiences on a website or app. But they also say they would prefer that they are not used.



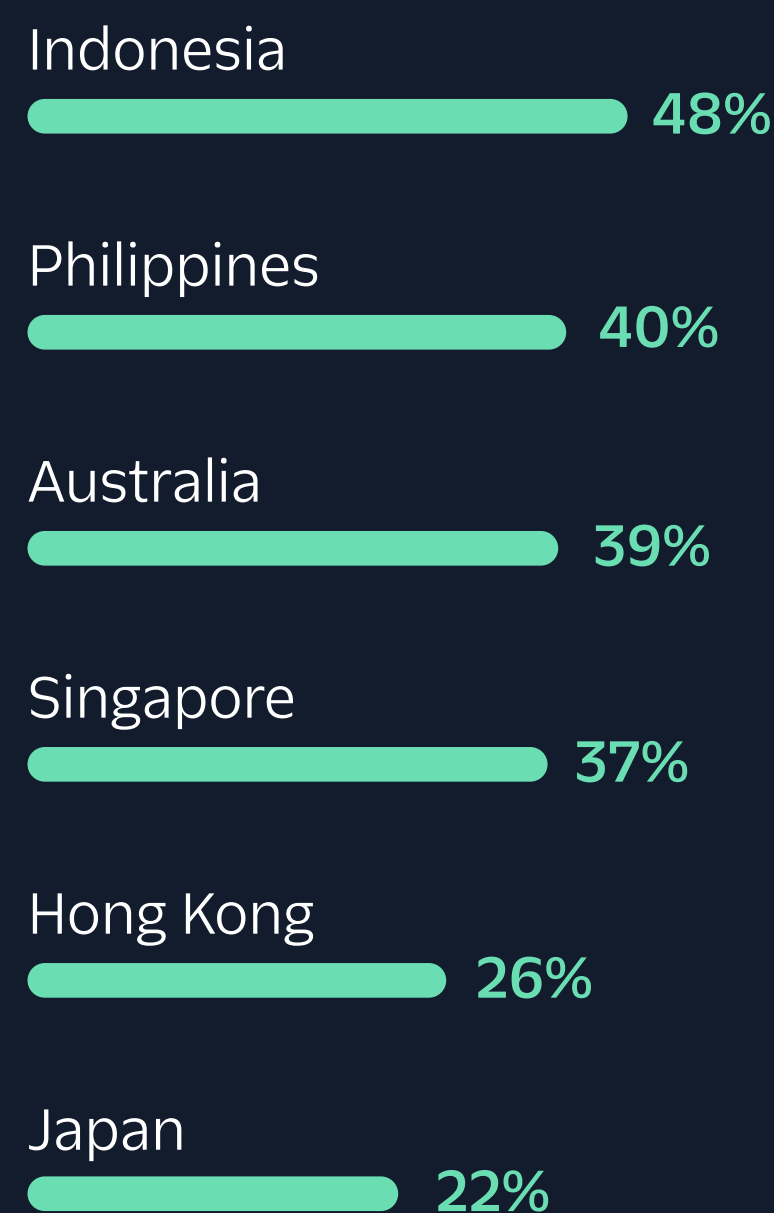
APAC consumers' attitude to cookies



One thing is certain: consumers expect transparency. **Nine out of 10 consumers say that if websites don't disclose their use of cookies and allow people to opt out, they will lose trust in the brand.**

However, consumers in some countries, such as Indonesia and the Philippines, feel more strongly about this than others.

APAC countries where consumers strongly agree that they lose trust in a brand if it doesn't disclose its use of cookies and allow them to opt out



2* consumers will share data in the *Right circumstances*

As brands approach a cookieless future, they are acquiring their own consumer information – in the form of zero, and first-party data – rather than relying on third-party cookies. Our survey, and what we hear from our own customers, suggests that this approach leads to the best outcomes for businesses, and for their audiences and customers.

While many APAC consumers won't be sorry to see the end of third-party cookies, most are open to sharing data directly with brands under the right circumstances.

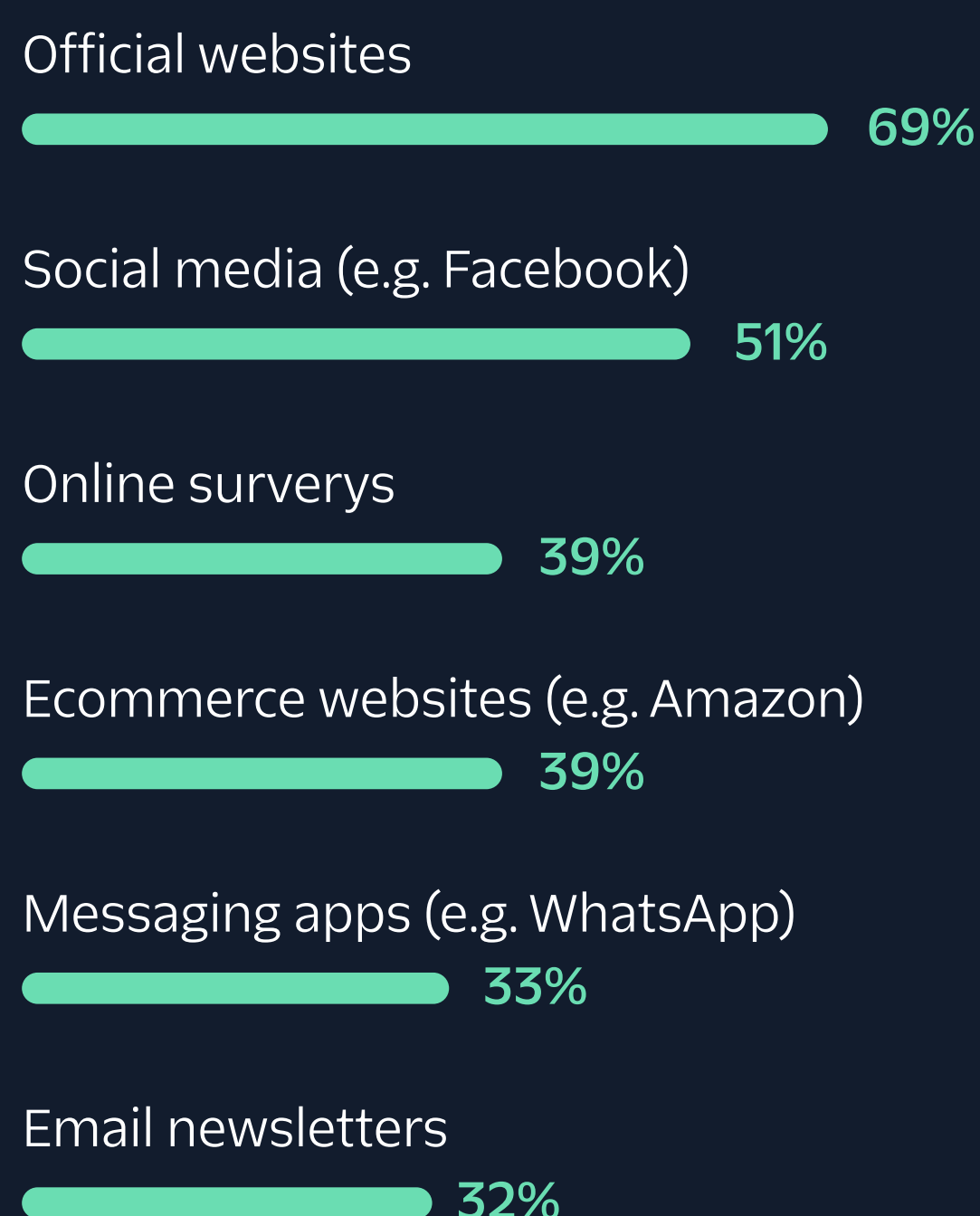
In fact, **64%** of consumers say they would be more willing to engage with a brand reaching out to them if their personal data was obtained directly from them.

However, some channels seem to be more trusted than others, with consumers most willing to share personal data via a brand's official website.

Demographics appear to be an important factor too. For example, while 55% of consumers aged 25–44 are willing to share personal data through social media platforms, only 30% of people over 55 are willing to do so.

There are limits to what data consumers are happy to share. For instance, the majority are comfortable sharing demographic information and nearly half don't mind sharing their purchase history.

Channels that APAC consumers are willing to share data on



Types of data that APAC consumers are comfortable sharing online



3* *The shift* from third-party to first- and zero-party data

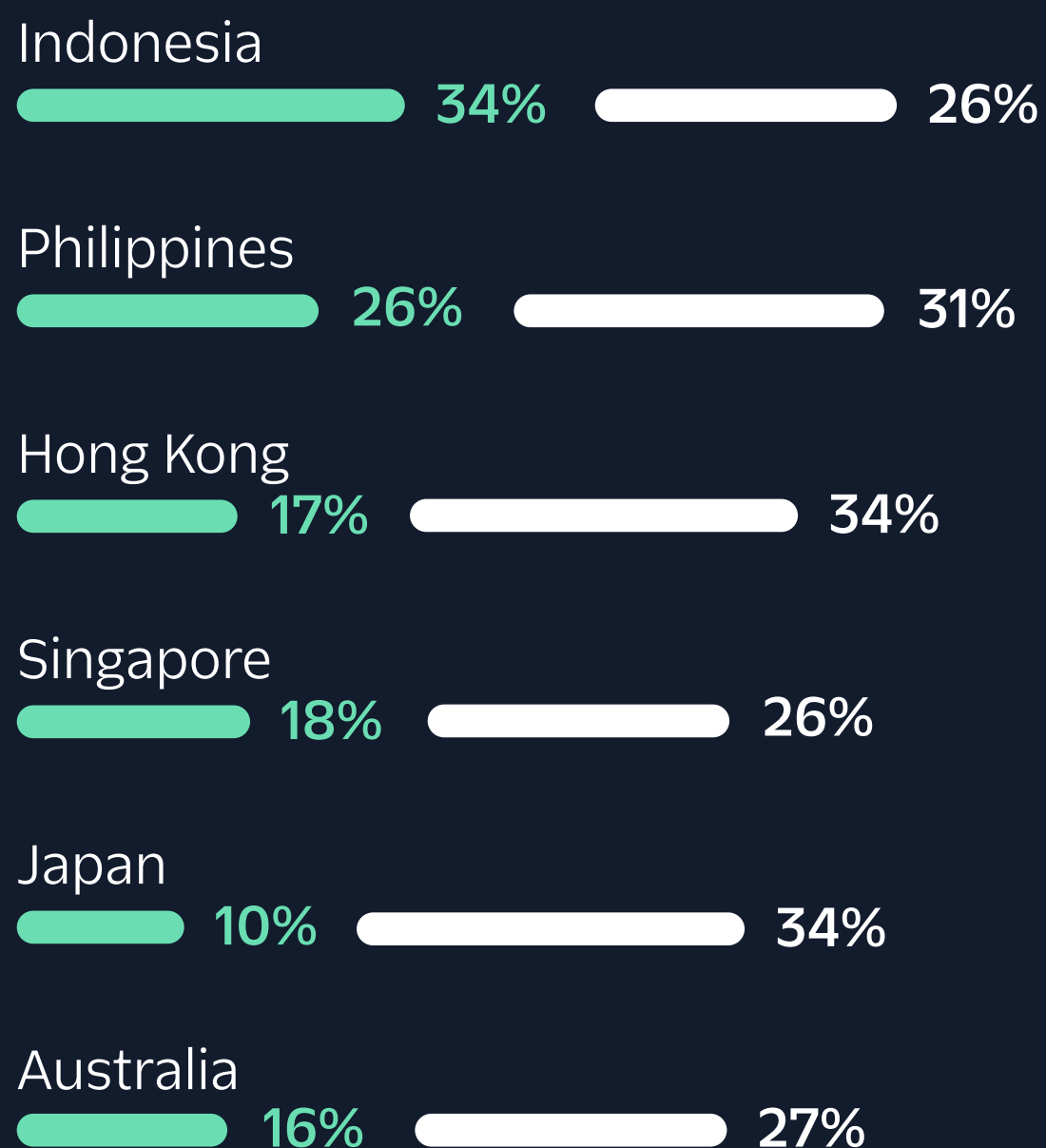
With the imminent demise of third-party cookies, brands are looking to reduce their dependence on adtech platforms and other third parties. Instead, they are adopting strategies based on acquiring their own consumer information. This generally includes ‘first-party data,’ which is collected from customers at various touchpoints, such as online shopping carts and subscription emails.

However, brands are also increasingly pursuing ‘zero-party data,’ where consumers voluntarily share information via surveys, polls and the like.



4* Consumers value personalisation

APAC countries where most consumers say they understand how their data is used

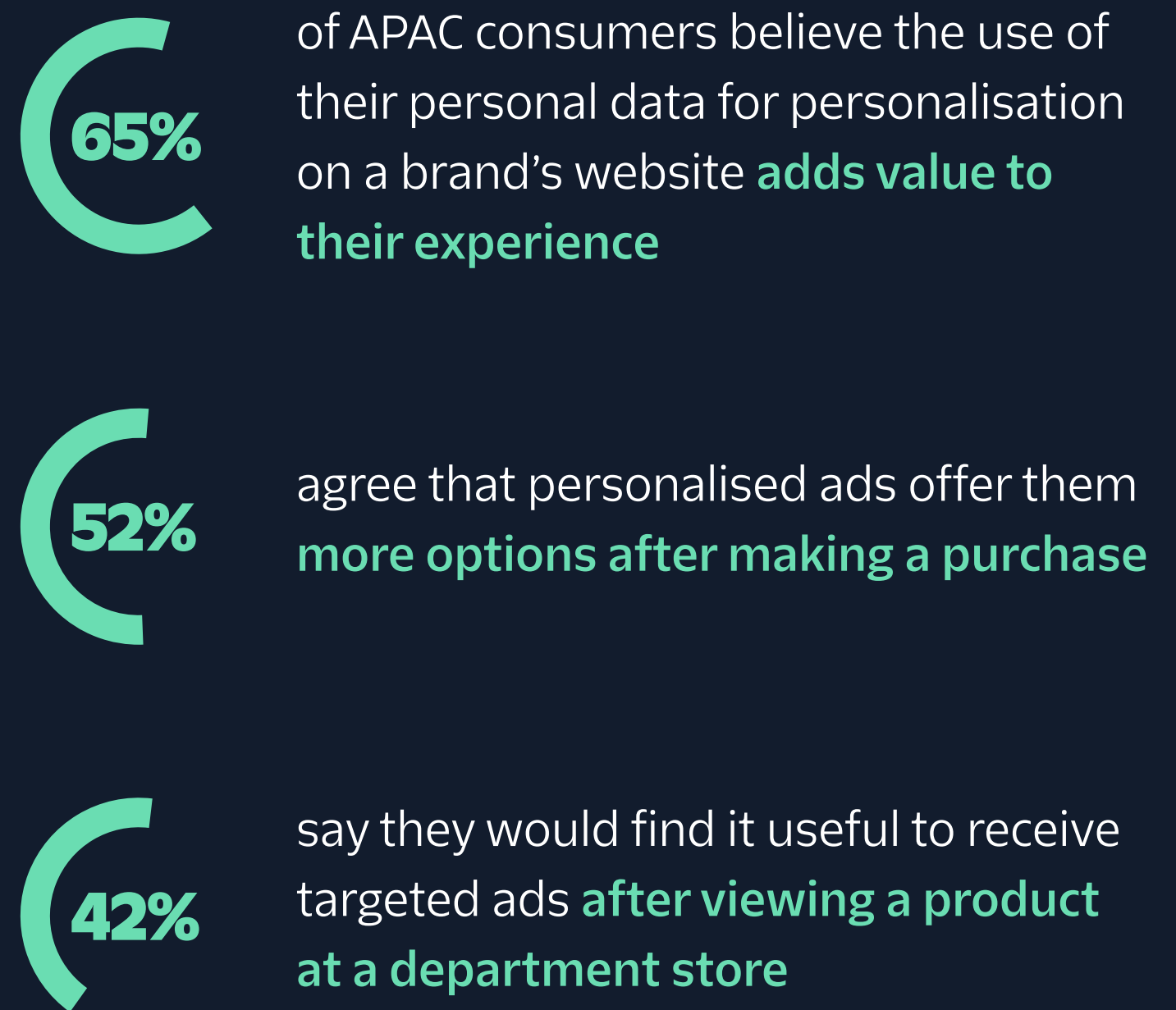


- I have full knowledge of how organisations use my data
- I generally know how my data is used

With APAC home to more than half of the world's internet users, its consumers are among the most digitally savvy. Our survey largely confirms this, with 50% saying they have at least some understanding about how businesses use their personal data.

However, that understanding varies across the region. Consumers in Indonesia and the Philippines are generally more confident they have some knowledge of how their data is used than those in other countries.

What type of personalisation are most effective?

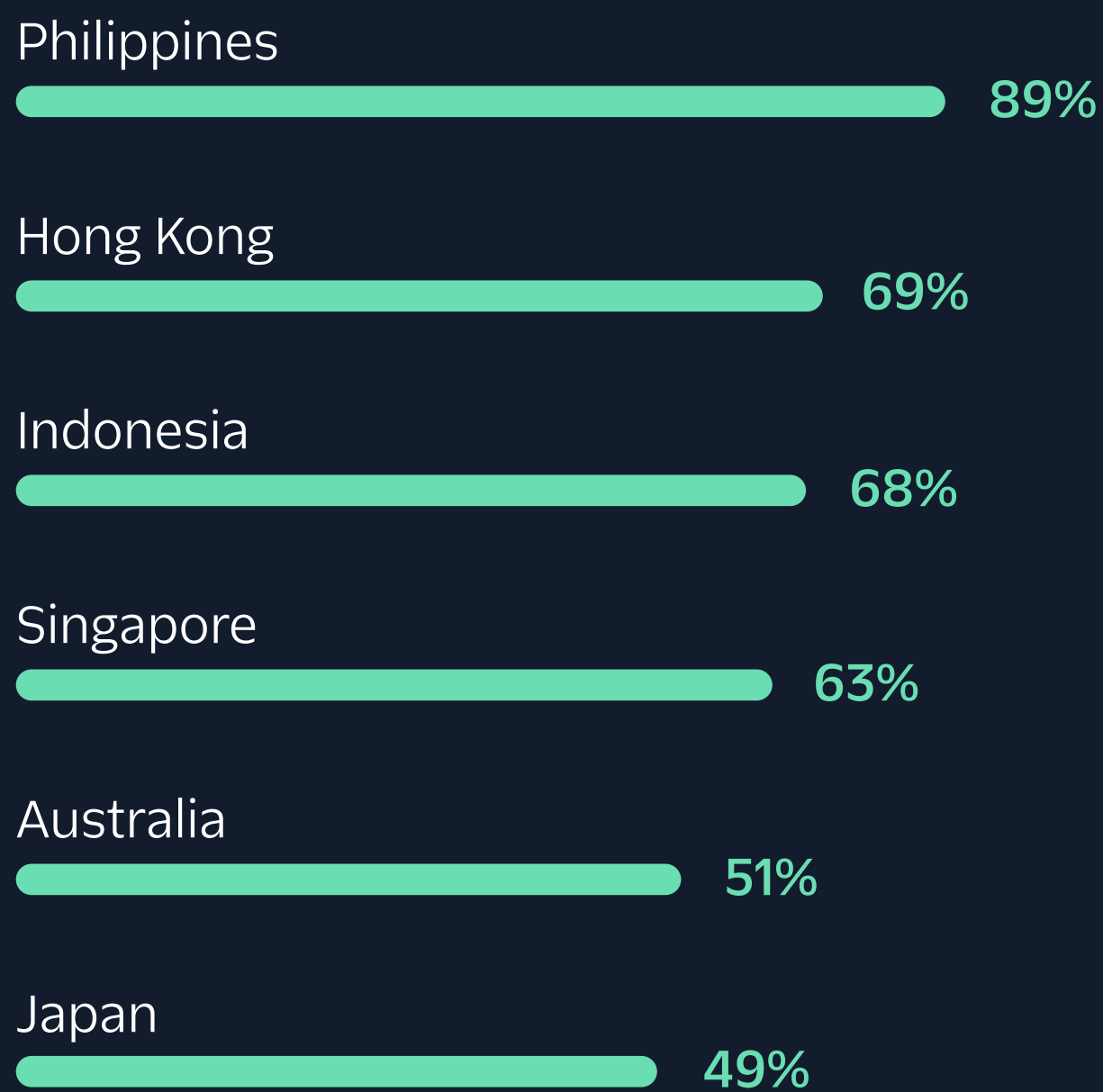


Importantly, APAC consumers generally understand and value how sharing data – in an informed, deliberate way – improves their daily lives.

For example, the majority believe the use of their data for personalisation on a brand's website adds value to their experience. This includes tailored content such as product recommendations based on their purchase histories.

Furthermore, only a quarter of consumers say being targeted with personalised ads makes them feel uncomfortable.

APAC countries where consumers say website personalisation adds value to their experience



However, the attitudes to personalisation differ between demographic groups. While less than half (46%) of consumers aged over 55 believe the use of their personal data for personalisation on a brand's website adds value to their experience, that figure jumps to 70% for people aged 25-44.

Attitudes also vary between the respondents in the six surveyed nations. This suggests that businesses in countries such as Australia and Japan may need to work harder to convince consumers that personalised experiences are valuable enough for them to share their data.

5* Trust is the most powerful incentive for sharing data

Although consumers are willing to share their data with brands to benefit from personalised experiences, their strong understanding of how their data is being used makes them highly selective how they share it. In this context, our survey reveals that trust is crucial for companies to unlock the full potential of first- and zero-party data.

Incentives can increase consumers' willingness to share their data with companies. The survey suggests that cash rewards (64%) are the most effective incentive, followed by discount coupons (44%) and loyalty points (39%).

However, offering incentives has its limits. While most consumers (66%) are comfortable sharing demographic data, only 12% are willing to share all personal data when an incentive is offered.

The value of transparency in gaining trust

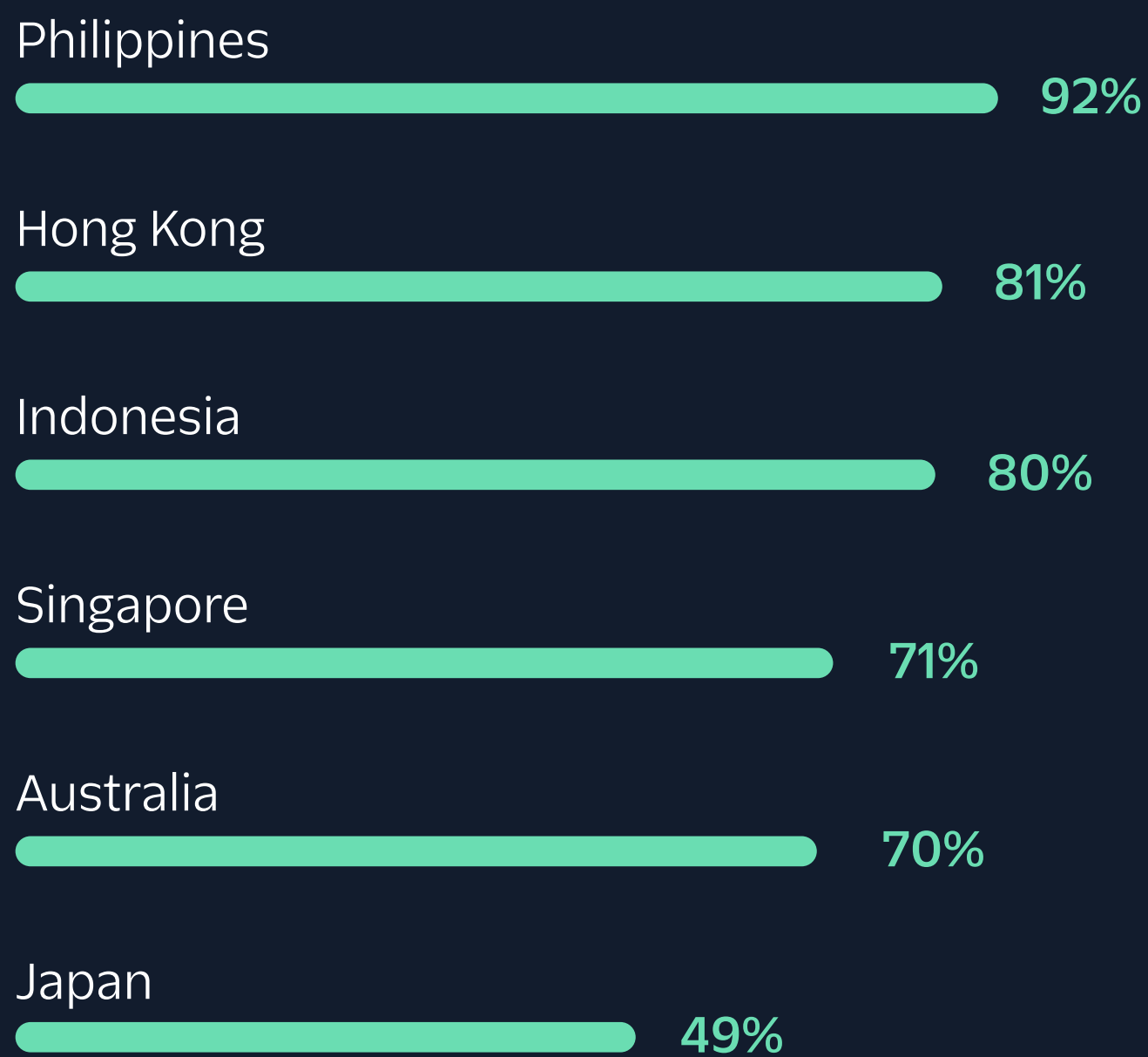
60% of APAC consumers say businesses need to **ask for consent to use their data to earn their trust**

74% say they are **willing to share more information with trusted brands**

60% say that to increase trust, companies need to **make clear how their data will be used**

Our survey shows that trust is a far more powerful incentive. In fact, nearly three quarters of consumers who are otherwise unwilling to share their personal information indicate that they would be more inclined to share data if they trust the brand.

APAC countries where consumers are most willing to share data with trusted brands



Most businesses seem to understand now that trust must be earned – and that they can't force people to share data. Less than a quarter of APAC consumers surveyed say they feel obliged to share their personal data “most of the time” in order to access a service.

Building consumer trust isn't easy for any business and our research suggests it may be more challenging in some countries than others. For example, consumers in Japan appear to be less willing to share data than consumers in other countries.



The first step is to inform consumers. Our data suggests that consumers who know how organisations use their personal data are more likely to value personalisation.

Informed customers are more likely value personalisation

Customers with full knowledge of how their data is used



Customers who generally know how their data is used



Customers unsure how their data is used



Value personalisation

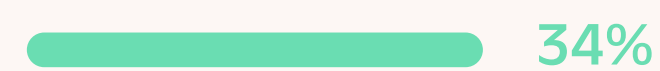
Similarly, informed consumers are more comfortable with all their personal data being shared online.

Informed customers are more comfortable with all their personal data being shared online

Customers with full knowledge of how their data is used



Customers who generally know how their data is used



Customers unsure how their data is used



Comfortable with all personal data being shared



Our survey results show that trust can also be built if brands provide good customer experiences, and are honest and transparent about their policies. On the other hand, brands perceived as being trendy aren't necessarily trusted by consumers.

Which brands APAC consumers trust most



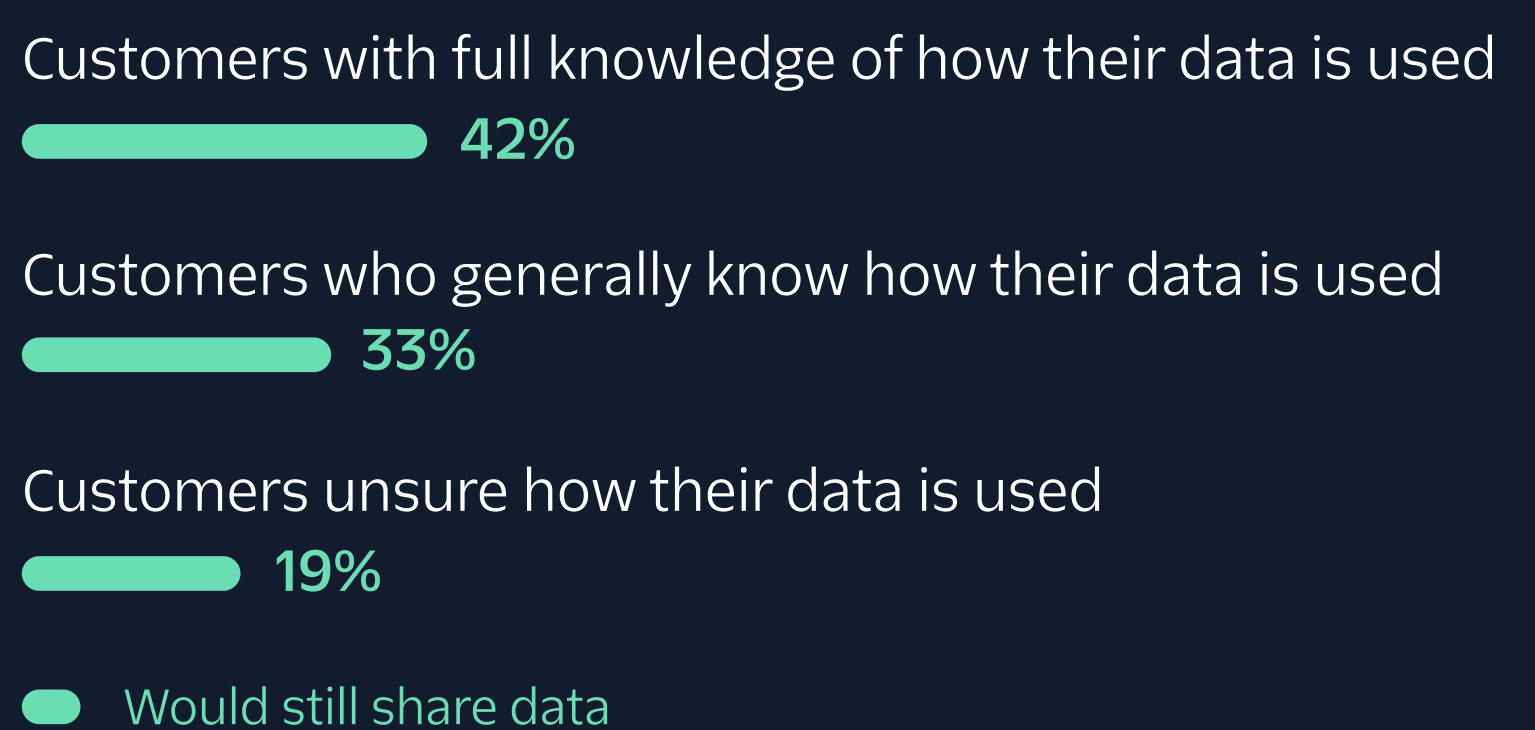
6* Cyberattacks don't have to end in disaster



In an era of relentless cyberattacks, transparency is vital in maintaining the trust of consumers. Our research shows that consumers who understand how an organisation uses their data are more likely to continue sharing information with that brand, even after a breach, than those who are unsure how their data is used.

And in the event of a breach, clear communication is critical to mitigating any damage caused by the incident. In fact, consumers' trust may actually increase if a business handles cybersecurity incidents well.

Informed customers are more likely to share data with a favourite brand after a breach



64% of APAC consumers say their willingness to share personal data with their favourite brand would increase if the brand is transparent about a breach and is taking initiatives to address the situation.

Next steps for brands: Earn *TRUST* and *unify* data

Digital advertisers and marketers must adapt to a generational change in how they engage with consumers online. There's no doubt the demise of third-party cookies will bring challenges, as marketers will be compelled to adapt their strategies for audience targeting and personalisation while protecting users' privacy. In short, the new data landscape will require innovative, privacy-compliant solutions that strike a balance between delivering relevant, tailored content to customers and building their trust.

The good news is this change presents businesses with a unique opportunity to foster long-term relationships with customers. Our survey results show brands can do by earning and keeping customer's trust – and that must be built on transparency. Businesses need to be sure to request consumers' consent when collecting and using their data, and provide clear communication about the companies' data practices. Honesty and accountability during cybersecurity incidents can further strengthen the relationship between brands and customers.



Ultimately, adapting to this new era comes down to dealing with consumers in good faith and delivering meaningful brand utility in exchange for sharing data. To this end, our findings suggest that consumers are open to businesses using their data to provide personalised messaging and advertising – but only when it adds value, improves their experience and respects their privacy.

The next challenge is to collect and analyse first- and zero-party data from all touchpoints and then act on insights derived from that data. Technology solutions such as a customer data platform (CDP) can help businesses by unifying data from multiple sources and systems – including user data from the company’s website, app, ads and surveys – and engage customers intelligently in real time.

CDPs can also play an important role in building customer trust by supporting compliance. Businesses can validate and transform all the data collected and automatically fix data issues at the source to maximise quality. The data used to make decisions is complete, accurate, and updated in real time. For instance, Twilio Segment aids data privacy compliance by managing user data deletion across supported platforms, enabling one-click suppression of data collection for specific users, and providing a single API for user data collection, facilitating data portability and instant rectification.

In an era where consumers demand a high level of personalisation balanced with data privacy, CDPs allow brands to understand customer preferences and tailor communications accordingly: at the right time, on the right channels and at the right frequency.

However, technology solutions need to be part of a holistic strategy that also encompasses changing data-collecting and governance processes, and the ways teams engage with consumers across every touchpoint. Only then will brands have the data-sharing model and be capable of providing consumers with the brand utility they need to succeed in a post-cookie world.

Contact us to discover how Twilio can help your organisation transform its data-sharing model or visit our website to learn about our CDP and customer engagement solutions.



About our survey

Twilio’s The Consumer Data Revolution in Asia Pacific (APAC) study findings are based on a survey conducted in January 2023, gathering from a total of 1,500 APAC consumers across six markets – 250 each from Australia, Hong Kong, Indonesia, Japan, the Philippines, and Singapore. The survey respondents included a broad range of demographic groups, from 18 - 24 years old to over 55.



Millions of software developers use Twilio’s platform and communication APIs to help businesses build more meaningful relationships with their customers.