

When Consumers Control Data: How to Build Trust and Succeed in the New Digital Era

Businesses are facing a huge challenge to change how they gather and use consumer data. Our surveys of Asia Pacific marketers and consumers offer deep insights into how businesses can adapt and thrive following the phasing out of third-party cookies.



Introduction

Preparing for a world without third-party cookies

For more than two decades, digital advertisers and marketers have been able to use third-party cookies to track users across the web and programmatically serve them with targeted ads. So when the dominant player, Google, announced that it would phase out support for third-party cookies in its browser, it sent shockwaves through the industry. After all, the programmatic ad market is valued at US\$157 billion in the Asia Pacific (APAC) region alone.

In retrospect, Google's announcement should not have been a surprise, given the intense pressure from regulators and consumers to improve online privacy. It follows years of data breaches and misuse, culminating in governments strengthening data protection and privacy laws.

Apple and Mozilla have already blocked tracking cookies in their browsers, and while Google has since delayed its initiative, there's no doubt that advertisers and marketers are facing profound change. They will have to find new ways to understand consumers' online behaviours and serve targeted ads.

As a result, many marketers are setting their sights on acquiring information directly from consumers, rather than relying on data from adtech firms and other third parties.

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

In this report, we analyse responses from marketers and business owners in Australia, Hong Kong, Indonesia, Japan, the Philippines, and Singapore. Their answers reveal how organisations are dealing with the shift. We also share key insights into consumers' attitudes to sharing their data with businesses and personalised services.

Together, the results of the two surveys provide a glimpse into a post-cookie world where brands need to move beyond conventional marketing models. This report will show that to increase customer engagement and loyalty, marketers must adopt a new data-sharing model that consumers trust – and one that is mutually beneficial to both brands and customers. The holy grail will be to unlock deeper insights so a brand can offer meaningful utility by providing customers with greater value and communicating with them as truly unique individuals.

See our [The Consumer Data Revolution in Asia Pacific report](#) for more insights from our survey of 1,500 APAC individuals on their attitudes to third-party cookies and data sharing.

Marketers are optimistic about a future without cookies

Our survey shows that APAC marketers are increasingly optimistic despite the demise of cookies. Most marketers now see it as an opportunity to restore trust among consumers in how businesses use their data. In fact, the majority of marketers now advocate for consumer data privacy and welcome the phasing out of third-party cookies.

Our survey results suggest that the shift away from using third-party cookies may have been inevitable. The change is being driven by a mixture of push factors, such as the unreliability of third-party cookies in the data privacy era, and pull factors, as first-party data becomes increasingly efficient and valuable. Marketers are also more prepared to make the switch away from third-party cookies today than they were in the past.

Not surprisingly, most consumers would welcome this change in approach. In fact, 64% of respondents in our consumer survey say they would be more willing to engage with a brand that reaches out and obtains their personal data directly from them.

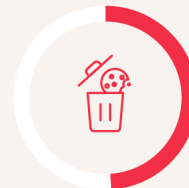
Why APAC marketers are bullish about the sunset of third-party cookies



92% agree that phasing out third-party cookies could help build greater trust in advertising among consumers in the long run



84% advocate for consumer data privacy and welcome the phasing out of third-party cookies



49% of organisations are more prepared for the phase-out of third-party cookies in 2022 than they were in 2021

The push factors driving a shift away from third-party data sources

With the increase in privacy concerns and regulations around data collection, marketers are becoming progressively aware of the limitations of third-party data sources.

Most marketers in our survey say they have seen a decline in the quality and depth of information obtained from third-party data sources. That's perhaps not surprising given 72% of respondents in [our consumer survey](#) believe people should "try to stay away" from websites or apps that use cookies.

Marketers are also facing challenges relating to data privacy laws and lack of visibility over third parties' data safeguards and security policies.

Further regulation has meant that consumers now have more control over how their data is collected. In addition, privacy-conscious consumers have been increasingly using browser extensions to block cookies. As a result, the volume of available third-party data has decreased.

The biggest challenges of using third-party data in APAC organisations

Quality of the data



Insufficient visibility over third-party data safeguards and security policies



Its use is often restricted by data privacy laws



Incomplete data sets



Data is outdated (does not reflect live changes)



Faced with these challenges, marketers are finding that the use of third-party data is not sustainable, both in terms of campaign performance and impact on consumer trust. They know they must adapt to the new realities of digital advertising and develop alternative solutions that prioritise consumer privacy and data quality.

What APAC marketers say about third-party data sources



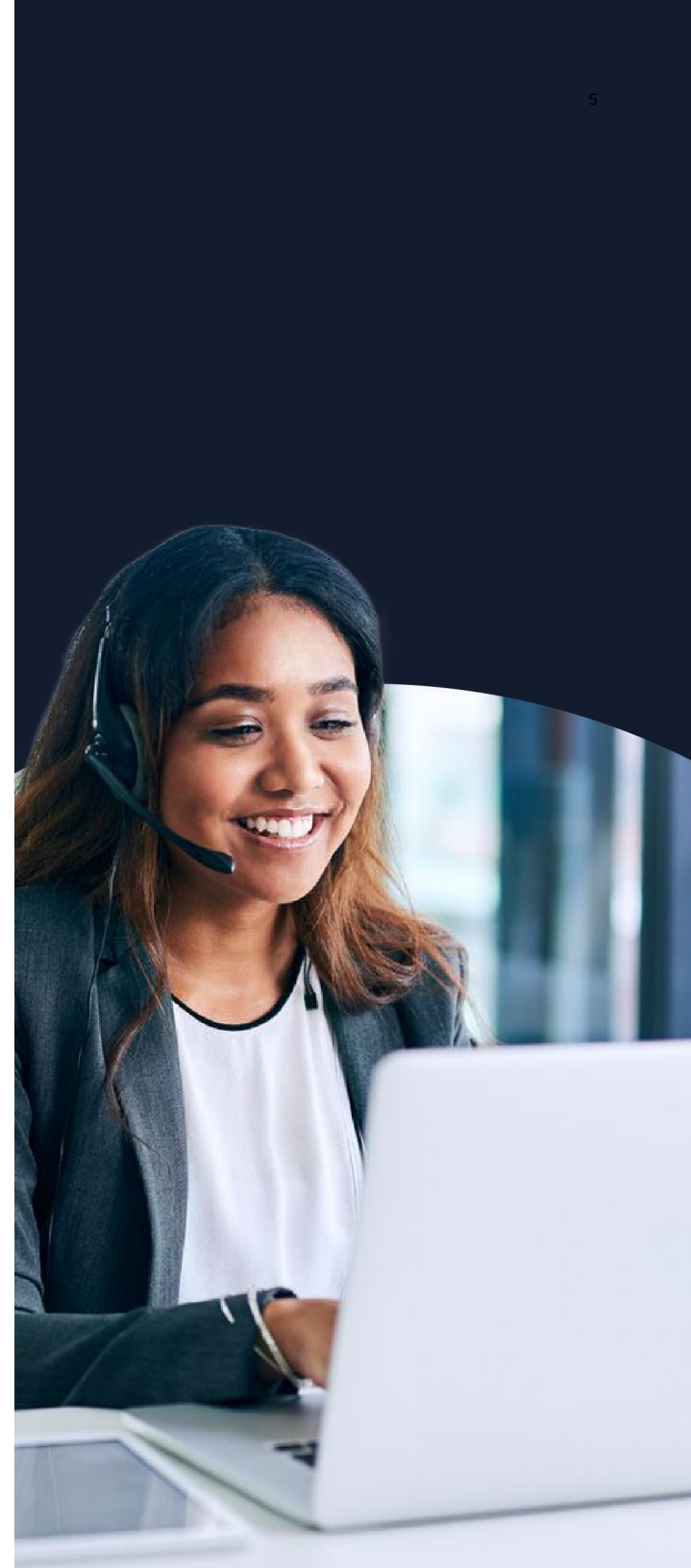
have observed a **decline in the quality and depth of personal information obtained** from third-party data sources



agree that **privacy-conscious consumers are using browser extensions** to block cookies



of marketers have noticed a **drop in the amount of third-party data collected**



The pull factors encouraging the shift to first- and zero-party data

Increasingly, the solution to the challenges marketers face involves them using the data they have on hand. Our survey results suggest that while some marketers still rely on third-party data sources, it is primarily for convenience and commercial viability. First-party data – data that is passively being collected as customers interact with an organisation’s owned channels to expand or nurture their existing customer base – is deemed as more valuable and more secure than third-party data. In spite of this, marketers are not using first-party data primarily due to a lack of skills, resources, and time. Some companies may feel uncertain about where to start when it comes to collecting first-party data.

The majority agree, however, that phasing out third-party data will lead to greater reliance on customer-provided data, which is more useful for marketers.

What APAC marketers say about zero- and first-party data



believe **first-party data is more useful** than third-party data



agree that phasing out third-party data will lead to **the increased use of customer-provided data, which is more useful for marketers**



believe consumer data will become **more secure when large companies no longer rely on third-party data sources**

Marketers are also gaining a deeper understanding of how to use first-party data in their sales and marketing strategies. Most use it to expand or nurture their existing customer base and retarget relevant audiences. Attracting new customers is another popular use, as is gaining behavioural insights to customise the consumer experience.

How first-party data is used by APAC organisations



Comparing these benefits against the most useful applications of third-party data, respondents believe that first-party data can fill the void from the phasing out of third-party cookies. The top benefit of using third-party data is seen as data enrichment through a greater understanding of customer habits, behaviours and demographics. This was followed by providing insights to better understand and respond to shifts in customer demands and behaviour.

Given inadequate visibility over third parties' data safeguards, security policies, and procedures, 69% of organisations in APAC have already

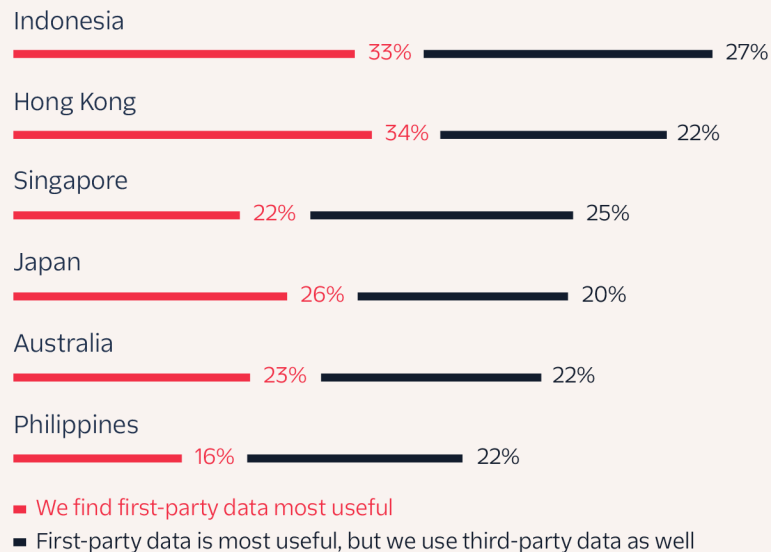
turned to first-party data. Most marketers (75%) at least have a basic understanding of the positive value of first-party data. They have identified greater accuracy, flexibility and control (48%) as the main benefit of using this data, followed by an improved ability to personalise customer engagements (46%) and targeting the right customers (45%).

Nevertheless, our results indicate that businesses in the six surveyed nations are at different stages of their shift to first-party data. This suggests that businesses in Australia, Japan, the Philippines and Singapore may need to accelerate their transitions.

Beyond first-party data, of particular value among marketers is zero-party data – which customers intentionally and proactively share through surveys and other direct feedback avenues – as this allows brands to customise marketing efforts based on each consumer's preferences and motivations; improve services through consumer feedback on issues; and strengthen relationships by creating a better sense of trust.

Based on Twilio's study, 92% of marketers surveyed in APAC are already collecting zero-party data, primarily through surveys (58%), social media polls (52%), and email campaigns (51%), and this is a step in the right direction, given increased consumer expectations around consent and transparency. Moreover, 64% of consumers in the region are more willing to engage or respond to brands that directly obtain consumer information from them instead of third parties.

Which APAC countries find first-party data more useful than third-party data



Beyond first-party data and personalisation

With the imminent demise of third-party cookies, brands are acquiring their own consumer information rather than relying on third-party data. 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.

By collecting and unifying first- and zero-party data, brands can elevate their customer experience with 'individualisation' that goes beyond segmenting audiences and providing basic personalised messaging. It enables businesses to treat customers as unique individuals, offering them more value and brand utility. For example, a brand can provide more relevant, timely, and individualised special offers by tapping into a customer's purchasing history combined with their buying intentions from a recent survey and product preferences from a poll. Brands can also improve their ability to conduct cohort analysis and improve their retention strategy by understanding how specific audiences differ in their propensity to churn.

However, all this depends on customers being willing to share their data – and that requires gaining their trust.

Why APAC marketers are using first-party data



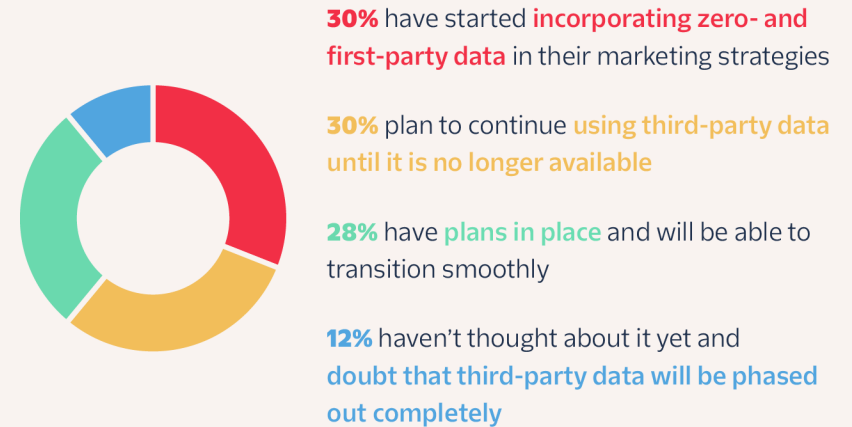
Gaps in the use of zero- and first-party data

Despite marketers’ growing optimism around the potential of zero- and first-party data, our survey results suggest there are still many gaps to fill in the industry-wide application of this type of data.

Our survey results show that while a third of marketers have started incorporating first- and zero-party data in their marketing strategies, many have not. In fact, 42% haven’t even thought about it or plan to continue using third-party data until it is no longer available. These

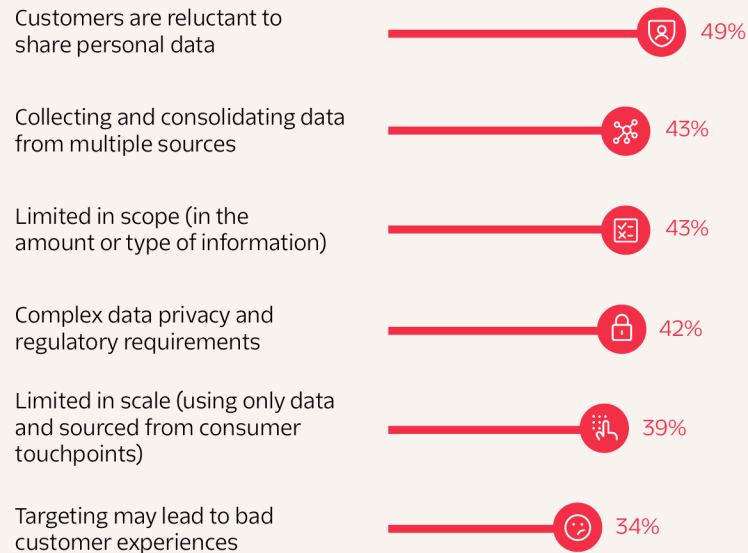
organisations run the risk of having to rush their transition or missing key marketing opportunities while they adapt.

How APAC marketers plan to address the phasing out of third-party cookies



In addition, while 50% of marketers understand the value of first-party data in theory, they have yet to see how it can work in daily operations. For example, one hurdle marketers experienced when using first-party data for customer engagement is the longer time needed to complete a task compared to the time required to do the same task with third-party data. Other significant challenges include customers’ reluctance to share personal data, and the difficulty in consolidating data from multiple sources. At this stage at least, some marketers are finding first-party data is limiting their scope of the amount and types of information available.

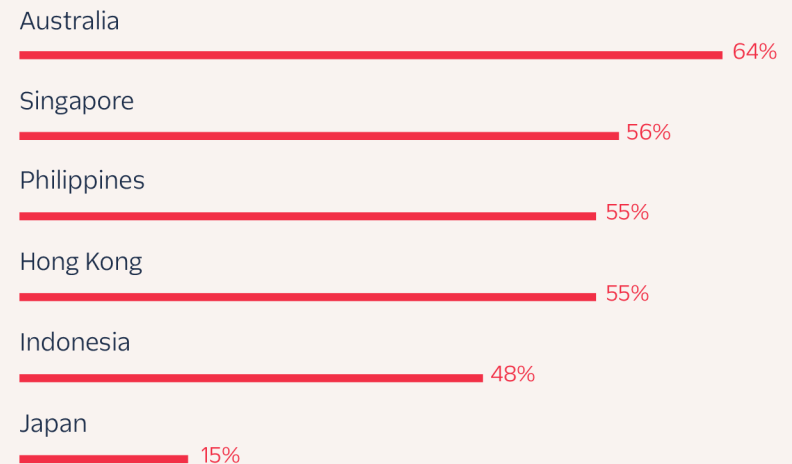
The challenges of using first-party data in APAC organisations



Furthermore, the cost of collecting and using first-party data remains a challenge, especially for smaller businesses. Only a third of marketers identified lower costs as a benefit compared to leveraging third-party data sources, while the majority believe that phasing out third-party cookies will have a bigger impact on small companies that have limited access to first-party data.

Also, marketers in different APAC countries surveyed report varying levels of willingness among consumers to share personal data. This suggests that businesses in Australia, Singapore, the Philippines, and Hong Kong may need to work particularly hard to build trust among customers.

APAC countries where customers are most reluctant to share personal data with brands



Despite these challenges, most organisations (58%) remain committed to exploring alternative ways of gathering consumer information and insights.

The challenges facing APAC marketers



understand the value of first-party data in theory, but have **yet to see how it can work out in daily operations**



say that collecting and using first-party data is **more time-consuming than leveraging third-party data sources**



say it takes longer to **perform a task compared to the time required to do the same task** with third-party data



agree that phasing out third-party cookies will have a **bigger impact on small companies than large enterprises**

The opportunities for innovation in digital marketing

The issues marketers have collecting and using zero- and first-party data suggest that many have yet to take advantage of new technologies that can streamline or automate data-related processes.

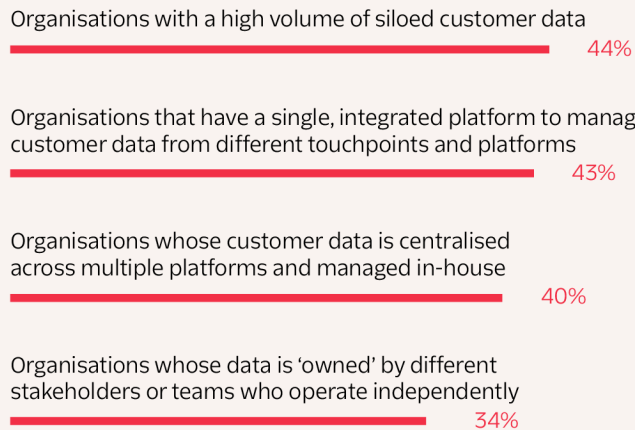
Customer data platforms (CDPs) are one such technology. Our survey results suggest that CDPs look set to play a major role in helping marketers consolidate and make sense of first- and zero-party data across multiple touchpoints such as mobile applications and websites as well as unifying online and offline data.

The majority of marketers say they would take advantage of an easier way to use first-party data to communicate and engage with consumers. More than half are motivated by the huge untapped potential of first-party data, while governance, compliance, and regulatory requirements are also strong drivers to adopt technologies such as CDPs.

Many organisations are struggling to manage customer data. Many say their organisations have a high volume of customer data, but that it still exists in silos. Others report that data is “owned” by different stakeholders or teams who operate independently. CDPs can solve these issues by integrating consumer data from multiple sources and driving improved data democratisation to empower teams concurrently. Marketers can use customer data to optimise campaigns, improve ROI, generate higher customer lifetime value, and open up new revenue streams.

Data analysts who rely on clean high-quality data can deliver critical insights to product and business teams. Product owners can have a better understanding of the customer journey, translating to smoother onboarding sessions and sticky products. Meanwhile, developers can spend less time building and maintaining integrations, while shortening time-to-value, with a powerful and flexible CDP.

How APAC organisations manage consumer data

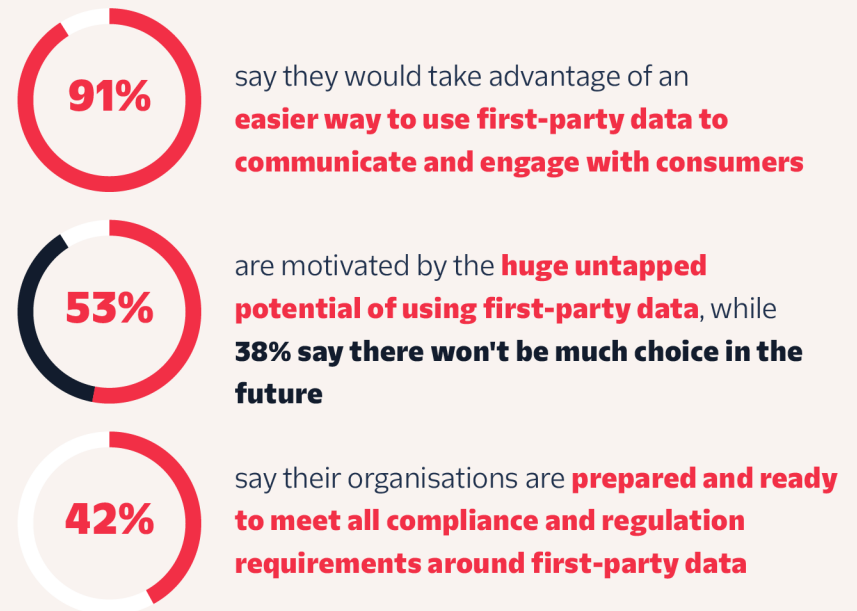


However, the experiences of marketers who use CDPs vary significantly. Most (58%) say their CDPs lack relevant analytics capabilities, while half of them say they have difficulty managing channels and need to spend time consolidating findings from multiple sources. Difficulty with scaling and lack of buy-in and adoption from non-technical users are other significant challenges.

These issues suggest that different CDPs vary in their capabilities and that organisations' maturity levels with these technologies may also vary. There also needs to be further education around the value of CDP platforms, as 71% of organisations that have not engaged a data platform solution provider are unsure of their benefits.

Despite these challenges, CDPs may prove to be essential in helping organisations transition away from their dependence on third-party data. They also offer huge opportunities for marketers to innovate and unlock value from zero- and first-party data.

Why APAC marketers are ready to adopt new technologies



APAC consumers reveal how to earn their trust

Our APAC consumer survey confirms that trust is the key to unlocking consumers' willingness to share their data. However, gaining and keeping that trust may be a challenge. To this end, our consumer survey offers some important insights, while also revealing how organisations can benefit from making those changes.



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



60% of consumers say that to increase their trust in a brand, a company needs to:

- inform them in a clear and understandable way as to how their data will be used
- ask for consent to use their data
- assure them that their personal data will stay within the organisation and will not be sold to third parties



65% of consumers believe the use of their personal data for personalisation on a brand's website adds value to their experience

What next? Consider three key steps

As our survey results show, marketers in the APAC region have good reason to be optimistic about a future without third-party cookies. For a start, the shift is accelerating the trend towards using first- and zero-party consumer data for marketing initiatives, which will help mitigate increasing privacy concerns and regulatory issues.

There's also a broad consensus among marketers that the quantity and quality of third-party data have declined, while first- and zero-party data is more valuable and secure. Furthermore, most see the transition as a huge opportunity to restore consumers' trust in how businesses use their data – and to deepen their relationships with customers.

However, like all major transitions, marketers are facing challenges. They may need to change their teams' thinking and wean them off their dependency on third-party data. They will likely need to redesign their data-collecting processes and solve technology-related issues such as how to consolidate first- and zero-party data from multiple sources.

In summary, our surveys suggest that brands need to take the following three measures to transition away from using third-party cookies:

1. Educate marketing and other customer-facing teams on new ways needed to communicate with consumers. The aim should be to help consumers and build trust with every interaction.
2. Re-architect the business's data-collecting processes to capture first- and zero-party data across every consumer touchpoint.
3. Solve technology-related issues such as how to consolidate first- and zero-party data from multiple sources, so that teams have a unified view of every customer.

All three measures are needed to enable organisations to shift to a new data-sharing model that consumers trust. And that, in turn, is vital for unlocking deeper consumer insights so brands can offer meaningful utility and communicate with customers as unique individuals.

Making the transition may not be easy because every business is unique. Marketers need to be prepared to experiment and discover the best ways for their business to collect and use consumer data – and innovate with new ways to elevate customer experiences. But in a post-cookie world, the brands that adapt in these ways will gain a significant competitive advantage over slow movers that lack these capabilities and, importantly, consumer trust.

You don't need to do it alone. [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

For its When Consumers Control Data: How to Build Trust and Succeed in the New Digital Era report, Twilio surveyed 600 APAC senior and mid-level marketers and business owners in January 2023, including 100 each from Australia, Hong Kong, Indonesia, Japan, the Philippines, and Singapore. Separately for its [The Consumer Data Revolution in Asia Pacific](#) report, Twilio conducted a survey targeting 1,500 consumers across Australia, Hong Kong, Indonesia, Japan, the Philippines, and Singapore



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