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Media Alert: Asia Pacific Brands Risk Long-Term Business Harm While Relying on Third-Party Cookies

- **Majority (76%) of Asia Pacific (APAC) brands still rely heavily on third-party cookies**
- **Many (56%) cookie-using leaders say they view cookies as a “necessary evil,” even though they realise continued overreliance is a losing strategy for the long-term**
- **Over half (51%) of APAC leaders who use CDPs say they’ve already gained more direct relationships with customers, seen a rise in customer loyalty (41%), and an increase in the number and value of completed transactions (37%)**

Sydney, Australia — March 14, 2023 — Today, Adobe has released new research that shows brands aren’t taking the necessary steps to evolve their data strategies, despite serious near and long-term impacts on their businesses. The global survey of more than 2,600 marketing and consumer experience leaders (including 1057 APAC respondents) also explores the marketing investments and strategies that set industry leaders apart from the competition.

Across APAC, the majority (76%) of brands still rely heavily on third-party cookies, with over half (48%) of leaders expecting the end of third-party cookies will hurt their businesses. The research shows that ambiguity over cookie deprecation is causing confusion and, in some cases, inaction, with one in three (33%) APAC leaders stating they are not changing their marketing strategy out of a perceived lack of urgency, while others plan to change but are delaying cookieless preparation.

“Companies that aren’t diversifying their strategies are leaving money on the table today, and hurting their chances of gaining competitive advantages in the future,” said Gabbi Stubbs, APAC Product Marketing and Strategy, Adobe. “While a wholesale change in strategy takes commitment and long-term investment, the benefits are undeniable across all currencies that matter— from customer loyalty and satisfaction to a better bottom line.”

Brands rely heavily on third-party cookies

Although deprecation is on the horizon, 47% of APAC leaders still spend at least half of their marketing budgets on cookie-based activations – and 70% actually plan to increase spending on cookie-dependent activations this year. Most (65%) leaders in APAC still rely heavily on third-party cookies because they feel they’re very effective, while one in five (20%) of respondents believe that third-party cookies aren’t going anywhere.

Half (53%) of APAC leaders at cookie-dependent companies say that at least 30% of their total potential market is in environments where third-party cookies don’t work, such as social media platforms and on Apple devices, and 48% say that half or more of their potential market is in cookieless environments. Beyond the immediate consequences of being unable to reach

30-50% of potential customers, the impacts of this mistake will only compound with every passing quarter as the cookieless frontier continues to expand.

An overdependence on third-party cookies is about to backfire on brands

Many APAC leaders expect the end of third-party cookies will hurt their businesses, in some cases profoundly: 22% said it would “devastate” their businesses, 25% anticipate significant harm, and 25% predict a moderate negative impact. In some countries, the numbers are more concerning; 54% of leaders surveyed in Australia expect either devastating (31%) or significant (23%) impacts from cookie deprecation. Many heavy third-party cookie users believe they don't have a choice, with over half (56%) of cookie-using leaders saying they view cookies as a “necessary evil,” even though many realise that continued overreliance is a losing strategy for the long-term. One in three respondents (39%) say they can't get the resources to evolve their strategies, a number that rises to over half of leaders (66%) in Japan.

While many companies are now on the path to abandoning cookies, a third (41%) are not. Some say they're not changing out of a perceived lack of urgency. Others plan to change but are delaying preparations.

Customer data platforms (CDPs) are helping brands prepare for a cookieless future, and a cookieless now

The research found that over half (51%) of APAC leaders who use CDPs say they've already gained more direct relationships with customers, a rise in customer loyalty (41%), and an increase in the number and value of completed transactions (37%). CDPs also improve internal workflows, with 44% saying it enabled better and faster work across marketing and IT and more efficient ROI production (32%).

Adobe Real-Time Customer Data Platform (Real-Time CDP) now delivers billions of predictive insights a year based on real-time customer profiles. These insights empower teams to engage customers who are likely to buy – or who may be considering switching to a competitor. The platform has become the customer experience engine of choice for leading brands across numerous industries, including Coles, SBS and Suncorp.

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